ACT NO. 9118

BILL NO. 36-0340

THIRTY-SIXTH LEGISLATURE OF THE VIRGIN ISLANDS

Regular Session

2026

An act approving the Reinstatement and Amendment to Lease Agreement between Government of the Virgin Islands, acting through the Commissioner of Property and Procurement and Water Island Development Company, LLC to develop the Water Island Hotel and Marina

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WHEREAS, on November 19, 2014, Governor John P. deJongh, Jr. approved the lease agreement between the Government of the Virgin Islands, acting through the Commissioner of Property and Procurement and, Water Island Development Company, LLC which was ratified by the Legislature on December 22, 2014 (Lease Agreement No. BCT-383);

WHEREAS, Water Island Development Company, LLC was leasing Tract B, Lots 24 & 25, Flamingo, Tract C and Catchment Area totaling approximately 68.848 U.S. acres located on Water Island to construct and develop a hotel and marina, including a deep water dock, hotel and other overnight lodging accommodations, a marina, infrastructure improvements necessary to operate the hotel, a full service spa, a social center and other related hotel and marina related facilities detailed in Section 4.02 of Lease Agreement No. BCT-383, "the 2014 lease";

WHEREAS, Water Island Development Company, LLC is seeking an amendment to incorporate Area V, Area Y, Tract E, Area W, Area X, Area I, Area L, Area N, Area M, Area M-1, Areas K & O, Area P, Tract A, Tract D, Area R, Area S, Area T, Tracts F, and Plot D into the leasehold, and remove Tract C and Catchment Area from the leasehold resulting in approximately 179.31 U.S. acres to develop the Water Island Hotel and Marina, related hotel and marina facilities, residential homes, including condominiums, townhouses and single-family lots, and for no other purpose;

WHEREAS, Water Island Development Company, LLC contemplates the sale of 55 acres of land owned by the Government of the Virgin Islands to develop residences for sale;

WHEREAS, Water Island Development Company, LLC is granted the option to acquire certain portions of land in fee simple by providing at least 15 days written notice to the Government prior to entering into a purchase agreement with a residential purchaser;

WHEREAS, Water Island Development Company, LLC shall pay six percent of the gross purchase price paid for each residential unit and 100% of the stamp taxes to the Government of the Virgin Islands;

WHEREAS, on May 28, 2026, Governor Albert Bryan, Jr. approved the amendment to the reinstated lease agreement between the Government of the Virgin Islands, acting through the Commissioner of Property and Procurement and, Water Island Development Company, LLC with an annual base rent of $120,000 payable in equal monthly installments of $10,000 upon expiration of the construction period; on the 10th anniversary, a base rent of $240,000 payable in equal monthly installments of $20,000; on the 25th anniversary, and every five consecutive years thereafter during the term of the lease, the base rent shall increase to five percent until the end of the lease term;

WHEREAS, title 31 Virgin Islands Code, part II, chapter 21, section 205(c) provides that in addition to the Governor's approval, the Legislature of the Virgin Islands must also approve the Reinstatement and Amendment to Lease Agreement No. BCT-383; Now, Therefore,

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Under title 31 Virgin Islands Code, section 205(c), the Legislature of the Virgin Islands approves the revised Reinstatement and Amendment to Lease Agreement No. BCT-383 between the Government of the Virgin Islands, acting through the Commissioner of the Department of Property and Procurement, and Water Island Development Company, LLC for Tract B, Lot 24, Lot 25, Area V, Area Y, Tract E, Area W, Area X, Area I, Area L, Area N, Area M, Area M-1, Areas K & O, Area P, Tract A, Tract D, Area R, Area S, Area T, Tracts F, and Plot D, Water Island consisting of an aggregate of 180.21 U.S. acres, more or less, as described in the Amended Exhibit B - Description of Leased Premises for a term of 99 years with a conditional extension of two years to develop the Water Island Hotel and Marina, related hotel and marina facilities, residential homes, and for no other purpose.

Thus passed by the Legislature of the Virgin Islands on August 4, 2026.

Witness our Hands and Seal of the Legislature of the Virgin Islands this 5th day of August, A.D., 2026.

LEGISLATURE OF THE UNITED STATES VIRGIN ISLANDS

Milton E. Potter
President

Avery L. Lewis
Secretary

Bill No. 36- 0340 is hereby approved.

Witness my hand and the Seal of the Government of the United States Virgin Islands at Charlotte Amalie, St. Thomas, This 7th day of August, 2026 A.D.

Albert Bryan Jr.
Governor