United States Virgin Islands
Tourism Master Plan

Prepared by: University of the Virgin Islands Center for Excellence in Leadership and Learning (UVI CELL) and the International Economic Development Council (IEDC)
Awardee: USVI Office of Management and Budget, Division of Economic Research
5.6.21

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Attribution

This plan was made possible by the Office of Management and Budget, Division of Economic Research of the United States Virgin Islands (USVI), which commissioned the University of the Virgin Islands Center for Excellence in Leadership and Learning (UVI CELL) and the International Economic Development Council (IEDC) to conduct the USVI Tourism Master Plan (TMP). The statements, findings, conclusions, and recommendations are those of the authors and do not necessarily reflect the views of the USVI Office of Management and Budget, Division of Economic Research, or the University of the Virgin Islands.

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Introduction

The United States Virgin Islands encompass 133.73 square miles and 106,406 people on four islands, St. Thomas, St. John, St. Croix, and Water Island, and includes many different environments, from the bustling capital city of Charlotte Amalie to the pristine Virgin Islands National Park on St. John, to the laid-back vibes of historic St. Croix.

By some estimates, tourism and associated economic development make up 60% of the Gross Domestic Product (GDP) in the US Virgin Islands.[1] Yet, tourism is an industry that is highly affected by external forces. In the past four years, the tourism industry in the US Virgin Islands has seen the devastating effects of forces outside the realm of control. The damage from back-to-back Category 5 hurricanes Irma and Maria in 2017 caused a major disturbance in the tourism industry; 2018 saw 1.937 million visitors, compared to a pre-hurricane peak of 2.814 million visitors in 2014.[2] In 2020, with the onset of the COVID-19 virus and the Centers for Disease Control (CDC) "no sail order", cruise visitation ceased and 40% or less of air arrivals were projected for 2020, which is a loss of $202 million.[3]

Increasing global threats such as climate change will continue to impact the tourism industry in the US Virgin Islands, as well as unforeseeable challenges such as economic downturns. As the territory plans for the future, there is an opportunity to change the tourism industry, improving it for the environment and the people of the islands. The goal of this Tourism Master Plan (TMP) is to lay out the path to a more competitive, diversified, sustainable, and resilient tourism industry for the territory. This plan captures and addresses post-hurricane impacts on the tourism industry and identifies ways to make the industry less vulnerable to economic downturns and natural disasters.

The TMP team employed a multi-directional approach to the data gathering for the plan including community outreach, surveys, a literature review, a review of past planning efforts, an analysis of the current situation of the tourism industry, benchmarking against other destinations, a tourism asset inventory, and a branding analysis.

After the team reviewed the data, five critical areas of improvement were determined as the greatest need to improve our tourism product.:

- Authenticity: Focus on Native Islanders and Local History and Culture
- A Mutually Respectful Tourism Experience from Beginning to End: Marketing, Attitude, Type of Tourism and Customer Service
- Capitalizing on the Blue Economy: Cruise Industry and Need to Diversify with Marine and Water Activities
- Improve Quality of Life: Addressing Crime and Infrastructure
- Diversification: Capitalizing on Investments and Industry Trends

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[1] https://fas.org/sgp/crs/row/R45235.pdf

[2] https://www.uvirtpark.net/clientuploads/Summit%202019%20Presentations/USVI_Economic_Trends__and_Conditions_2006-2018_FINAL.pdf Slide 14

[3] http://usviber.org/wp-content/uploads/2020/03/Review-of-the-Virgin-Islands-Economy-Final-March-25-2020.pdf

The USVI stands at the crossroads of an opportunity to revitalize and revolutionize the tourism industry across the Territory. As we repair and recover from the lingering effects of the 2017 hurricanes and the global pandemic of 2020, the tourism industry has the chance to be more inclusive, more sustainable, and more profitable for all involved.

Purpose

The Tourism Master Plan (TMP) was designed to capture and address post-hurricane impacts on the tourism industry and identify ways to make the industry less vulnerable to economic downturns and natural disasters. The plan lays out the path to a more competitive, diversified, sustainable, and resilient tourism industry for the territory.

Diversification and Resiliency

A resilient economy is a diverse one; when there are a variety of jobs, wages, and activities that comprise the economy, the impact of a downturn or disaster is lessened. On the physical side, resilience is about building an environment that addresses existing and potential challenges. When leaders face challenges such as climate change head-on, then the loss of life and livelihoods are lessened when the effects ultimately come to pass.

Methodology

The focus on diversification and resilience was driven by research both quantitative and qualitative. The TMP team employed a multi-directional approach to the plan including:

- A literature review of key trends in tourism, in the Caribbean, and abroad
- A review of 30 plans created from 2004 - 2020
- Economic analysis
- Numerous virtual community outreach events (list of outreach organizations in Appendix)
- A Strengths, Weaknesses, Opportunities, and Threats (SWOT) survey of the public that returned 61 results
- A survey of past visitors, which returned 22 results
- A survey of USVI residents living in the United States
- An analysis of business survival post-hurricane
- A tourism asset inventory
- Benchmarking against other destinations
- A branding analysis

Components not included in the text are listed in the Appendix.

Key Themes

The key themes seen in these recommendations are maintaining authenticity by showcasing the diverse West Indian culture and history of the USVI, integrating economic gains with gains for employees and entrepreneurs in the tourism space, and capitalizing on the strengths and

opportunities of the beautiful natural environment of the USVI and related industries that showcase this.

Through the SWOT survey and the community outreach events, the threat of environmental degradation was highlighted. This is partly due to the unique vulnerability the territory faces as a group of islands - issues of coastal erosion, increased flooding and ecosystem degradation resulting from climate change are near-term threats. But human behavior and policy decisions also impact the environment, from littering and unkempt properties to wastewater systems. Most importantly for this plan, the actions of tourists have an outsized effect on the natural environment. A large amount of feedback received was related to attracting tourists that respect the environment of the USVI.

Key Objective: Increase Overnight Guests

This plan is mainly concerned with growing the experiential sector of the tourism industry, with a basis in hotel and accommodation, supported by a robust network of small businesses, niche activities, and cultural experiences that draw visitors back again and again.

One of the key objectives of this plan, and the recommendations within, is to increase the number of overnight guests traveling and staying in the USVI. There is a distinct opportunity to expand the diversity of the tourism product and provide more and more varied products that encourage visitors to stay overnight, thereby increasing the amount of money expended per guest.

Overnight visitors that fly into the islands are likely to spend more on accommodation, food, and experiences. Overnight guests lead to:

- Increased wages in the tourism industry due to increased management position in hotels and resorts, and expansion of entrepreneurial businesses serving tourists
- Diversification of the tourism industry so it is more sustainable and attractive to many different kinds of customers
- Increased revenues of the Tourism Advertising Revolving Fund

While much of the growth in Caribbean tourism has taken place in all-inclusive resorts, the USVI is lagging behind.[4] Many hotels and resorts in the USVI were seriously damaged or destroyed in the 2017 hurricanes and have not been fully restored as of this writing. Along with the recommendations below, there is an overall need to restore and increase the number and diversity of lodging options in the USVI, which will, in turn, facilitate tourism spending in a more diversified economy.

Recommendations

The output of community discussion, surveying, and analysis, combined with data analysis of threats, weaknesses, strengths, and opportunities led the TMP team to the following recommendations.

[4] https://fas.org/sgp/crs/row/R45235.pdf

The chart below is a summary of the recommendations included within this plan. The full recommendations state the goals, objectives, strategies, metrics, and stakeholders for each topic area. Many of the recommendations are drawn from stakeholders' engagement in outreach activities and from the plans created that address tourism needs. It is the hope of the team members that this plan, and these recommendations, highlight the priorities of organizations already doing good work in the tourism economy of the USVI. The five recommendations are:

- Recommendation 1 - Authenticity: Focus on Native Islanders and Local History and Culture
- Recommendation 2 - A Mutually Respectful Tourism Experience from Beginning to End: Marketing, Attitude, and Customer Service
- Recommendation 3 - Capitalizing on the Blue Economy: Marine and Water Activities
- Recommendation 4 - Improve Quality of Life: Addressing Crime and Infrastructure
- Recommendation 5 - Diversification: Capitalizing on Investments and Industry Trends

Each recommendation is broken down into manageable elements that show how to make suggested changes.

- Goals - clarifying statement of how things will change
- Objectives - outcomes that show how change takes place
- Strategies - policies, programs, or other initiatives that lead to change
- Monitoring - ways to measure change
- Stakeholders - who will carry out the change?
- Case studies - how has the change happened in other communities?

Topic	Goal	Objective
Authenticity: Focus on Native Islanders and Local History and Culture	Reengage our native Virgin Islanders to revitalize our cultural pride, to serve as historical ambassadors for our community, and reestablish our local history to the forefront of our tourism initiatives.	Reimagine downtown activities and entertainment to accommodate evening participation from locals and visitors.
		Attract local diaspora back to the Virgin Islands with attractive opportunities to enhance tourism products and maintain the historical culture.
A Mutually Respectful Tourism Experience from Beginning to End: Marketing, Attitude, Type of Tourism and Customer Service	Create linkages between tourism and overall economic development opportunities for all Virgin Islanders.	Create programs to support local entrepreneurs and small businesses.
		Increase tourism earnings through workforce development.

	Enhance the tourism product and improve community awareness of the role of tourism to the VI economy.	Change the narrative of tourism among native Virgin Islanders and regionally to be more positive.
	Provide a superior vacation experience using our natural resources, attractions, activities, history, culture, food, and people to promote the unique features of our islands.	Attract overnight visitors that respect the Virgin Islands heritage and culture.
Capitalizing on the Blue Economy: Cruise Industry and Need to Diversify with Marine and Water Activities	Maintain and improve the environmental health of surrounding coral reefs, bays, and inland waterways to become a pristine and blue economy.	Educate the public on the importance of a healthy and sustainable marine industry.
		Build the support infrastructure for the USVI to become a boating/yachting/ island-hopping destination.
	Build upon and increase overnight and charter boat tourism by promoting our Marine and Maritime Industries.	Market and promote the USVI as a pristine, sustainable blue economy destination. This should consist of a holistic view of the islands' blue economy - beaches, marine activities, water sports, yachting and cruise ships. Promoting the USVI as a marine destination, will draw more overnight visitors to the islands.
		Expand professional opportunities for locals and youth interested in marine and blue economy careers at every level.
		Work together with cruise ship lines to minimize the environmental impact on the USVI.
Improve Quality of Life: Addressing Crime and Infrastructure	Easy access for tourists within and between islands.	Invest in interisland and inter-Caribbean infrastructure to increase tourist mobility.

		Ensure reliable and affordable transportation for tourists on islands.
	Modernize infrastructure and create sustainable and reliable power sources.	Develop powerful and reliable internet sources.
		Improve utilities and physical infrastructure, capitalizing on bi-continental power capabilities.
	Safe surroundings for islanders and tourists alike.	Reduce crime and create safe, walkable tourist districts.
Diversification: Capitalizing on Investments and Industry Trends	Expand sports tourism to wellness tourism.	Connect sports tourists to local wellness providers.
		Target associated audiences.
	Increase agriculture and food tourism.	Establish the USVI as a respected example of sustainable fishing and Caribbean ocean cuisine.
		Grow agritourism along with the agriculture sector.
	Expand export product offerings through tourism.	Expand export markets of small manufacturers, artists, and craftspeople by testing the tourism market.

A Word on Cruise Tourism in the USVI

Cruise tourism makes up a significant number of visitors to the islands – around 75% of visitors come via cruise ships.[5] The infrastructure for the cruise industry, although well-

[5] https://www.uvirtpark.net/clientuploads/Summit%202019%20Presentations/USVI_Economic_Trends__and_Conditions_2006-2018_FINAL.pdf Slide 14

established should continue to be updated to meet the needs of increasingly larger ships and consequently, larger bays. The dredging of the harbor in Christiansted and the extension of the board walk to Gallows Bay should continue. Mega yacht berths should be installed, and the Police Marine Base relocated adjacent to the seaplane ramp. As part of the economic strategy for the territory, the Long Bay Landing project, which will include infrastructure for larger cruise ships should be constructed and a cultural theme park created in the area. Though the cruise industry has been very negatively affected by Covid-19, it is likely to return in the coming years with a more discriminate type of customer desirous of participating in local culture, arts, theatre, and food. Through the efforts of the territory and the cruise industry, this segment of tourism will likely continue to thrive. This plan suggests that, as much as possible, the cruise industry should attempt to be environmentally sustainable, and engage passengers with local culture and business. Efforts should continue to consolidate the Virgin Islands Port Authority and the West Indian Company with a focus on creating the best port-side experience for the cruise passenger in conjunction with Economic Development Authority and small businesses. Intentional planning and preparedness for a strategic mix of discriminating travelers to the territory should be the hallmark of the cruise industry. Focused discussions should also be undertaken with the National Parks Service to provide adequate parking, docking facilities, and restroom facilities on St. John, in particular to the needs of residents and visitors who frequent beaches and other reserves under its jurisdiction, while adequately compensating the Government of the Virgin Islands for the lands and sea beds that they manage.

Situational Analysis

The United States Virgin Islands, known as America's Paradise or America's Caribbean, has long been a playground for US and international vacationers. The strong, familiar brand image, multi-destination option and natural assets allows the destination to enjoy the status as a much-desired location for that hard-earned vacation.

The economy of the U.S. Virgin Islands has followed a trajectory from agricultural in colonial days, to industrial, with the rise of rum production and the HOVENSA oil refinery to primarily a tourism economy. Today, tourism continues to be a major contributor to the economy of the US Virgin Islands. The World Travel & Tourism Council (WTTC) reports, in 2019, that 55.5 percent of the total economy and 68.8 percent of total employment is a direct contribution from travel and tourism to GDP.

Economic Analysis

Tourism's attraction of outside dollars from visitors has direct and indirect impacts on the USVI economy and employment trends, as this money is injected into the tax base and employment wages. According to the USVI Department of Labor, tourism sectors such as Accommodation, Air Transportation, and Amusement, Gambling, and Recreation Industries have Location Quotients greater than 1.0 on at least two of the islands that comprise the USVI (see tables in Appendix F). An LQ greater than 1.0 suggests an industry's strength in employment compared to

the United States' national average in these sectors. For example, St. John has an LQ of 3.18 for Accommodation Services, a presence three times that of the national average.

Employment

Employment in the USVI is heavily clustered in the service sector. Nearly 30% of the population is employed in the public sector; for those in the private sector, 9.5% are employed in a goods-producing capacity and the other 70% are in service jobs.[6] As of 2019, the median household income was relatively low ($33,390) compared to the US mainland but higher than many surrounding Caribbean neighbors.[7] Data from 2018 onward does show an increase in wages, with the average per-employee wage at $47,000 in 2018. This is attributed to an increase in construction employment following the 2017 hurricanes.

