Investor Chosen To Develop Prospect Reef

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Prospect Reef Resort
Photo Credit: BVI Platinum News

The National Democratic Party (NDP) administration has selected an investor for the development of government-owned Prospect Reef. Premier and Finance Minister, Hon. Dr. Orlando Smith announced today, September 22, that government will soon be closing a

deal with ICA Group to have Prospect Reef developed into a four-star hotel. BVI Platinum News understands that the group consists of both local and foreign investors.

The Premier was responding to questions in the House of Assembly from Opposition Leader, Hon. Julian Fraser on the plans for Prospect Reef, which was purchased by the NDP back in 2005 with a view to develop it into a Culinary Institute and Hospitality Centre. However, that did not materialize.

"...Cabinet has since made the decision to move ahead with giving the ICA Group the opportunity to develop Prospect. We are currently in negotiations with them to develop a Memorandum of Understanding (MOU) and subsequently a development agreement. In short, the full benefits of Prospect Reef to the people of the BVI will be a world-class hotel," he said.

The Premier said that there will be some 130 rooms, a large conference room and other amenities.

"...It will ultimately transition into jobs, indirect and direct investment for government...rental income."

Previously, it was noted that the development is expected to transform the property into a world-class luxury resort. With the investment, the property is expected to be developed over a period of three years and will include the construction of villas, hotel suites, recreational facilities, conference facilities, branded condominiums, office space and restaurants.

"I have recognized for several years that there is a need to have the hotel developed to a four, five-star centre, and this is what I spoke about earlier, and we intend to do that...So after discussions and review of some offers, we have the ICA Group to take over the development of Prospect Reef, " the Premier said today.

He added, "And given what they have proposed, it will be a decent facility at least reaching four-star...Making provisions for a significantly large enough conference centre."

On April 5, 2013, government sent out a tender notice inviting suitably qualified long-term firms to express interest in developing the site. Government had then selected United Kingdom (UK) firm McAlphine to carry out the $100M development, but the company pulled out.

Premier Smith said McAlphine wanted a feasibility study conducted, and for government to foot that bill before moving forward.

Government then continued to explore other offers.

Premier Smith also provided the House of Assembly with attachments of the income and

expenditure of Prospect Reef, which suggested it was operating at a loss. Government does not provide Prospect Reef with a subvention.