[6] http://usviber.org/wp-content/uploads/2020/03/Review-of-the-Virgin-Islands-Economy-Final-March-25-2020.pdf
[7] http://usviber.org/wp-content/uploads/2020/03/Review-of-the-Virgin-Islands-Economy-Final-March-25-2020.pdf

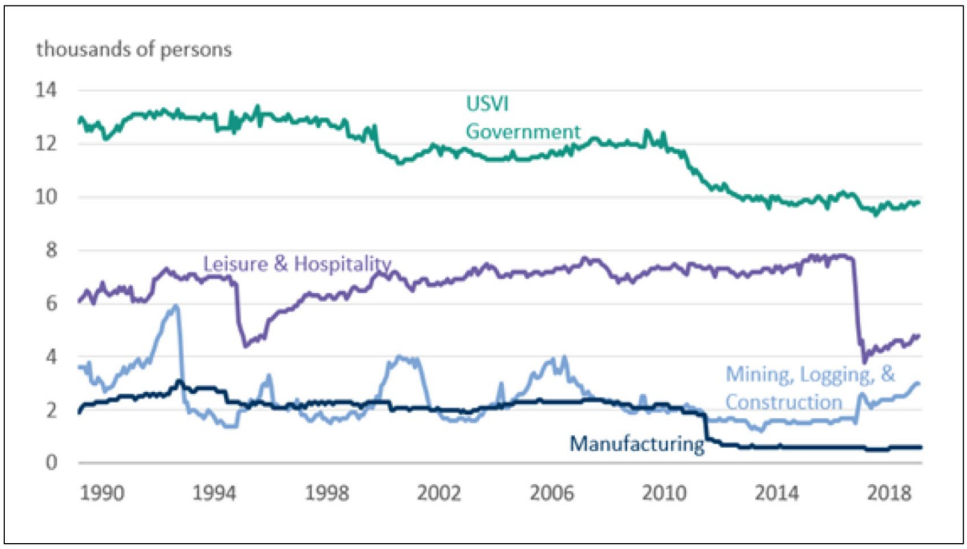
Long-Term Trends

Long-term trends show a gradual but concerning decline in the economy. The USVI lost nearly 10% of its population from 2006 - 2015.[8] The hurricanes of 2017 may have accelerated some population loss as well. GDP has decreased, with a loss of $1.5 billion in value from 2006 – 2017. [9] The private sector lost nearly 10,000 jobs between 2006 and 2018.[10] These trends call for a larger economic strategy, as laid out in the Vision 2040 plan. The TMP aims to help the tourism industry optimize strengths and opportunities to do its part to maintain and strengthen the overall economy of the territory.

Trends in Tourism

As shown in the graph below, employment in Leisure and Hospitality (which corresponds with tourism jobs) tends to take a precipitous dip after the hurricanes. After Hurricane Marilyn in 1995, the sector took about six years to recover. Adding COVID-19 to the recovery period will likely delay the full revitalization of this sector.

Employment by Selected Sector in USVI, 1996 - 2019 (Monthly Employees)



Source: U.S. Bureau of Labor Statistics, Virgin Islands All Employees

[8]https://www.uvirtpark.net/clientuploads/Summit%202019%20Presentations/USVI_Economic_Trends__and_Conditions_2006-2018_FINAL.pdf
[9]https://www.uvirtpark.net/clientuploads/Summit%202019%20Presentations/USVI_Economic_Trends__and_Conditions_2006-2018_FINAL.pdf
[10]https://www.uvirtpark.net/clientuploads/Summit%202019%20Presentations/USVI_Economic_Trends__and_Conditions_2006-2018_FINAL.pdf

Decreased Tourism Spending

Another trend in tourism is that visitor spending has decreased. According to data from the USVI Bureau of Economic Research, visitor expenditures dropped nearly 30% between 2006 and 2018, from around $1,500 per visitor to around $1,050 per visitor.[11] A longer-term view of USVI Bureau of Economic Research Data shows that the tourism industry has never recovered to pre-recession spending levels from tourism. This is due to an increased number of cruise passengers versus overnight guests. Cruise passengers are on island for an average of four hours, which is less than overnight guests. Compared to other Caribbean destinations, the USVI is not keeping up with the overnight guest market; the Caribbean Tourism Organization (CTO) reports that from 2005 to 2014, overnight tourism stays in Caribbean islands increased by 25%.[12]

Total Visitor Spending in Millions, 2007 - 2018

Source: USVI Bureau of Economic Research

Diaspora Market

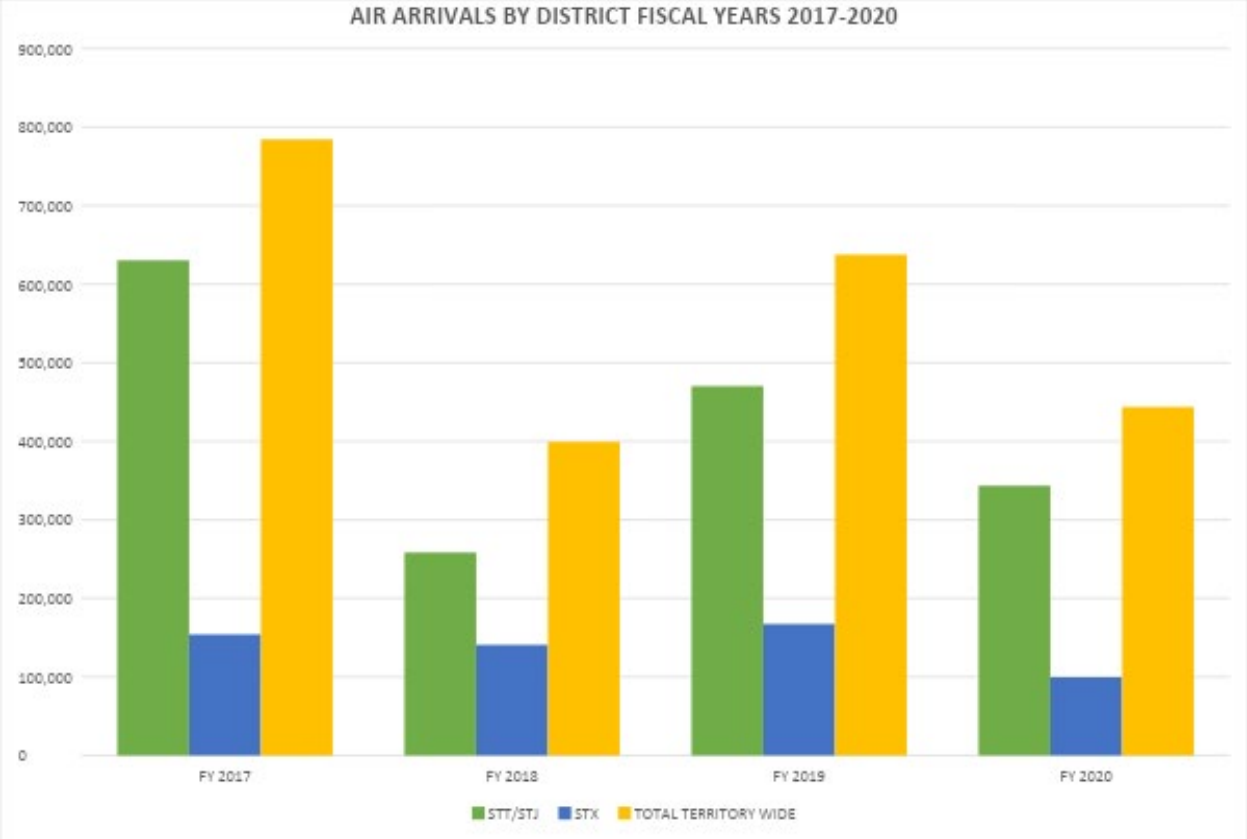
Native islanders that now live elsewhere also contribute to long-term tourism trends in the USVI, as they may return more often than an average tourist. According to responses to the USVI Diaspora survey, the majority of native islanders return to visit once or twice a year or every few years. Many cited staying with and visiting family as their primary reason for the return, suggesting a smaller economic impact on the tourism industry, as they may not be paying for

[11]https://www.uvirtpark.net/clientuploads/Summit%202019%20Presentations/USVI_Economic_Trends__and_Conditions_2006-2018_FINAL.pdf
[12] https://www.onecaribbean.org/statistics/

accommodations, food, or other travel expenses. However, a higher frequency of travel to the islands may suggest a stronger impact on the tourism industry over time.

Current Situation

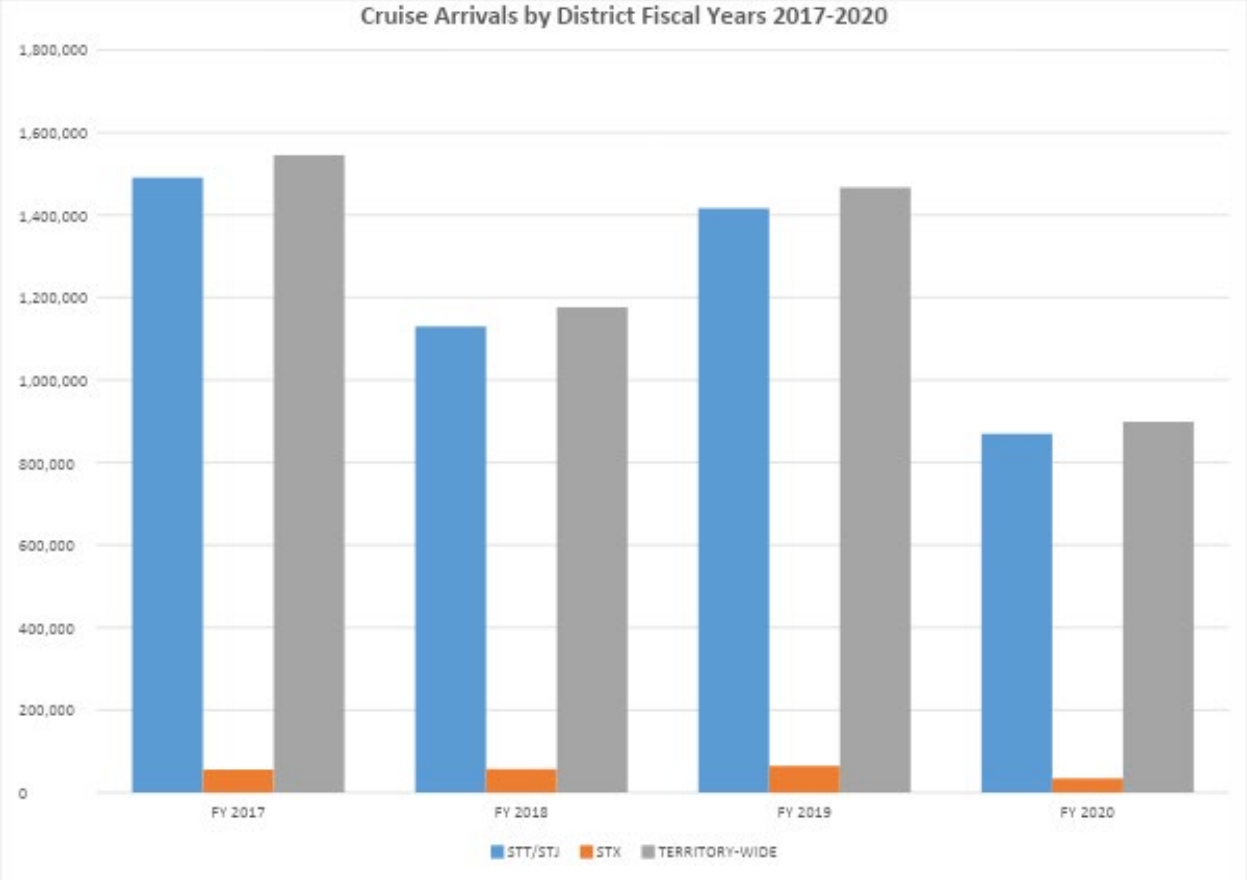
Currently, the COVID-19 pandemic is adversely affecting the recovery of the tourism industry post-2017. Prior to the pandemic, there was a bump in tourism - a total of 2,104,546 visitors arrived in the Territory in FY 2019, which is an 8.4% increase over FY 2018's arrivals of 1,575,251. The effects of the pandemic, however, are significant. Compare the territory-wide air arrivals during the period of Jan-Aug 2019 at 464,926 to the same period of 2020; Jan-Aug 2020 averaged 281,669, a decrease of 39%. COVID-19 significantly impacted numbers beginning March 2020. The chart below shows the decrease in air arrivals [13]:



Source: Virgin Islands Port Authority, 2020

As far as the cruise industry, passenger arrivals Jan-September 2020 were 440,398, a difference of 542,687 from the same time period in 2019. By the end of 2020, USVI will have seen a decrease of 55 cruise passengers by the end of 2020. Calls may not return before Q2 or Q3 of 2021, and capacity will be considerably reduced. The graph below shows cruise arrivals from 2017 - 2020.

[13] Office of Management & Budget, Division of Economic Research. Presentation to Fall 2020 Revenue Estimating Conference, December 2, 2020.



Source: Virgin Islands Port Authority

Pre-COVID accommodations - a combination of traditional hotel/resorts, villas and Airbnb's and other vacation rentals- averaged about 5,300 units territory-wide. According to the Department of Economic Research Office of Management and Budget, for fiscal year 2020, hotel room revenues are down approximately 10.5% and Airbnb room tax collections have declined 8.1% from FY 2019.[14]

Prior to the pandemic, the US Virgin Islands was poised to enjoy an active season, and with the continued rebuilding of major properties on St. Thomas, including the Marriott Frenchman's Reef & Noni Beach, and the Divi Carina Bay and Renaissance Carambola Beach Resort on St. Croix, it is likely that 2021 would be welcomed with excitement about new products.

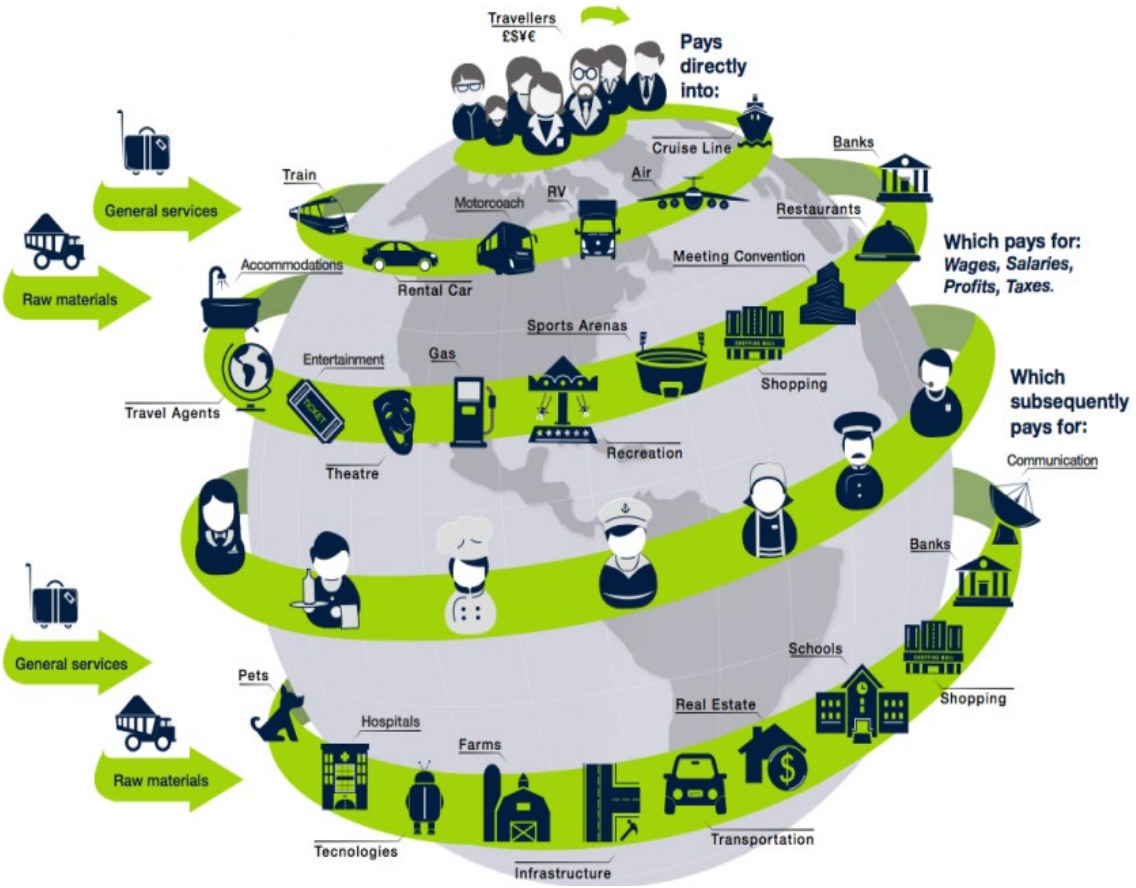
Prevailing Attitude Towards Tourism

The territory's residents know most of the benefits of tourism, but apart from concerned stakeholders very few people understand how they can be more directly involved in the industry that affects the livelihood of much of the islands. As seen in the community outreach, there is a

[14] Office of Management & Budget, Division of Economic Research. Presentation to Fall 2020 Revenue Estimating Conference, December 2, 2020.

sense that the tourism industry is extractive and does not serve the inhabitants of the territory. There is also a sense that tourists are disrespectful. The TMP team has created recommendations that aim to engage native islanders with the tourism industry through entrepreneurship, increased opportunities, and education on both the tourist and islander side. It is our hope that these recommendations will be implemented, and tourism will be seen as a mutually beneficial industry.

Graphic: Economic Impacts of Tourism



Source: World Travel & Tourism Council (WTTC)

USVI Plan Inventory and Analysis

To understand the priorities of the territory, and how past plans weigh into current tourism concerns, the team completed a review and analysis of thirty plans from the last two decades. This comprehensive review of plans addressing the US Virgin Islands and their communities illustrates the territory's planning priorities and successes over past decades. Taken together, the plans demonstrate the territory's needs regarding infrastructure, tourism, workforce training and education, economic development, community development, and sustainability. This section

aims to summarize common themes found within plans related to tourism, resilience, and economic development. A table summarizing the plans that were inventoried is included in the Appendix.

Infrastructure

Developing and maintaining infrastructure to withstand storms and improve quality of life is highlighted in most plans. Infrastructure plans often differentiate between transportation infrastructure and the creation of a sustainable infrastructure to prepare for natural disasters. Each plan outlined infrastructure goals that supported overall initiatives--tourism, disaster preparedness, and quality of life. Tourism infrastructure includes the construction and improvements of cruise and airports to assist in the ease of transportation of tourists. Most plans outlined the need to modernize and harden infrastructure for disaster preparedness and recovery efforts. These efforts included improved drainage, wastewater line restoration, and utilization of materials that can withstand natural disasters. Quality of life infrastructure improvements included downtown revitalization, the creation of more walkable communities, and addressing road and travel infrastructure issues.

Tourism

Most of the planning related to tourism in the USVI targets increasing the number of domestic and international visitors every year while increasing tourist spending in the region. Many of the other planning initiatives related to tourism stem from those primary goals. This includes improvements to the islands' infrastructure as highlighted in the previous section, a greater promotion of the arts and culture of each of the islands by the creation of arts centers and cultural archives, improved marketing that highlights the differences between the islands, and emphasizing the importance of tourism to the residents and community members of the islands. An emphasis was also placed on beach access and stimulating awareness of the location of public beaches. Tourism initiatives aligned closely with marketing goals, as they hoped to curate a unique brand for each island while increasing awareness of the value of tourism to the USVI.

Workforce and Education

Workforce planning in the USVI is largely aligned with the prominent industries in the region, particularly tourism and hospitality. Workforce and education goals generally include the establishment of training initiatives for those in key sectors. The establishment of territory-wide standards in education was also a common theme among workforce and education plans. Multiple plans addressed K through 12 education standards and highlighted the importance of grade-level achievement. The introduction of workforce training programs at the high school level was also emphasized among some plans. Plans regarding educational facilities were also

included as key aspects of other categories, as these facilities serve a dual purpose--the creation of a skilled workforce and use as shelters in the event of natural disasters. Improving education infrastructure to utilize during natural disasters was often highlighted among plans that addressed workforce development and infrastructure.

Economic and Community Development

Much of the planning in this category is related to the revitalization of the downtown districts in the cities across the islands. This includes various beautification projects, improving town walkability, finding uses for vacant lots and buildings, and the overall boosts to the quality of life for community residents in the USVI. Other spotlights in this section incorporate planning related to housing in the region from comprehensive plans to housing affordability, food systems and production of affordable, healthy foods, enhancements to various economic sectors like manufacturing, industrial, finance, planning for small businesses on the islands, and zoning.

Climate and Sustainability

Climate and sustainability planning in the USVI emphasizes public education and the protection of the natural resources on the islands. As highlighted in previous sections of this overview, building modern and sustainable infrastructure across the islands coincides with this category. This includes goals such as updates to building codes, development of recycling facilities and management of them, and a shift from heavy reliance on non-renewable energy production to more sustainable forms like solar. Additionally, more sustainable food systems and a more widespread use of community gardens and food production were highlighted when addressing climate and sustainability within plans. Lastly, smaller things like solar-powered charging stations and tenable waste management programs are included in these plans.

Marketing

Marketing efforts in the US Virgin Islands were primarily focused on tourist attractions and spending. Evaluation of comprehensive marketing plans between 2011 and 2014 indicated that increasing tourism is a continuous priority for the Territory. This goal of increasing domestic and international tourists to the region included subsequent goals centered around increasing awareness of tourism opportunities in the USVI. Not only were these awareness initiatives targeted to tourists, airlines, and cruise lines, residents of the territory were also targeted to improve community awareness of tourism's value to the USVI economy.

Marketing efforts extended to airlines to encourage more direct flights to the islands. An agreement between the USVI and Airbnb also aimed to diversify the tourism industry and attract both tourists and disaster recovery volunteers to the region. Expansion of resorts and Airbnb

accommodations were marketed to airlines to achieve the goal of attracting more direct flights to the region. Marketing plans were generally consistent throughout their updates. Updates to the USVI Marketing Plan between 2011 and 2014 generally outlined the same goals using the original wording; no progress was indicated regarding the achievement of each goal from the previous year. The marketing plan and Airbnb report published following hurricanes Irma and Maria, however, included a more comprehensive list of measurable goals and objectives.

Analysis of Community Engagement

The SWOT format was utilized in each of the outreach events and through the survey, thereby allowing the team to compare across categories and overall. The list below shows the most common topics that were raised in outreach events and the survey.

Ranking	Topic	Analysis
1	The Environment	Cited as a strength due to the natural beauty of the US Virgin Islands, and as an opportunity with eco-tourism; weakness was related to lack of cleanliness and environmental degradation was seen as a threat.
2	Focus on Native Islanders	The lack of focus on locals is mentioned as a weakness/threat, but an increased focus on locals and support for local businesses is mentioned as an opportunity and what success can look like
3	Local History and Culture	Mentioned as a strength, and an opportunity; most felt this was not capitalized upon enough.
4	Marketing	Mentioned as a strength, a weakness, and an opportunity; a need for expanded and more focused marketing was expressed.
5	Attitude/Type of Tourist	The decline of conscientious tourists is mentioned as a weakness and a threat. The opportunity here is attracting a different type of tourist: overnight tourists, families, luxury tourists, and tourists who respect the island and its inhabitants.
6	Cruise Industry	The cruise industry is mentioned as a strength, but the dependence on tourism is mentioned as a weakness and a threat more frequently. Moving away from this dependency and diversifying the tourism product is seen as an opportunity and a chance for future success.
7	Infrastructure	Mentioned as a weakness and threat due to cost, reliability, and perceived corruption.

8	Marine and Water Based Activities	This was mentioned as a current strength, but this more so came up in discussions around opportunities and future success.
9	Customer Service	While the friendliness of Virgin Islanders was mentioned as a strength, lack of customer service was included as a weakness/ threat and an opportunity to improve.
10	Crime	Seen as a threat and a weakness; there is a clear directive to reduce crime to improve the tourism experience and the safety of residents.

The list above, sourced from the outreach and surveys that took place, echoes the SWOT analysis below, which was compiled from the opinions of veteran tourism industry experts who have worked in the territory for their entire careers. The following sections detail the Threats and Weaknesses brought up by outreach and surveys, as well as the Strengths and Opportunities. Common themes emerge, which are addressed in the recommendations.

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Familiarity as US destination	Stale product	Cultural Heritage tourism	Climate change
International airport	Few all-inclusives (subjective)	Focus on eco-tourism	Visitors with disregard for VI environment
No passport required	Low room count	More focus on marine industry and water activities	Crime
Duty free port	Limited available cultural activity	Distance from cruise industry	Lack of diverse tourism product
Cargo port	Lack of island pride	Market islands separately	Vulnerability to natural disasters
Natural beauty	Run down towns	Product diversification	Lack of reliable energy and internet connectivity
4 islands/4 experiences	Garbage	Affordable inter-island transportation	Global competition
Leading regional destination	Limited hotel development	Revisit positioning STX as Heritage site (Congress)	Prohibitive air fares
Airlift	Limited sustainability practices	Commit to making territory best place to live, work, invest and visit	Hotel closures
Multicultural	Overdependence on cruise tourism	Revitalization of our downtowns	Lack of leadership
Business friendly	Locals and tourist disconnect	Enhance visitor experience	Impact of loss collections for marketing
Assets	Each island not marketed separately	Engage visitors in sustainable efforts	Lack of vision
Important marine community	No strategic plan	Education/training/ apprenticeships	Refinery closure
Effective marketing	Cost of travel and accommodations	Create sustaining events and festivals	Lack of community trust
History & Culture	Non-competitive pricing	Invest in infrastructure for film industry	Deteriorating product quality
Strong cruise industry	Environmental degradation	More partnerships with industry giants	Cruise visits
Marine industry	Limited public transportation	Increased European marketing	
Shared economy availability	Community's embrace of the industry	Historical/cultural walking tours	

Threats and Weaknesses

Threats

A threat is defined as a chance or occasion for a negative impact on the community or region. From the responses to our survey as well as the town halls, these were the top five threats mentioned by the audience:

1. Environmental degradation from overdevelopment, lack of waste management, lack of management of waterways
2. The attitude of tourists; more day visitors, less overnight visitors who respect the island environment and culture
3. Violent crime
4. Focus on cruise ships, lack of diverse tourism product
5. Lack of focus on native islanders

During our engagement with Virgin Islanders many mentioned environmental degradation as their top concern in this category. This negative impact on the environment was brought up in particular in connection to the marine industry and general pollution on the island. This environmental degradation is also related to tourism, as many islanders lamented the typical cruise ship customer who visits only for a day and has less appreciation for the island's environment and culture. Those we spoke to also expressed concern that violent crime on the island is hampering tourism, something that was anecdotally corroborated in our diaspora and visitors' surveys. Lastly, respondents indicated that they felt a lack of attention given to islanders when it comes to tourism, making the tourism industry more about serving visitors than serving native islanders.

Beyond the threats mentioned by the community, current threats the USVI is confronting include climate, both climate change and hurricane/hurricane recovery and COVID.

Diaspora Outlook

USVI natives living outside the islands were surveyed through a Diaspora Survey that asked about the frequency of visits and outside perceptions of the Territory. Responses outlined various threats and weaknesses consistently throughout, primarily relating to outsider perception of the USVI, high costs, and crime. More well-known Caribbean islands present the threat of competition to the USVI, as many survey respondents noted that people often believe the USVI is part of the Bahamas, or they have no idea where it is located geographically. There is also no awareness of the unique cultural identity of the USVI; many often assume the Territory shares the same culture as other popular Caribbean islands.

Respondents who said that they never return to visit cited crime and cost as the primary reasons. Eighteen respondents mentioned that crime rates prevent them from returning. These survey responses are supported by the high violent crime rate in the USVI. Cost was cited by 20 respondents, specifically the cost of air travel to the islands.

Visitor Outlook

In order to understand the perspective of visitors to the U.S. Virgin Islands, the TMP group conducted an online survey via targeted advertising on Facebook. The survey was filled out by 22 people, most of whom had visited the Virgin Islands in the past.

When asked, "What did you like least about the USVI?" most of the respondents replied that there was nothing to report or left the question blank. For those who did respond, their answers fell into six categories, which are the headings below, with answers under each.

- Tourists
- Traffic
- Crime
- Infrastructure
- Expensive
- Accommodations

Analysis of Threats

Beyond the threats identified by the three audiences above, several other threats impact the tourism industry in the Virgin Islands. Below is an analysis of the impacts of COVID-19, climate change, weather, and competition from other Caribbean destinations.

COVID-19

The COVID-19 pandemic has had a significant economic effect worldwide, and a particular impact on tourism in the USVI, including loss of tourism revenue and jobs. The USVI can learn some lessons from the pandemic, which could be applied in the instance that a similar event takes place.

According to the New York Times, there have been 2,305 cases of coronavirus and 24 deaths in the Virgin Islands.[1] The economic impacts of the COVID-19 pandemic were severe. Unemployment hit a high of 13.5 percent in June 2020, though it has since climbed to 8.8 percent as of November 2020. Prior to the pandemic it hovered around 5 percent.[2] Leisure and hospitality businesses saw a reduction of 26.7 percent in the labor force, with the largest impact being on small businesses sized 5 - 10 employees.[3]

A report from the Office of Management and Budget provides the following statistics:

- Air visitor arrivals from January-August 2020 were 281,699, down 39 percent from 464,926 from the same period in 2019.
- Hotel Tax revenue from FY 2020 was $17.7 million, down from $20.5 million in FY

[1] https://news.google.com/covid19/map?hl=en-US&mid=%2Fm%2F07ww5&gl=US&ceid=US%3Aen
[2] https://www.vidolviews.org/gsipub/index.asp?docid=430
[3] https://stcroixsource.com/wp-content/uploads/sites/3/2020/07/COVID-19-USVI-Economic-Impact-Report-IAM-LLC.pdf

2019.
- Cruise arrivals are not anticipated to return until spring 2021, and expected passenger arrivals will be down considerably for the year.
- Hotel tax revenues will be reduced for FY 2021, and the continued postponement of major properties, such as the Marriott, coming back online further contribute to the delay in revenue growth.

The territory attempted to strike a balance between issuing stay at-home orders and closures of businesses and allowing attractions to stay open for tourists and residents. For the most part, businesses felt that the Government did a decent to good job of responding to the virus, with 72% rating the government's efforts as neutral, positive, or very positive.[4] However, the government's response was somewhat limited by the region's status as a territory; visitors from the United States and abroad were able to continue to arrive in the USVI because local officials do not have the authority to regulate aviation and close airports because the federal government regulates aviation. While visitors were asked to provide evidence of a negative test or quarantine for 14 days upon arrival, these measures were not consistent.[5] Though the threat of incoming virus cases increased tensions between tourists and residents throughout 2020, those tourists that did come provided some economic relief.

As the pandemic continues, businesses face ongoing challenges. In a slide presented to the USVI Community Business Forum on December 16, 2020, the three main islands combined Chambers of Commerce shared the challenges businesses had expressed:

- Pandemic fatigue - business owners, managers, and employees face daily operating challenges and added stress to make ends meet.
- Increased expenses and man-hours are now a necessity for businesses to provide a safer, cleaner place of business.
- Depletion of a reliable and experienced workforce as many have left the territory or remain unemployed.
- Uncertainty and inability for business owners to properly plan for the future.
- Lack of access to capital, changes or loss in suppliers, and delays in logistics/shipping.[6]

Climate Change

Climate change is of special concern to the Virgin Islands, as the territory is especially susceptible to the effects of a warming planet. Because the territory comprises three main islands, sea level rise is a danger; there are reports that the sea level has been rising by about an inch every 10 years and is predicted to rise one to three feet in the next 100 years.[7] Sea level rise disrupts many systems - from ecosystems to infrastructure, and all of those systems touch the

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[4] https://www.vi.gov/bryan-roach-administration-outlines-covid-19s-economic-impact-on-usvi/

[5] https://stcroixsource.com/wp-content/uploads/sites/3/2020/07/COVID-19-USVI-Economic-Impact-Report-IAM-LLC.pdf

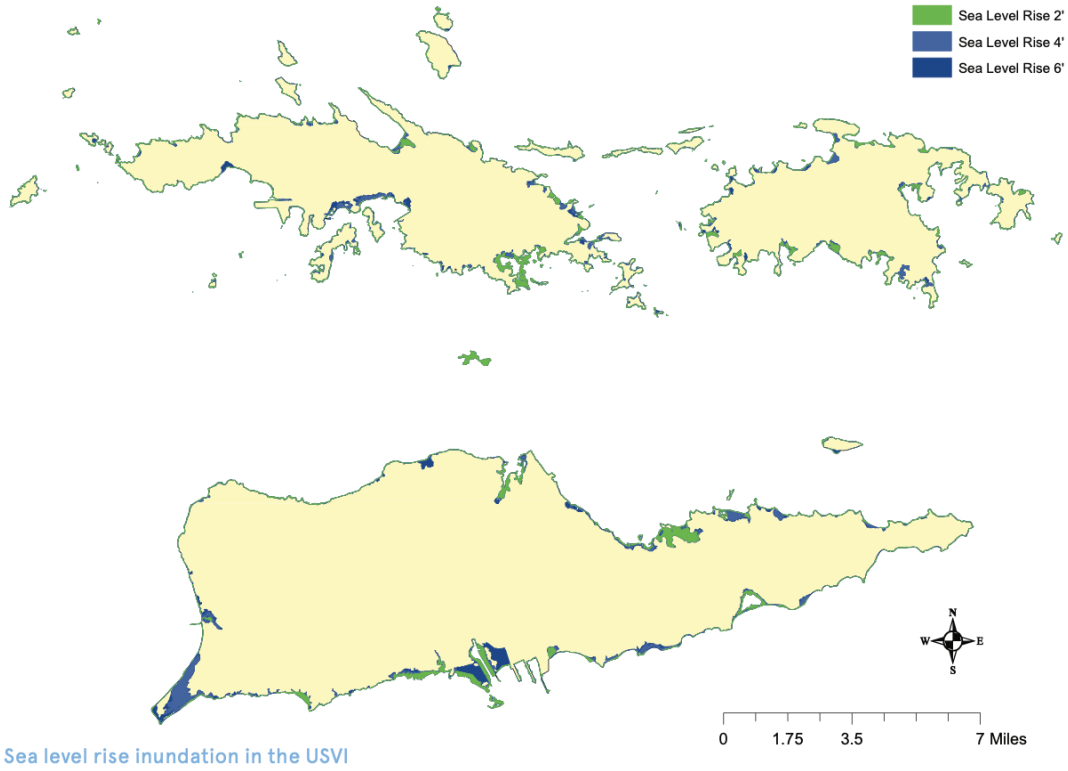
[6] Chambers of Commerce from USVI Community Business Forum '20 "Adapting Business for COVID Normal" Held Wednesday, Dec 16, 2020.

[7] https://citizensclimatelobby.org/u-s-virgin-islands-harbinger-changing-climate/

tourism industry. Most of the Virgin Islands are above sea level, but the border space between the coast and the sea is home to much tourist activity including shopping, accommodations, and attractions.

Eroding beaches and coastal flooding degrades natural attributes, and shoreline erosion also increases the inward flow of hurricane surges. This will impact tourism at popular places like Magens Bay and Smith Bay on St. Thomas, Sandy Point on St. Croix, or Maho Bay on St. John. Submerged city infrastructure and roads will impact small businesses and critical facilities. If, as predicted, sea levels rise by approximately one foot on both St. Thomas and St. Croix by 2050, 16 critical facilities such as government buildings, schools, police and fire stations, airport, power plants, wastewater treatment facilities— and 12 out of 147 miles of underground electric lines, will experience flooding.[8] The built environment will also suffer consequences, as Charlotte Amalie, Red Hook, Bovoni, Coral Bay, Christiansted, Salt River area, and Limetree will all be at risk. The map below, created by Bloomberg Associates for the Hurricane Recovery and Resilience Task Force, shows the impact of sea-level rise; most impact is along the coast, with core population centers at risk.

Graphic: Sea Level Rise in the Virgin Islands



Source: USVI Hurricane Recovery Taskforce Report

[8] https://first.bloomberglp.com/documents/USVI/257521_USVI_HRTR_Climate_Analysis.pdf

Rising sea temperatures and increasing acidity also harm coral reefs, including the algae that lives inside of them and provides their food. When the algae die, coral is "bleached," turning white and ultimately dies. Because coral reefs provide a home for many species of marine life, the disruption of this ecosystem has extensive consequences.[9] Diving is a popular tourist attraction in the Virgin Islands; when coral reef ecosystems perish, then the diving industry will also be in danger. Declining reef quality also affects sport and commercial fishing, and thereby impacts cultural food heritage.

Weather/Hurricanes

Hurricanes Irma and Maria, which struck the islands in the span of two weeks in September 2017, have left a significant impact on the tourism industry and small businesses in the USVI. In the aftermath of these hurricanes, many businesses had to close temporarily or permanently. Shortly after hurricanes Irma and Maria VInow.com, an online visitor guide to the USVI, reached out to tourism businesses regarding their operations.[10] In total they reached out to 80 businesses, ranging from hotels to tour providers to wellness centers. Out of the 80 businesses 50 were already open for business, 24 were reopening for business in the near future, and 16 had suffered severe damage and were unclear about their future operations. Among those businesses with severe damage, 50% seemed positive they would be able to rebuild and the other 50% was unclear on their ability to rebuild and/or reopen.

Hotels were one of the harder hit tourism businesses in the USVI, with several of the islands' brand name hotels staying closed for repairs through 2019.[11] Among the ten largest private employers in the USVI in 2016, six were hotels. Five of these faced long-term closures after the storms.[12] Most significantly, Caneel Bay Resort on St. John continues to be closed with no realistic expectation of its eventual reopening. Caneel Bay reportedly employed 7% of the USVI total employment in the hotel and tourism industry before having to close due to severe hurricane damage.[13]

As a consequence of the 2017 hurricanes, 2018 saw the most business deaths with more than 100 businesses closing. Business starts have stayed relatively low in the aftermath of the hurricanes as well.

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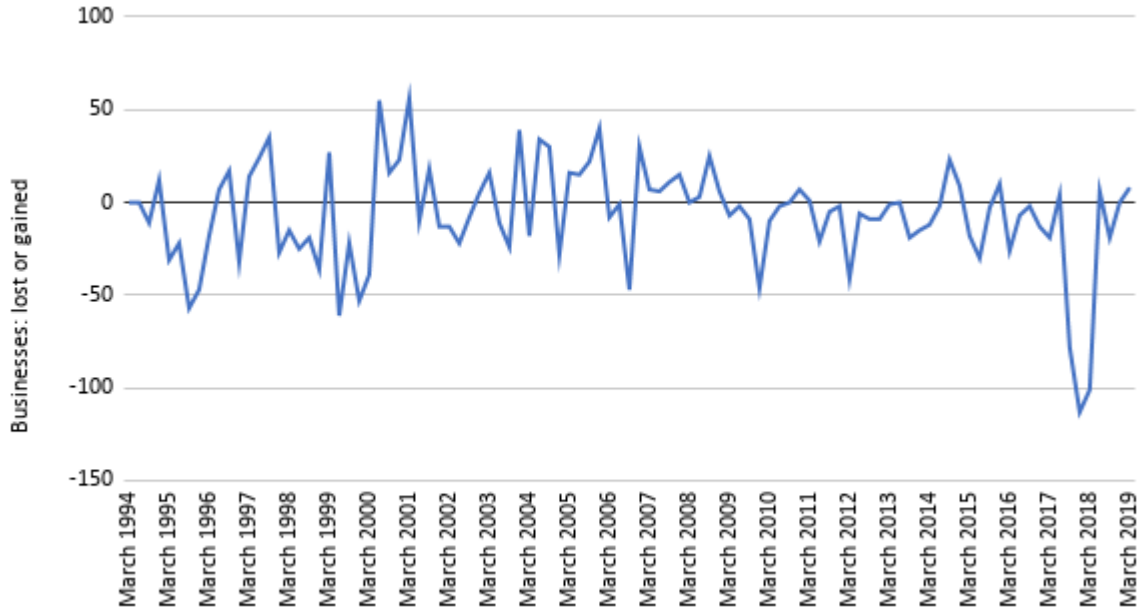
[9] https://citizensclimatelobby.org/u-s-virgin-islands-harbinger-changing-climate/
[10] https://www.vinow.com/recovery/business-updates/usvi/
[11] https://www.cntraveler.com/story/caribbean-post-hurricane-report-whats-open-whats-not
[12] https://first.bloomberglp.com/documents/257521_USVI_Hurricane+Recovery+Taskforce+Report_DIGITAL.pdf, page 203
[13] https://www.nytimes.com/2020/01/20/travel/st-john-caneel-bay-resort.html

Chart 1: Net USVI Business Births and Deaths



Source: Business Employment Dynamics Data by States, Private sector establishment births and deaths, seasonally adjusted, 1993 - 2019.

Similar to businesses, USVI hotels are still working towards recovery of the 2017 hurricane as seen in the table below. While several hotels have managed to rebuild and reopen in 2020, others have not started the rebuilding process, significantly affecting the number of available rooms in the territory.

Hotels Closed Since Irma/Maria	Rooms	Opening Date
Frenchman's Reef Marriott	478	Q2 2022
Sugar Bay Resort	300	Unknown
Caneel Bay Resort	166	Unknown
Elysian Resort	69	Dec 2020
Divi Carina Bay Resort	192	Dec 2020
Carambola Resort	151	Open with Limited Service
Total Closed	1356	

Source: U.S. Virgin Islands Hotel and Tourism Association from USVI Community Business Forum ’20 “Adapting Business for COVID Normal” Held Wednesday, Dec 16, 2020.

Competition

Competition between the Territory and other Caribbean islands, particularly those more well-known to American travelers such as the Bahamas, presents a threat to the health and growth of

the tourism industry. Awareness of the USVI compared to other Caribbean islands is low, as many in the US do not know that it is a territory of the states, nor of its geographic proximity to them. Additionally, the cost-benefit of travel to other islands may outweigh that of travel to the USVI, as tourism is typically more expensive in the territory. While the average cost per day, per tourist to the Bahamas is $85,[14] the average cost per-day, per tourist in the USVI is $162.[15] The availability of similar or more luxury accommodations in neighboring Caribbean islands at lower costs presents a threat to the tourism industry in the USVI.

Furthermore, other Caribbean destinations have amenities that the US Virgin Islands do not have. While other destinations cater to tourists seeking specific nightlife experiences, in Frommer's list of Caribbean islands for nightlife the Virgin Islands was not mentioned in any category.[16]

Benchmarking Competition

Benchmarking of hotels, beaches, dining, and shopping in the USVI was based on an analysis of travel sites that combine tourist data and user opinions, publishing public rankings and reviews of tourist attractions. Using the popular travel site TripAdvisor, the top 20 attractions in each of the aforementioned categories were inventoried, and their ratings were compared to the ratings found on Google, Yelp, and Facebook. Average ratings across each site were calculated for each attraction and category to determine which attractions were most popular among tourists.

While the top hotels and resorts were included in the initial inventory of USVI tourist attractions, further research was done to compare the number of 3-star, 4-star, and 5-star hotels in the USVI and neighboring Caribbean islands, including the British Virgin Islands, Anguilla, and the Bahamas. The star ratings for hotels were gathered through a Google search of all hotels and resorts in each of the islands. By using Google star standards, rating methodology is consistent and comparable despite different countries and territories having unique standards for assigning "stars" to hotels. Google assigns a star rating based on its own algorithm and standards for these hotels and resorts. Google gathers data for its star assignments from "third-party partners, direct research, feedback from hoteliers, and machine learning inference that examines and evaluates hotel attributes, such as price, location, room size, and amenities." 3-star hotels may have modest to average amenities, rooms, and comfort for tourists, for example, Google's standards for 4-star hotels include upscale decor, a dedicated concierge, 24-hour room service, and luxury amenities such as bathrobes and minibars. 5-star hotels afford the highest level of luxury and services to guest from the outer decor to each encounter within the establishment. Through analysis of the number of three, four, and five-star hotels and resorts in the USVI and neighboring islands, a need for new competitive developments is highlighted.

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[14]https://www.budgetyourtrip.com/bahamas#:~:text=Average%20Daily%20Costs&text=The%20average%20price%20for%20one,the%20Bahamas%20is%20BS%24171.

[15]https://www.budgetyourtrip.com/us-virgin-islands#:~:text=You%20should%20plan%20to%20spend,and%20%2417%20on%20local%20transportation.

[16] https://www.frommers.com/slideshows/847986-the-best-caribbean-islands-for-nightlife

Hotels and Resorts Among Caribbean Competitors

	3-Star Hotels	4-Star Hotels	5-Star Hotels
USVI	53	26	2
Bahamas	116	52	13
British Virgin Islands	18	12	3
Anguilla	19	12	4

The USVI has promising reviews and ample hotel infrastructure compared to neighboring Caribbean islands. However, awareness of these tourism resources within the territory is much lower than awareness of competing islands. According to the above table, the USVI has more three and four-star hotels and resorts than smaller competing islands, but fewer five-star hotels. The Bahamas, which is a large competitor within the Caribbean, outpaced all islands benchmarked.

A deeper dive into the uniqueness of St. Croix when compared to similar Caribbean destinations revealed a more distinct knack for cultural and heritage tourism. The 84 square-mile island is home to Henry E. Rohlsen Airport and the Ann E. Abramson Pier in Frederiksted. In 2018, the island saw 20,800 cruise ship arrivals.[17] St. Croix was once a major sugar producer in the Caribbean; now nearly 150 sugar mills are scattered across the island, serving as reverent reminders of the island's heritage. While tourism is a target economic industry for St. Croix, the island has not been averse to natural disasters and competition from similar Caribbean islands. This focus on the "Big Island" and its resources will produce recommendations specific to St. Croix that will attract tourism and aid in the island's resilience efforts.

Tourism's attraction of outside dollars from visitors has direct and indirect impacts on the USVI economy and employment trends, as this money is injected into the tax base and employment wages. According to the USVI Department of Labor, tourism sectors such as Accommodation, Air Transportation, and Amusement, Gambling, and Recreation Industries have Location Quotients greater than 1.0. While individual location quotient data is not available for St. Croix, it can be inferred that the island comprises a majority of the territory's high LQ industries, thus contributing in large portion to the tourism economy of the USVI in addition to manufacturing.

Thirteen of the 31 plans studied for the TMP were specifically related to St. Croix tourism, economic development, marketing, or infrastructure. Many community engagement responses, however, revealed local frustrations regarding the implementation of these plans. Community engagement responses highlighted infrastructure issues and emphasized the need to expand utility and broadband access. Lack of individualistic marketing for St. Croix was also mentioned throughout the surveys and engagement sessions. These comments can be addressed through

[17] http://usviber.org/wp-content/uploads/2016/11/TOUR18-1.pdf

further planning and plan implementation.

Community engagement sessions also highlighted the strengths and opportunities for St. Croix. Many community members outlined the "eclectic and unique experiences" that can be found between individual islands. Tourism planning should capitalize on the unique agricultural and outdoor experiences, according to resident survey responses and STX town halls. Tourism infrastructure serves as a strength and opportunity for growth within the sector, as St. Croix is home to an airport and expansion of the air terminals is underway. Incentives for new flight paths to the island also create an opportunity to bring new tourists to St. Croix.

Evaluating tourism data for St. Croix as compared to other competing Caribbean destinations reveals a significant shortfall of total visitor arrivals to the island each year. However, data between 2017 and 2018 reveals that St. Croix followed Caribbean-wide trends, as visitor arrivals increased, despite ongoing recovery efforts following Hurricanes Irma and Maria. The below chart outlines the number of total visitor arrivals compared to similar Caribbean destinations.

Total Visitor Arrivals, 2017-2019

Destination	2017	2018	2019
St. Croix	170,400	242,700	No Data
Dominica	230,000	199,000	322,000
St. Vincent and the Grenadines	303,000	356,000	392,000
Aruba	1,860,000	1,900,000	1,950,000
St. Lucia	1,000,600	1,170,000	1,220,000

Source: The World Bank

When evaluating 2018 air arrivals, St. Croix had 163,100 tourists and excursionists arrive on this island. According to data on air arrivals in other Caribbean countries, the USVI has significantly lower tourist arrivals than destinations such as Aruba and St. Lucia.[18] Consistent data is not currently available across all Caribbean destinations, as arrivals are often not distinguished between visitor and resident outside of the USVI.

In addition to total visitors and arrival data, accommodation statistics are also pertinent when evaluating the competitive advantage of St. Croix. Of the hotel closings outlined in the TMP, two hotels were located in St. Croix. Prior to these 2020 closings, St. Croix had a total of 822 units in 2018, down from 1,167 total units prior to the 2017 hurricanes. With around 10 hotels on the island, St. Croix had a 2019 occupancy rate of 51.5%.[19] While consistent occupancy data is not available for the islands chosen for comparison, data was gathered on pre-pandemic occupancy

[18] https://tourismanalytics.com/caribbean.html
[19] http://usviber.org/wp-content/uploads/2016/11/H19.pdf

when available. Aruba had a pre-pandemic hotel occupancy rate of 79.5%[20], while St. Lucia had an occupancy rate of 68%.[21] Community engagement sessions reflected on the occupancy problem, suggesting that capitalizing on St. Croix's unique culture and experiences in order to create smaller, niche accommodations centered around experiences would attract more tourism and increase occupancy. One participant in the study noted that "10 small (100 room) hotels are more sustainable than 1 large hotel. This also allows for more local participation as investors, owners, operators."

In addition to the strengths and tourism infrastructure outlined throughout the local community engagement and the review of planning for St. Croix, the island's unique tourism attractions can also aid in bringing more tourists to the area, thus increasing spending and occupancy rates. St. Croix has a strong base in outdoor recreation and agritourism, with infrastructure to support outdoor activities for tourists such as snorkeling, fishing, and other marine activities and agritourism attractions to give visitors a firsthand look at their food production. (Quote box) Sports and wellness were also popular tourism niches that locals hoped would be expanded on St. Croix. Another participant stated, "offer niche tourism such as wellness retreats or vegan experiences and market to those groups of people."

Weaknesses

Weaknesses are defined as a region or community's relative competitive disadvantages and are often internal in nature. During conversations with stakeholders and from surveys the following top 5 weaknesses emerged:

1. Too dependent on cruise tourism and a lack of diversity in tourism initiatives
2. Tourist spending does not come back to locals; there is a negative relationship between tourism and locals
3. Infrastructure
4. Islands and beaches are not kept
5. Marketing

Many respondents indicated that currently the USVI is too focused and dependent solely on cruise tourism, which has been greatly impacted by the COVID-19 pandemic. Many understand the importance of tourism to the territory but would like to see a diversification of the industry and much more local investment and involvement so that tourist spending stays on the island. A frequent topic of discussion when it came to weaknesses was also the state of infrastructure and cleanliness on the islands. Lastly, while some have mentioned marketing as a strength, other respondents believed that a better job should be done when it comes to marketing the USVI as a vacation destination.

Weaknesses Analysis

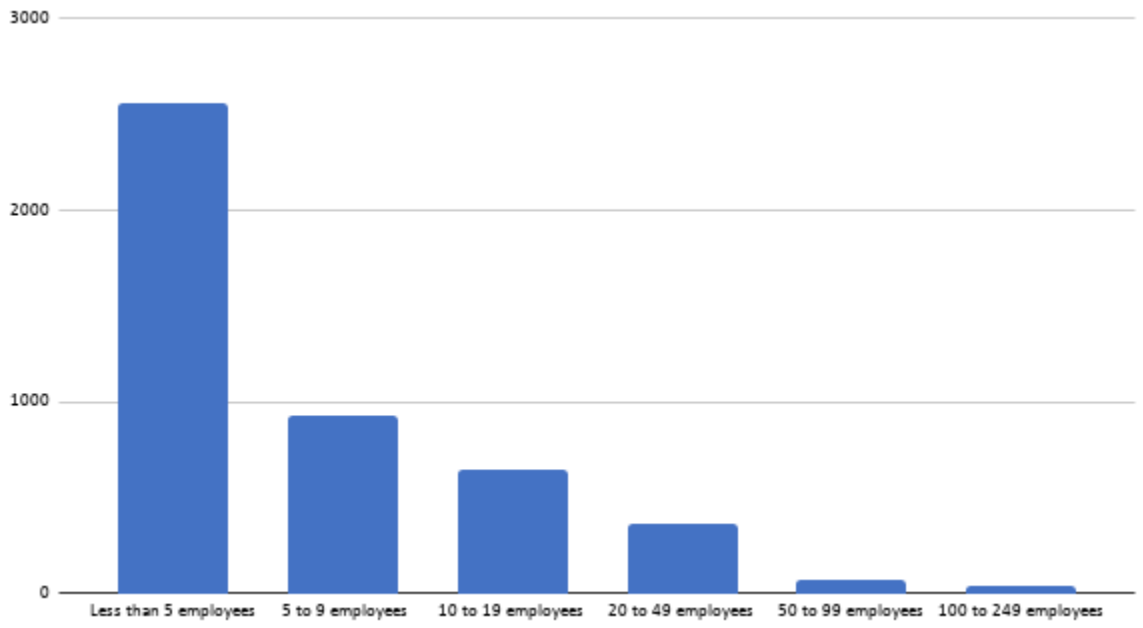
[20] https://www.ahata.com/news/2021-occupancy-forecast-45
[21] https://www.hospitalitynet.org/file/152008738.pdf

Weaknesses identified by the team are analyzed below, including small business stagnation, crime, infrastructure, and local attitudes.

Small Business Stagnation

The majority of firms in the USVI have less than 5 employees, as seen in the chart below.

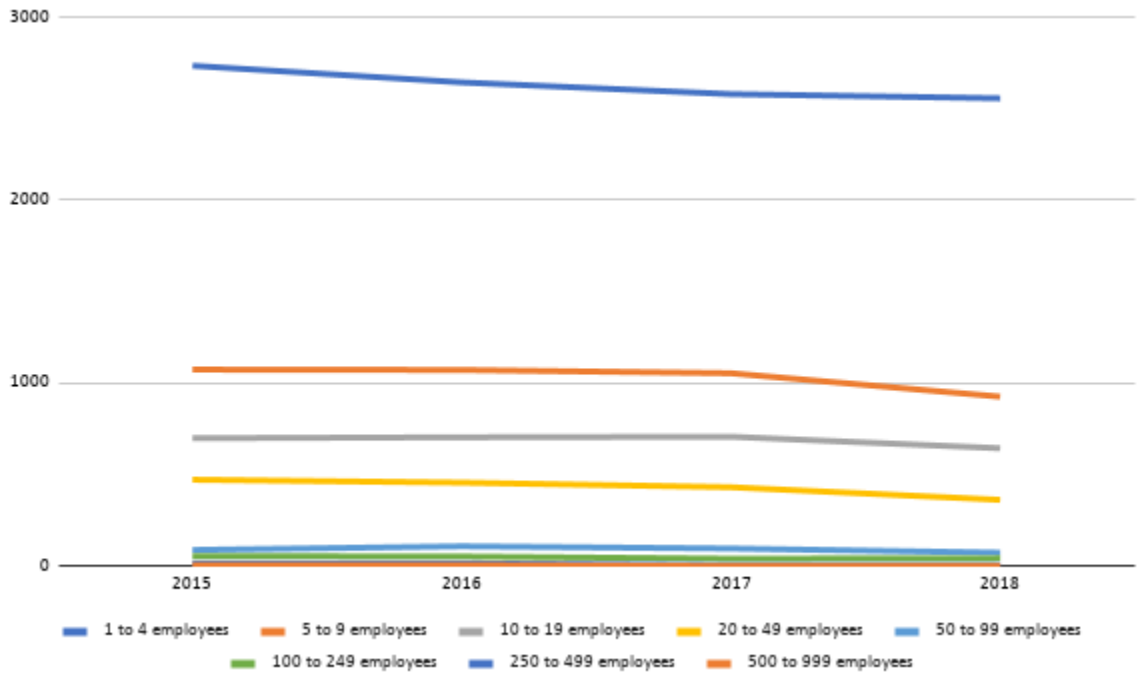
Table: USVI Firm Sizes by Number of Employees



Source: Bureau of the Census, Annual Business Survey, 2018

Small businesses in the Virgin Islands either tend to stay small or are replaced by other small businesses. There is not a trend of small businesses growing into larger businesses with time. There has been a decline across most firms from 2015 onward, which could be due in part to the effects of the hurricanes in 2017. As seen in the chart below, that decline is most apparent in the 500 - 999 employee category.

Business Size Over Time



Source: Bureau of the Census, Annual Business Survey, 2015 - 2018

Insights offered by the UVI School of Business at the USVI Community Business Forum explain some of the issues facing small businesses in light of the coronavirus,

> "Many of these micro-businesses have been operating in over-saturated markets Some findings regarding these businesses are that their "differentiation" is narrowly limited to price or service. These companies will need to identify key ways to pivot into areas of consumer need. Doing so is critical to their survival (Slide 142)."

Beyond the need to pivot, there are two main issues that small businesses and entrepreneurs face, identified via stakeholder interviews and research. One is the culture of doing business under the table. For the size of the economy, there is a relatively high level of informal, non-registered businesses, especially in the automotive, construction, and service industries.[22] According to stakeholders, most small businesses operate in a cash economy. This often means businesses have no insurance, as they are not registered.

Relatedly, there is a regulatory barrier for entrepreneurs starting a business. Obtaining a business license is a multi-step process that can take up to three months and cost up to $1,000. Compared to other jurisdictions, in which businesses licenses can be obtained online in a few days, this is a

[22] https://coast.noaa.gov/data/digitalcoast/pdf/econ-usvi-pr.pdf

large hurdle. The steps for obtaining a business include a background check, a fire inspection, a business address, and potentially other materials (i.e. licenses etc.).

Crime

Many responses to the surveys dispersed and plans analyzed mentioned the high crime rates in the USVI. Crime rates were attributed to both economic and tourism weaknesses in the territory, as it has profound impacts on businesses and outside perception of the islands. Small businesses that are directly affected by crime are often unable to recover. Similarly, tourist attractions are directly impacted as fewer guests come to the island and fewer reservations are made. Further exacerbating the issue of crime is the cost of security, as small businesses often cannot afford to increase security.

Negative news surrounding the crime rate in the USVI may deter tourism, as publications from within the Territory have emphasized the high crime rate. Despite a falling crime rate over the past two years, the USVI still has one of the highest homicide rates per capita in the world. Publicity surrounding violent crime is a significant weakness for the USVI, as it will continue to deter tourism if it is not addressed.

Infrastructure

Weaknesses in infrastructure on each island have been addressed both in formal planning efforts and survey responses conducted throughout this planning process. Physical infrastructure, waste infrastructure, and utility infrastructure are all subject to improvement, as advancement in these areas may improve tourism outcomes by reducing costs and improving the tourist experience. According to the 2018 USVI Hurricane Task Force Report, the USVI was left with over $10.7 billion in infrastructure damages following hurricanes Irma and Maria.[23] The hurricane damage was so extensive because of a lack of hardened infrastructure; this inhibits resilience and deters frequent tourism. Maintaining the safety and aesthetic appeal of the physical infrastructure throughout the islands while providing tourists with the necessary modes of transportation are necessary to combat physical infrastructure weaknesses post hurricanes Irma and Maria.

The utility infrastructure in the USVI was ravaged by the 2017 hurricanes, resulting in a Territory-wide communications and power blackout. The USVI continues to deal with frequent power outages and blackouts, as the power system cannot support the necessary fiber for continuous, powerful energy. A primary goal of tourism resiliency would be increased tourism capacity and attraction of new tourists or remote workers in the COVID era, however the lack of a powerful utility infrastructure presents the Territory with a weakness that inhibits that goal.

Local Attitudes

A frequent comment heard in our stakeholder conversations was regarding locals' attitude to tourists as well as the environment. While some respondents mentioned the friendliness of islanders as a strength, many more indicated that the service industry would benefit from comprehensive customer service training. A similar response was also seen regarding Virgin

[23] https://first.bloomberglp.com/documents/257521_USVI_Hurricane+Recovery+Taskforce+Report_DIGITAL.pdf

Islanders' attitudes towards the environment, with many community members indicating that improved education and awareness are needed to solve problems like littering and coral reef damage.

Strengths and Opportunities

Strengths

Strengths are defined as a region's or community's competitive advantages and are often internal in nature. From the responses to our survey as well as the town halls, these were the top 5 USVI tourism strengths mentioned by respondents:

1. Marketing is effective and well-received
2. Natural resources/ natural beauty
3. Local history and culture
4. Strong cruise industry
5. Easy travel access from the US

While marketing came up for some respondents as a weakness and a place for the USVI to improve, many more echoed the sentiment that currently marketing is one of the USVI's strengths. The majority of respondents also mentioned the natural beauty and resources of the islands as a strength. In addition to nature, the local culture, and its ability to draw tourists is perceived as an advantage. The strength of the cruise industry in the USVI (pre-COVID) was also seen as an advantage, and a great jumping-off point to expand tourism. Lastly, an important factor mentioned was the fact that the USVI is a US territory and therefore enjoys easy access from the mainland.

Diaspora Outlook

According to the Diaspora Survey distributed to native islanders that now live elsewhere, outside perception of the USVI is primarily positive. While some are more familiar with other Caribbean islands, a comment made to someone who has left the USVI is often "Why would you ever move?" Many view the USVI as the ideal vacation destination, with pristine beaches and a relaxed atmosphere. Survey participants emphasized the positive perception of the islands; the word "beautiful" was used to describe the Territory 81 times among the 350 survey responses. Similarly, the tendency of a native to return to the USVI to visit is also a strength. 329 respondents stated that they return at least every few years, including 158 who return once or twice a year to the Territory.

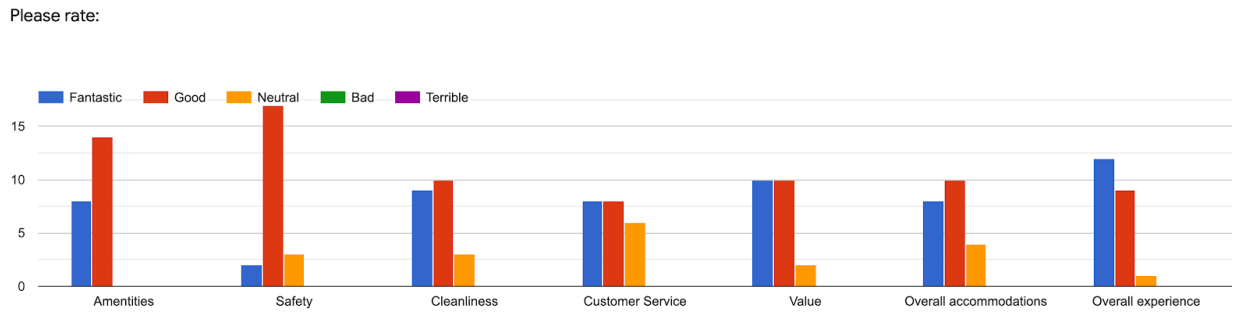
Strengths Analysis

Strengths identified through this process are that the Virgin Islands maintain a good overall impression from visitors, a passport is not needed, and tourism amenities are well regarded.

Overall Good Impression from Visitors

Overall, the respondents to the survey enjoyed their time spent in the Virgin Islands and would recommend vacationing in the Virgin Islands to others.

Survey participants were asked to rank their trips across seven metrics. There were rankings below neutral, but the overall responses indicate some areas of concern. Customer service was ranked neutral more often than any other metric. Safety was ranked good or neutral more often than fantastic. Overall accommodations scored slightly lower than overall experience.



Highlights

In response to the question, "What did you like most about the USVI?" respondents' answers fell into five different categories, listed below as headings, with specific answers under each heading.

People/Culture

- The people
- The culture
- Vibe
- The culture
- Charming people

Shopping

- Tax-free shopping
- Shopping

Environment/Nature

- Environment, weather
- Nature and surroundings
- Scenery
- Tropical environment
- Beautiful Caribbean environment

- Natural surroundings
- Environment

Ease

- Relaxing
- Easy to get to and everyone speaks English

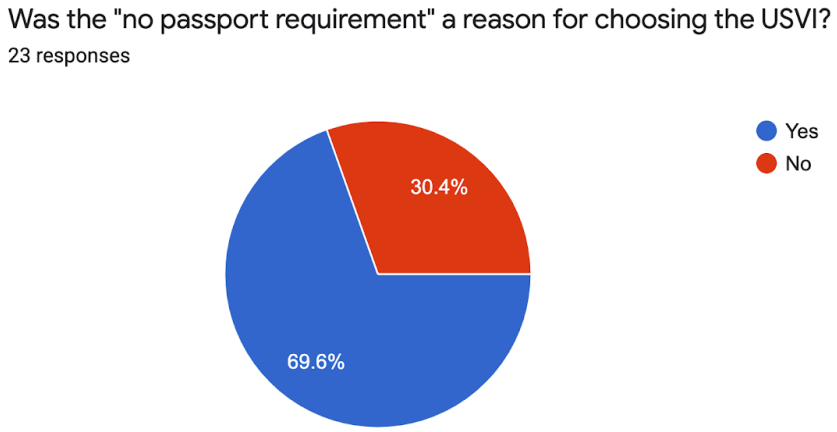
Amenities

- Diving, beaches, blue water
- Beaches
- Beaches
- Many things to do over the three islands
- Whole experience!

Every respondent who answered the question, “Would you recommend a vacation to the USVI? Why or why not?” answered positively. Answers for the second question were related to the islands’ beauty or general enthusiasm for the location.

Passport

Most respondents , 70%, considered that no passport was required for entry to the USVI, while 30% did not consider this a reason to choose to vacation in the territory. Beyond not requiring a passport, the USVI might also benefit from US visitors who feel more comfortable visiting a US territory, with similar laws and regulations.



The high number of respondents who considered that no passport was required for entry to the USVI aligns with the high percentage of US visitors the territory receives annually. According to

data from the USVI Bureau of Economic Research, when excluding locals, 89.48% of hotel guests in 2018 and 93.44% in 2019 were from the US.[24]

USVI Hotel Guests by Origin	2018	2019
Hotel guests originating from the US	201,848 (including 38,134 locals)	310,041 (including 37,547 locals)
Total hotel guests	221,102	329,164

Tourism Amenities are Well Regarded

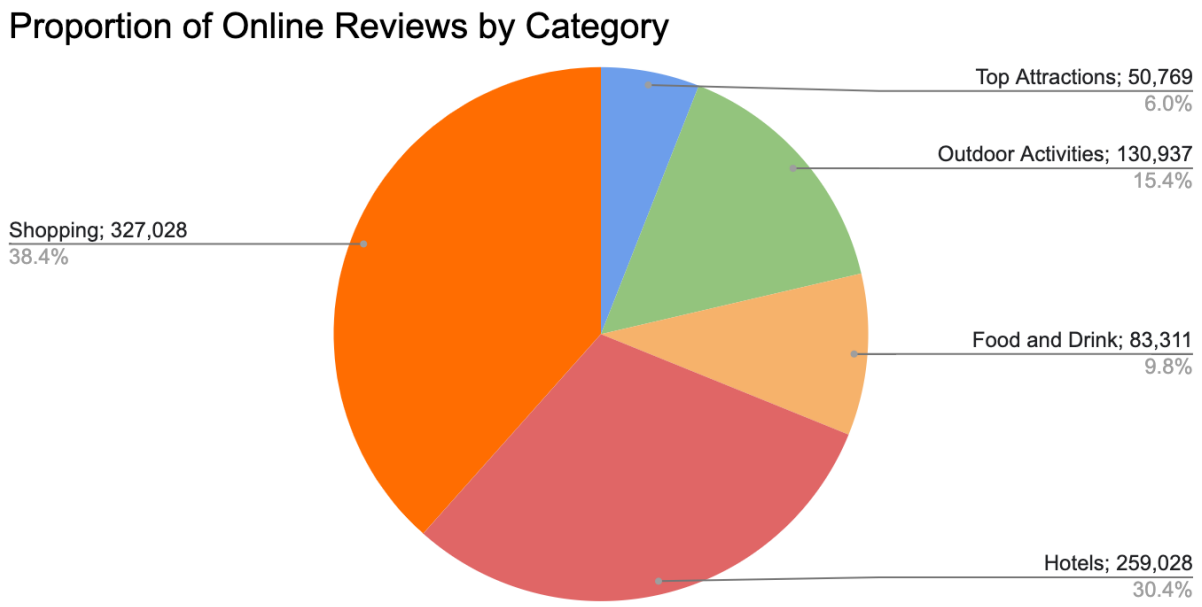
By conducting a quantitative and qualitative review of tourism infrastructure in the USVI through research on social media, tourism blogs, and review sites, an inventory of the top-ranked tourist attractions was created, and tourism strengths evaluated. From this inventory, conclusions can be drawn regarding the most popular categories of tourism attractions, the most popular sites for traveler reviews, and weaknesses in USVI tourism infrastructure.

To conduct this review of USVI tourism infrastructure and measure its quality, five categories were selected. These categories are Top Attractions, Outdoor Activities, Food and Drink, Hotels, and Shopping, which were sorted based on their traveler rankings in Tripadvisor. The top 20 tourist ranked attractions were then documented, and their ranking out of 5, as well as their number of reviews, was recorded.

Shopping was the category with the most online reviews across all platforms evaluated in this study. This category accounted for 38.4% of all reviews inventoried, while Hotels followed and accounted for 30.4% of all reviews. The substantial proportion of shopping and hotel reviews compared to lower quantities of reviews in other categories highlight tourist priorities when evaluating and choosing a vacation destination. A larger number of reviews also instills confidence in the overall rating score of each category.

[24] http://usviber.org/wp-content/uploads/2016/11/HotelGuestOrigin19.pdf

Chart: Proportion of Online Reviews by Category



The top-ranked category in this review was Outdoor Activities. Hotels in the US Virgin Islands had an average rating of 4.44/5 across all platforms evaluated (see Table). This ranked behind Outdoor Activities, which had an average rating of 5/5 across all platforms. While Hotels in the USVI had a lower average rating, the category had nearly double the reviews. This demonstrates reliability in the high average of 4.44.

Table: Average Ratings by Category

	Trip Advisor	Yelp	Google	Facebook	Cross-Platform Average
Top Attractions	4.675	3.85	3.525	4.71	**4.19**
Outdoor Activities	5	4.7	4.69	4.985	**4.84375**
Food and Drink	4.6	4.025	4.63	3.935	**4.2975**
Hotels	4.85	4	4.885	4.015	**4.4375**
Shopping	4.95	4	3.955	4.415	**4.33**

As mentioned previously, Outdoor Activities was the tourism category ranked highest throughout the inventory, with a cross-platform average of 4.8/5. This was followed by Hotels (4.44/5), then Top Attractions and Food and Drink. The popularity of Outdoor Activities, which consisted primarily of reviews of chartered boat excursions and eco-tourism, reflects the popular activities in Top Attractions, which was composed of popular beaches around the USVI. The

strength of these categories' rankings, as well as the collective total of online reviews between the two, indicates that ecotourism is an asset to the USVI economy.

Facebook was the most popular platform on which users engaged with tourism attractions. This platform allows users to like, rate, and post on pages for each of the attractions studied. Similarly, Google allows users to rate and provide comments for specific attractions. However, Facebook and Google do not rank attractions throughout the USVI in one place. Therefore, these sites are most useful to tourists that have already reviewed popular travel review sites like Tripadvisor and Yelp. However, the popularity of the attractions searched on Facebook and Google generally mirror the rankings on Tripadvisor and Yelp.

Marketing Strengths

Marketing was identified as a strength in community outreach.

The Mocko Jumbie Logo: This is a strong, colorful branding component and is flexible enough to fit any number of objectives that are listed in the Tourism Master Plan, particularly with those addressing history and culture. The history and meaning of the Mocko Jumbie itself creates several opportunities to tell colorful and enticing stories that will help meet the goals laid out in the plan. Several variations of this logo exist for different organizations that fall under the USVI brand, and continued use (in varying forms) is encouraged.

Great user-generated content: It is no surprise that turquoise waters and sandy beaches are the driving force behind tourists' desire to be there. There is no shortage of pictures of the island that illustrate this; users on social media are sharing great ones every day. This is a great asset to have, as it can be used in a variety of ways to boost some of the objectives outlined in the Tourism Plan.

Established Outdoor Recreation Written Content: Snorkeling, diving, fishing, and sailing are amongst the top "things to do" listed for the US Virgin Islands. Travelers tend to start with broad inspirational key words when they have a vacation in mind (i.e. best places to dive.) Then the search becomes more specific. This way of searching allows destinations to reach consumers in a much more targeted way, and at a much lower cost, than previous channels, as several articles have already been written about the activities listed above as some of the Top 5.

Opportunities

Opportunities are defined as chances or occasions for a region or community to improve or progress. From the responses to our survey as well as the town halls, these were the top five USVI tourism strengths mentioned by respondents:

1. Expand authentic cultural showcasing

2. Focus on eco-tourism, particularly on St. John
3. Focus on marine and water activities, including charter boats and yachts
4. Focus on high-end/luxury tourism and move away from cruise dependency
5. Market islands individually, USVI as the complete package for island hopping

All of the top five opportunities mentioned above are ways to diversify the tourism product that the US Virgin Islands currently offers and build on the strengths mentioned earlier. Respondents saw serious potential in the USVI becoming a leader in eco and marine tourism, which would allow the islands to attract a different type of tourist than it currently does. This is also reflected in the desire to focus on luxury tourism and promoting the USVI as an island-hopping destination. Lastly, by expanding cultural showcases the USVI can become a well-rounded tourist destination.

Opportunities Analysis

The team identified two main opportunities: continuation of investment in tourism amenities and marketing online.

Continued Investment in Tourism Amenities

A positive indicator of growth in any industry is the expansion of capital campaign projects and plans for new building construction. Through the Department of Planning and Natural Resources, Coastal Zone Management (CZM) division, there are several outstanding permits for new projects and existing leases that indicate a steady growth of offerings for visitors.

At this time, CZM has 13 existing lease permits from various hotels around the territory many of which are proposing some type of expansion or changes to existing buildings. In addition, there are 23 active lease permits for auxiliary businesses that are tourism-related like marinas, charter boat companies, malls and various water and land attractions. The lease permits are up-to-date active permits from businesses that continue to do business and require CZM permits to do so.

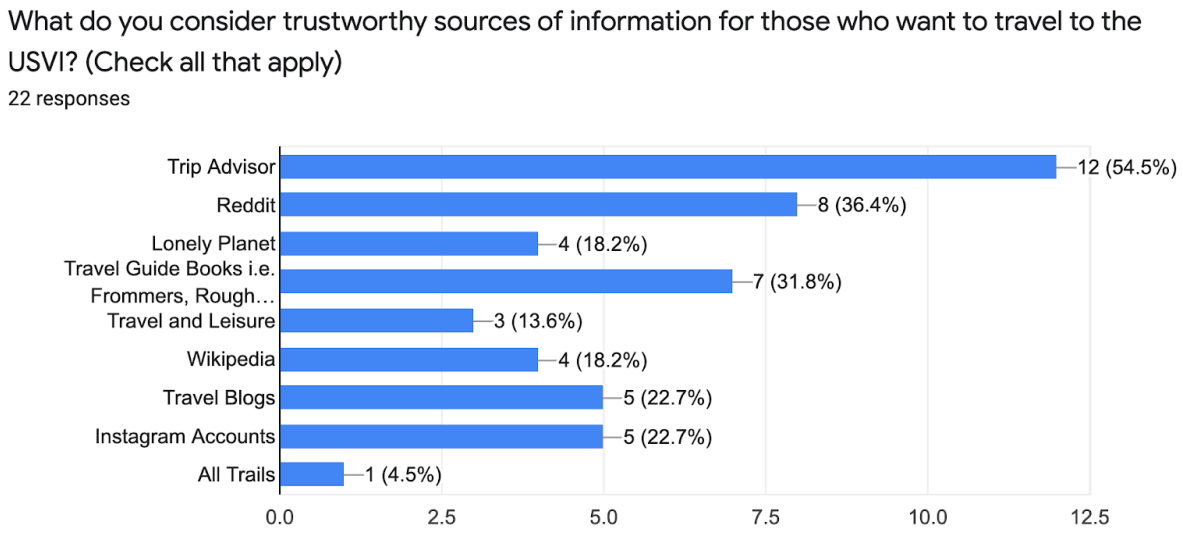
Below are a few projects that are new and have recently submitted permits and others that are proposed at this time.

- The Preserve at Botany Bay on St. Thomas- This project includes three phases of buildings as well as restoration of the pool, clubhouse, and reception area.
  Phase 1- 35 single room villas
  Phase 2- 15 duplexes
  Phase 3- multi level and residence club
- Hibiscus Hotel on St. Croix- Hurricane clean up, repair and restoration- 38 rooms in 6 buildings in Christiansted.
- Pond Bay Club St. John - 26 luxury units on 15 acres in Chocolate Hole on St. John.
- A proposed boutique hotel in downtown Charlotte Amalie.
- A proposed timeshare and hotel on Water Island at Honeymoon beach.
- Carib Beach Hotel St. Thomas- A proposed complete renovation.

Marketing Online

Visitor survey respondents indicated that most of their information was coming from online sources; there is an opportunity to increase the Virgin Islands' presence online. Respondents were most enthusiastic about Tripadvisor as a source of information with 12 responses indicating that was the most used site. The next most popular was the online forum Reddit, followed by travel guidebooks, some of which have websites as well. Travel blogs and Instagram accounts were tied for next in line, while Wikipedia, Lonely Planet, and Travel and Leisure rounded out the bottom half. One respondent wrote in the hiking app All Trails.

The use of online sources (Reddit, Instagram, travel blogs) versus paper sources such as books and magazines may be split between age groups, with younger people more focused on platforms they are already familiar with such as social media. However, this survey did not account for age, so it is not possible to cross-reference.



Recommendations

Recommendations for the tourism industry are listed below. They are organized from broad to most specific actions.

- Goals - clarifying statement of how things will change
- Objectives – measurable outcomes that show how change takes place
- Strategies - policies, programs, or other initiatives that lead to change
- Monitoring - ways to measure change
- Stakeholders - who will carry out the change?
- Case studies - how has change happened in other communities?

Our recommendations:

- Recommendation 1 - Authenticity: Focus on Native Virgin Islanders and Local History and Culture
- Recommendation 2 - A Mutually Respectful Tourism Experience from Beginning to End: Marketing, Attitude, and Customer Service
- Recommendation 3 - Capitalizing on the Blue Economy: Marine, Maritime, and Water Activities
- Recommendation 4 - Improve Quality of Life: Addressing Social Challenges and Infrastructure
- Recommendation 5 - Diversification: Capitalizing on Investments and Industry Trends

Recommendation 1: Authenticity: Focus on Native Islanders, Local History, and Culture

A unique jewel, the US Virgin Islands is historically known for its blend of the diverse, multicultural community that embraces the American dream's true meaning. Owned by many European countries, our culture embraces the old with the new. It maintains its unique niche in the Caribbean with a heritage melted from our Danish, Spanish, and now American owners. In our African ancestors' proper form, we have our distinguished cuisine and local crafts purchased and showcased around the world as treasured art.

Our local history is slowly slipping away, as we are witnessing our native islanders depart for a more enhanced and affordable living stateside. The cost of living in the US Virgin Islands, the lack of well-paid employment, and the accessibility of goods and services have drawn away our native islanders, taking our cultural history with them. Revisiting our diaspora's wants and needs is critical to maintaining our unique product and maintaining our history for years to come. Providing accessibility to businesses in all fields and affordable housing is necessary to bring our native islanders back to the Virgin Islands and reengage our culture.

Goals

Engage native Virgin Islanders to revitalize our cultural pride, to serve as historical ambassadors for our community, and re-establish our local history to the forefront of our tourism initiatives.

Objective 1

Reimagine and increase planned downtown activities and entertainment to accommodate evening participation from locals and visitors.

Strategy 1: Work alongside the Downtown Revitalization organizations and community groups to assist in maintaining the authenticity of downtown main streets across the territory. Share strategies that will benefit the tourism industry and the local community. Provide accessible shopping and dining throughout the day and evening, offering all patrons various activities and shopping options for all demographics within mixed-use facilities. (STT, STX. STJ)

- *How to Measure*: Exit surveys located at hotels, Airbnb, villa rentals, timeshares, etc., marine ports, and airports. Number of activities and offerings available in the downtown areas after dark.

- *Accountable Agencies and Stakeholders*: Tourism Department, Taxi Association, Downtown Revitalization Organizations, Property & Procurement.

Strategy 2: Provide long-term downtown management by creating a position (i.e., Operations Director, Downtown Virgin Islands) responsible for maintaining the downtown areas throughout the Virgin Islands. These persons will establish a Downtown Business Association to align business owners with the Tourism Department while maintaining the business owners' relationship. These organizations will also provide a platform for all downtown business owners to express grievances, share needed improvements and innovative ideas. (STX, STJ, STT)

- *How to Measure*: Surveyed visitors and locals at the respective Mainstreet locations and establishments.

- *Accountable Agencies and Stakeholders*: Tourism Department, Business Owners, Economic Development Authority.

Strategy 3: Create and initiate a unified marketing strategy, and plan nationally recognized events to enhance the downtown areas on all three islands. (STJ, STX, STT)

- *How to Measure*: Business owners annual Return on Investment (ROI) survey.

- *Accountable Agencies and Stakeholders*: Tourism Department, Business Owners, Chamber of Commerce, Downtown Revitalization Organization, Economic Development Authority.

Strategy 4: Provide a marketing collaboration program with downtown business owners to encourage after dark business hours, attracting visitors and locals to downtown locales, enhancing our tourism product by increasing after-hours activities and entertainment offerings. The collaboration will include airport information stands, virtual kiosks, updated television information channels, brochures, magazines, and souvenir books for distribution on airplanes, trade shows, and cruises plus development and maintenance of the website.

- *How to Measure*: Website and social media clicks, business owner ROI reports, business owner profit statements.

- *Accountable Agencies and Stakeholders*: Tourism Department, Business Owners, Economic Development Authority, Office of Management and Budget.

Strategy 5: Create an effective plan with the Police Commissioner to manage and eliminate crime and provide a safe shopping and dining experience for locals and visitors in all downtown

locations. Provide visible security, security cameras (real-time and monitored), and lighting for evening operations. (STX, STT, STJ)

- *How to Measure*: Crime reports via the Police Department.

- *Accountable Agencies and Stakeholders*: Tourism Department, Police Department

Strategy 6: Establish an all-taxis transportation lot convenient for visitors to access. Provide a trolley system to and from the transportation/taxi lots to allow accessibility for all patrons. Stop all transportation activity from downtown areas, allowing only trolly access at pickup/drop-off checkpoint areas to transport visitors and guests, conducting a local/diaspora search to manage the trolly system. (STT, STX, STJ)

- *How to Measure*: Count of visitors and locals boarding the trolly service daily.

- *Accountable Agencies and Stakeholders*: Tourism Department, Taxi Association, Property & Procurement, Office of Management and Budget.

Strategy 7: Diversify our activities and entertainment, adding outdoor restaurants, bistro seating throughout the area, local cuisine, bandstands, and live local and regional entertainment. (STJ, STX, STT)

- *How to Measure*: Business owner annual revenue/gross receipts reports.

- *Accountable Agencies and Stakeholders*: Tourism Department, Economic Development Authority, Department of Consumer Affairs and Licensing.

Strategy 8: Mandatory rent-controlled locations, and discounted energy resources as incentives to open and sustain a business in a downtown location or enterprise zone. (STX, STT, STJ)

- *How to Measure*: Annual report detailing businesses opened and closed.

- *Accountable Agencies and Stakeholders*: Tourism Department, Economic Development Authority, Department of Consumer Affairs and Licensing, Water and Power Authority, Legislative Senators.

Objective 2

Attract local diaspora back to the Virgin Islands with attractive opportunities to enhance tourism products and maintain the historical culture and economy.

Strategy 1: Reengage the local diaspora with a relocation/entrepreneurship grant program focused on building local businesses while maintaining affordable housing, storefront rentals, and continuous growth support. Create locally made products unique to the Virgin Islands for export, outside of the Caribbean scope. Local Virgin Islanders that departed due to a lack of employment and opportunities have expressed an interest to return to their native home in an entrepreneur's capacity. (STX, STT, STJ)

- *How to Measure*: Local census of diaspora that have returned to the Virgin Islands and successfully opened businesses.

- *Accountable Agencies and Stakeholders*: Tourism Department, Economic Development Authority, Department of Consumer Affairs and Licensing, Lieutenant Governor Office, Department of Housing Finance.

Strategy 2: Create a streamlined one-stop government-wide structure headed by DLCA or VIEDA responsible for all aspects of developing a new business in the Virgin Islands. Eliminate the plethora of agencies and loopholes currently necessary to cause delayed business openings by six months or more. Capture all initial data electronically and provide assistance with business licenses, permits, etc., within a reasonable time frame. (STJ, STX, STT)

- *How to Measure*: Annual report of opened businesses within a 1–2-month timeline.

- *Accountable Agencies and Stakeholders*: Economic Development Authority, Department of Consumer Affairs and Licensing, Local Banking Institutions, Lieutenant Governor's Office.

Strategy 3: Hold accountable all financial institutions with providing a plan of action to accommodate local business owners with financing for opening small businesses in a timely manner. Align initiatives with the Small Business Association, Economic Development Bank, and the Tourism Department to create a financial program focused on local tourism-related companies, low interest, timelines, and recommendations for qualifications. This will add value to the tourism product while maintaining the island's authentic cultural history. (STX, STT, STJ)

- *How to Measure*: Annual report of opened businesses from all financial institutions.

- *Accountable Agencies and Stakeholders*: Tourism Department, Economic Development Authority, Small Business Association, Local Banking Institutions. Lieutenant Governor's Office.

Case Study: Building an Environment for Dining in Roanoke, TX

Known today as the Unique Dining Capital of Texas, Roanoke is a thriving city in the Dallas metro area. Starting in 2004 the City of Roanoke began a downtown improvement plan that worked to highlight the city's unique character and provide opportunities for growth. Through investments in infrastructure, Roanoke was able to revitalize their downtown and use it to help support economic development for the city.

The first phase of the plan focused on improving the Original Town, which had an emphasis on Babe's Chicken Dinner House. Babe's Chicken Dinner House was a part of the identity of the city, constantly having lines outside the door, because of both popularity and few other dining options. This focused the redevelopment on creating a thriving culinary industry in the city. The other major focus of redevelopment was to keep the historic feel of the architecture and city. Concentrating on two aspects have led to a unique feel for visitors and businesses in the area.

The second phase of the plan created the zoning district of downtown Roanoke and identified the Oak Street Corridor as one of the main focuses of redevelopment. After identifying the Oak Street Corridor as the main focus, the city invested in the proper infrastructure that was needed. One of the first projects was remodeling The Rock Hotel. This is a historical landmark and is now the Roanoke Visitors Center and Museum. This shows the city's commitment to preserving the historical value of the city's downtown area.

Third on the list was the Oak Street reconstruction project. This improved the main street, added pedestrian friendly walkways, and added two roundabouts for better traffic control. Additionally, more than 150 parallel parking spaces were added to Oak Street. These improvements in infrastructure have encouraged new restaurants to open up on Oak Street. During the reconstruction of the Oak Street Corridor, a focus on historic preservation was increased by using architectural design standards to promote historic preservation of significant buildings.

Together, these strategies have supported the development of a thriving downtown area with over 60 restaurants in less than six square miles. The downtown is a flourishing, walkable space that gives residents and visitors access to retail, dining, and housing options. By developing a strong sense of place that is complemented by strong incentives for investment, Roanoke creates opportunities for growth that support the city's image and economic development goals.

Recommendation 2 - A Mutually Respectful Tourism Experience from Beginning to End: Marketing, Attitude, and Customer Service

<u>Goal:</u>

Create linkages between Tourism and overall economic development opportunities for all Virgin Islanders

Objective 1:

Create product development and service programs to support local entrepreneurs and small businesses

Strategy 1: Develop packages and promotions aimed at spreading economic benefits. For example, the Department of Tourism could encourage proprietors to create sponsored certificates to recognize smaller venues as high quality for visitors who may not be familiar with the properties· This would be especially helpful for small hotels and villas that are not able to utilize the same marketing streams that larger properties do. (STJ, STT, STX)

- *How to Measure*: More bookings at smaller hotels, increase in tourist interest in website or social media highlighted sponsored certificates.

- *Accountable Agencies and Stakeholders*: Tourism Department, Small Business Association

Strategy 2: Create an initiative or expand the EDC Eligible Supplier Program to encourage hotel accommodations to buy local products and feature them prominently. Products would include personal care amenities, produce, herbs, fragrances, consumables, and others. An intermediary may be needed to introduce producers and buyers, and to help establish contracting protocols. The Virgin Islands Economic Development Authority has been working with small scale producers to stock its "Made in the VI" holiday popups; other intermediaries may include entrepreneurship support organizations. (STX, STT, STJ)

- *How to Measure*: More local contracts for local producers

- *Accountable Agencies and Stakeholders*: Tourism Department, Small Business Development Center, Virgin Islands Economic Development Authority, Small Business Development Center

Objective 2:

Increase tourism earnings through workforce development and career advancement.

Strategy 1: Professional development through training, trade shows, and business conferences. Tourism professionals in the USVI need to keep up their knowledge and skills by participating in industry events. One way to ensure this workforce is up to date is to create a fund that would offer grants for travel and registration to all employees in tourism or cultural organizations seeking to enhance their knowledge. (STT, STX, STJ)

- *How to Measure*: Increase in tourism and cultural employees with certifications; number of people taking advantage of grants

- *Accountable Agencies and Stakeholders*: Tourism Department, Hotel and Tourism Association, Virgin Islands Professional Charter Association

Strategy 2: Increase participation in Certified Tourism Ambassador training, an industry-recognized certification that aligns a destination's workforce of stakeholder businesses and front-line workers to increase tourism by enhancing the visitor experience. This certification drives visitor spending through in-depth knowledge of the destination product; gives destinations a competitive advantage; and ensures consistent delivery of a positive destination brand experience.

- *How to Measure*: Number of business owners and front-line workers gaining their Certified Tourism Ambassador Training

- *Accountable Agencies and Stakeholders*: Tourism Department, Hotel and Tourism Association, Virgin Islands Professional Charter Association

Goal

Enhance the tourism product and improve community awareness of the role of tourism to the VI economy.

Objective 3:

Change the narrative of tourism among native Virgin Islanders and regionally to be more positive.

Strategy 1: Re-launch the "Tourism is All of Us" programming and enhance the Department of Tourism community awareness program. Also grow the "Like a Tourist" campaign and construct medium size hotels at the RTP Village on STX, at UVI Brewers Beach on STT, and refurbish the golf course at UVI. (STX, STT)

- *How to Measure*: Native Virgin Islanders sentiment changing measured via survey.

- *Accountable Agencies and Stakeholders*: Tourism Department

Strategy 2: Develop Intra-Caribbean and inter-Virgin Islands marketing initiative and regional collaborations. The USVI is currently not involved in many regional Caribbean affiliations; joining these alliances could lead to increased trade, tourism, and advocacy.

- *How to Measure*: Involvement in regional affiliation

- *Accountable Agencies and Stakeholders*: Tourism Department

Groups may include:

- Association of Caribbean States
- Caribbean Community (CARICOM)
- Caribbean Tourism Association
- Caribbean Hotel & Tourism Association
- Organization of Eastern Caribbean States (OECS)

Goal:

Provide a superior vacation experience using our natural resources, attractions, activities, history, culture, food, and people to promote the unique features of our islands.

Objective 4:

Attract overnight visitors that respect the Virgin Islands heritage and culture.

Strategy 1: Increase high value customers through new market development, including sectors of wellness, cultural heritage tourism, LGBT, and geo-tourism and place a greater emphasis on existing high value markets including eco-tourism, diaspora, sports tourism, marine tourism and maritime tourism. (STX, STJ)

Suggested tourism developments include historic villages on each island, establishing a Carnival Museum, St. Croix established as National Heritage Site, Heritage Trail Map audio app

- *How to Measure*: Increase in overnight visitor numbers
- *Accountable Agencies and Stakeholders*: Tourism Department, Virgin Islands Professional Charter Association, IGY, Crown Bay Marina

Strategy 2: Green Globe Certification for hotel partners, which attracts responsible travelers. (STX, STJ)

- *How to Measure*: Increase in overnight visitor numbers
- *Accountable Agencies and Stakeholders*: Tourism Department

Strategy 3: Create virtual tours, videos, marketing collateral, microsites, and other means to support overnight travel initiatives. (STT, STX, STJ)

- *How to Measure*: Increase in overnight visitor numbers

- *Accountable Agencies and Stakeholders*: Tourism Department

Case Study: Representing Aruba's Value Accurately

Established in 2011 by the Government of Aruba, the Aruba Certification Program (ACP.) was set up as a training program for those working in the hospitality industry. The goal of the program is to provide accurate information on Aruba as a tourist destination. The program aids in improving the overall experience for tourists. The belief is that individuals who go through the program will be better prepared to share the story of Aruba and create authentic cultural experiences for visitors. The ACP looks to help revive the pride and unity of the Aruban community by establishing a brand identity focused on Aruba's culture, nature, and its commitment to excellent service.

In addition to the ACP, the Happy Information Officers Program was created. This program was created to train individuals on how to provide tourists with information on local attractions, activities, and events. After receiving their certification, officers are set up around major tourist attractions, making them readily available to visitors who need guidance on what they should do next during their stay. Trained to have extensive knowledge of the local area, these officers provide tourists with an easy and available resource at their disposal.

To help with the management and implementation of the program, the Aruba Tourism Authority created the Aruba Excellence Foundation in 2018. The Aruba Excellence Foundation establishes the expectations in regard to destination products. They also develop and apply new programs that can add value to Aruba's hospitality workforce. The foundation's creation demonstrates the commitment that the Aruba Tourism Authority has made to ensuring the constant improvement of the hospitality industry.

The ACP designed a kid's camp with a goal to show children the importance of the tourist industry in Aruba. This camp provides kids with accurate and consistent knowledge of Aruba and teaches them about excellent service, preparing them for possible futures in the hospitality industry. By going to different excursions around the islands, this early workforce development allows young people to gain knowledge and an appreciation for their culture's heritage.

In 2019, the Aruba Excellence Foundation awarded seven companies for becoming 100 percent certified through the ACP This demonstrates the value that the program brings; these companies recognized the importance of having employees educated with correct and concise

information, which leads to excellent service and memorable experiences for tourists. The ACP and Aruba Excellence Foundation has had a positive impact on workforce development in the hospitality industry, helping tourism become a stronger tool for economic development.

Recommendation 3 - Capitalize on the Blue Economy: Marine, Maritime and Water Activities

As a Caribbean vacation island destination, the US Virgin Islands relies heavily on its beautiful beaches and clear waters to attract visitors. However, there is currently a huge untapped potential within the USVI marine industry. By taking a holistic approach to the Virgin Islands' blue economy, looking at marketing, amenities, infrastructure, the USVI can become a strong player among the Caribbean's boating destinations and attract more visitors for alternative water activities.

With increased utilization of the water surrounding the USVI, it is of the utmost importance that the Virgin Islands' beaches and water receive the necessary protection. The marine environment is essential to Virgin Islanders and their way of life. As a group of islands, so much of the US Virgin Islands revolves around its access to water: food, transportation, and of course, tourism. To guarantee the continued health of the marine environment, everyone has to do their part in conservation and preservation.

Goal

Maintain and improve environmental health of surrounding coral reefs, bays, and inland waterways to become a pristine and blue economy.

Objective 1

Educate the public in the importance of a healthy and sustainable marine industry.

Strategy 1: Work with the Department of Tourism, cruise, and hotel industry, as well as local businesses to inform visitors of the importance of maintaining a healthy marine and maritime environment. This public awareness campaign will contain messaging on an array of environmental topics such as the straw and plastic bag ban, not collecting seashells, and reef protection (i.e. not touching coral, correct type of sunscreen.) These messages should be clearly displayed and communicated, including at all ports of entry. (STJ, STX, STT)

- *How to Measure:* Annual coral reef measurement and health check through the USVI's Center for Marine and Environmental Science.

- *Accountable Agencies:* Tourism Department, V.I. Network of Environmental Educators (VINE), EAST (Environmental Association of St. Thomas and St. John), UVI- Coral Reef and Marine Science Program

Strategy 2: Collaborate with existing organizations that already have environmental programs in place to create education activities to teach the importance and skills of maintaining a healthy marine and maritime environment. A good example of a program like this is the Eco-School model. The Eco-Schools enhances existing content and teaching methods, while engaging students in a positive transformation of their physical, social, and mental learning environments. It integrates an environmental education program that promotes long-term, whole-school (students, teachers, parents, community) action for sustainability. (STJ, STX, STT)

- *How to Measure:* Numbers of students participating in programs

- *Accountable Agencies:* DNPR, Fish and Wildlife, Eco Schools, Virgin Islands Conservation Society

Strategy 3: Work with the cruise industry to enforce a ban on reef damaging sunscreen, plastic bags, and straws. While the USVI has banned the importation and sale of reef damaging sunscreen, visiting tourists might be unaware of these recent restrictions. Cruise ships can make sure these rules and regulations are communicated with passengers by, for example, including it as an announcement of the daily itinerary. (STX, STJ, STT)

- *How to Measure:* Work with the University's Marine Science area that oversees the coral restoration projects and monitoring the waters around the territory.

- *Accountable Agencies:* USVI Tourism Department

Strategy 4: Expand Green Flag project. (STX, STJ, STT)

Project Green Flag encourages environmental stewardship within the USVI charter industry. Through the program boat crews to learn about best practices for fishing, mooring, and anchoring and become USVI reef stewards

- *How to Measure:* Track participation in the Green Flag project

- *Accountable Agencies:* Virgin Islands Professional Charter Association

Strategy 5: Expand participation in the Reef Responsible Sustainable Seafood Initiative (STT, STX, STJ)

The Reef Responsible Restaurant Program is a voluntary program designed to help create a sustainable seafood industry in the USVI by celebrating and recognizing those restaurants that are committed to supporting local fishers and making conscious decisions about the seafood that they purchase, prepare, and serve. Through this initiative, training is provided to local restaurant owners and chefs toward improved practices regarding the purchase of seafood to be used in their restaurants. Information on seasonal closures and size restrictions for reef fishes, lobster, whelk, and conch is also provided in an effort to improve compliance with local and federal fisheries regulations.

- *How to Measure:* Track participation in the Reef Responsible Restaurant Program

- *Accountable Agencies:* The Nature Conservancy, NOAA's USVI Fisheries Liaison, the USVI Department of Planning and Natural Resources Division of Fish and Wildlife, University of the Virgin Islands, and St. Croix Reef Jam

Strategy 6: Expand Blue Flag project (STJ, STT, STX)

Blue Flag is an exclusive eco-label promoting sustainable tourism and awarded to beaches and marinas worldwide who meet the established criteria of the program. The three beaches receiving this coveted certification are: on St. Thomas-- Emerald Beach Resort at Lindbergh bay, The Ritz Carlton beach at Great Bay; Green Cay Beach at Tamarind Reef on St. Croix. The Blue Flag certification is based on compliance with 32 criteria including environmental education and information, water quality, environmental management, and safety and services.

The Blue Flag program aims to improve the quality of beaches, marinas, and the management of coastal areas in a holistic way. It is a system that does not curtail recreation and tourism in the coastal area but rather helps manage it through a wide range of subjects, activities and users that have direct and indirect interactions with the coastal environment.

- *How to Measure:* Increase the number of USVI beaches that qualify for Blue Flag beaches

- *Accountable Agencies:* USVI Tourism Department, Virgin Islands Conservation Society

<u>Objective 2</u>

Build the support infrastructure for the USVI to become a boating/yachting/ island hopping destination.

Strategy 1: Complete dredging of Crown and Long Bays on St. Thomas and Gallows Bay on St. Croix to expand cruise ship and mega yacht terminal expansion. (STX, STT)

- *How to Measure:* Track progress on dredging according to planned progress

- *Accountable Agencies:* US Virgin Islands Port Authority (VIPA)

Strategy 2: Establish a plan to address safe moorings charter boats and yachts in case of a hurricane, including on-land storage facilities. This could include the construction of a marine industrial park for yacht storage and maintenance. (STX, STT)

- *How to Measure:* Track the availability of on-land storage facilities, increase the awareness of emergency plan

- *Accountable Agencies:* VI Charter Yacht League, VI Professional Charter Association, US Virgin Islands Port Authority (VIPA)

Strategy 3: Build the approved Summer's End Marina on St. John/ Coral Bay. The permit for this project was approved by the Legislature in December 2020. (STJ)

- *How to measure:* Track progress made on development according to stipulated timeline

- *Accountable Agencies:* Summer's End Group, The Office of the Governor

Strategy 4: Implement infrastructure changes recommended by the Virgin Islands Professional Charter Association, such as:

  - Opening Charlotte Amalie quay to dinghies and other small go-between vessels
  - Promoting Benner Bay revitalization
  - Adding moorings at select locations
  - Providing dock access for vessels at Cyril E. King Airport
  - Establishing marine haul-out facilities (STT, STJ, STX)

- *How to measure:* Create a Marine Industry Master Plan to prioritize projects and create a long-term strategy for the industry's improvement and expansion

- *Accountable Agencies:* VIPCA, DNPR

Strategy 5: Streamline the registration, customs, and visa process for yachts and their crews. (STT, STJ, STX)

- *How to measure:* Track progress made on development according to stipulated timeline

- *Accountable Agencies*: Virgin Islands Port Authority, Customs and Border Protection

Goal

Build upon and increase overnight and charter boat tourism by promoting our marine industry.

Objective 3

Market and promote the USVI as a pristine, sustainable blue economy destination. This should consist of a holistic view of the islands' blue economy - beaches, marine activities, water sports, yachting and cruise ships. Promoting the USVI as a marine destination, will draw more overnight visitors to the islands.

Strategy 1: Create a branding and marketing campaign strictly focusing on the pristine and turquoise waters. Highlight beaches, overnight charters, day boating and watersport activities in collaboration with the greater Virgin Islands, as feasible. (STX, STJ, STT)

- *How to Measure:* ED card/ "exit surveys" for tourists that evaluate what brought them to the islands, measure the bookings in the Marine Industry

- *Accountable Agencies:* VI Charter Yacht League, Department of Tourism and the Hotel and Tourism Industry.

Strategy 2: Create an advisory committee for marine and maritime industry stakeholders to participate in branding campaign to ensure collaboration. (STT, STX, STJ)

- *How to Measure:* Track meetings and meeting minutes, as well as participation for the advisory committee

- *Accountable Agencies:* VI Charter Yacht League, VI Professional Charter Association, Department of Tourism, Virgin Islands Game Fishing Club

Objective 4

Expand professional opportunities for locals and youth interested in marine, maritime and blue economy careers at every level. A holistic approach to building human capital in the marine and maritime industry would include building connections worldwide with other marine and maritime professionals, expanding training programs, and increasing outreach.

Strategy 1: Set up a marine/maritime-specific incentives program that could offer incentives to marine industry businesses, as well as for the continued professional development of the marine workforce.

- *How to Measure:* Conduct initial research to determine the areas of most need and ROI to establish an incentive program and measure usage of the incentive program

- *Accountable Agencies:* USVIEDA, UVI

Strategy 2: Develop a marine business incubator site at the proposed UVI Maritime Research Technology and Exploration Center on St. Croix to encourage marine entrepreneurship, private sector investment, and job creation in the USVI's blue economy. (STX)

- *How to Measure:* Measure usage of the incentive program, ED card/ "exit surveys" for tourists that evaluate what brought them to the islands, measure the bookings in the Marine Industry

- *Accountable Agencies:* VI Charter Yacht League, UVI, USVI Department of Tourism, VI Professional Charter Organization, USVIEDA, RT Park

Objective 5

Work together with cruise ship lines to minimize the environmental impact on the USVI

Strategy 1: Create MOUs with the cruise lines visiting the USVI to support sustainable marine development. These MOUs could include regulation on energy consumption reduction, waste management, plastic reduction, or even targeted investing on the USVI, such as workforce programs. Any tax incentive or other government benefit should be dependent on them aligning with MOU. (STT, STX)

- *How to Measure:* Track usage of tax incentives by cruise ships, number of cruise ship companies participating in environmental incentive program

- *Accountable Agencies:* USVI Tourism Department, USVIEDA

Case Study: Investing in the Yachting Industry in St. Maarten

St. Maarten is one of the top destinations for yachting and boating tourists, with Simpson Bay Lagoon being home to world class facilities. St. Maarten regularly hosts some of the most

extravagant vessels on the globe. The growth potential for yachting is expanding, with the Simpson Bay Lagoon Authority Cooperation planning to increase their market. The various sailing events hosted by the Sint Maarten Yacht Club bring in yachts of all sizes to compete against each other, especially for the St. Maarten Heineken Regatta.

With over 10 marinas, St. Maarten has all the products that a yacht or captain demands. These marinas have retail stores to provide customers with the goods and services required for the perfect boating experience. Different marinas supply haul-out services, with lifts that have a capacity between 75-150 tons. In addition to this, there have been multiple projects which have helped the development of St. Maarten and Simpson Bay as a favorite yachting destination. One of these projects was the construction of a 760-meter causeway connecting Airport Boulevard to Cole Bay, finished in 2013. This project reduced congestion in the area and provided tourists an alternative route to the Simpson Bay Bridge. This includes a top-of-the-line swing bridge; allowing yachts to pass in both directions when open.

St. Maarten ensures that there is an abundance of docking options for vessels of all sizes. Dock Maarten, the closest marina to the cruise terminal, is able to contain up to 40 ships of up to 120 feet in length. In order to accommodate giga yachts, vessels too large to enter the Simpson Bay, St. Maarten opened up fueling stations specifically for giga yachts in 2011. There are three 20,000-liter tanks for delivery at the berths.

St. Maarten has used technological innovation to ensure the smooth running of business operations. With the implementation of GLS software in 2009, the business side of yachting in St. Maarten has been fully automated. This software is used for port management, billing and invoices, and other management duties. The GLS software helps ensure the safe handling of port cargo that comes in and out of the harbor. In 2012, security cameras were installed along the bridge; this installation has been followed with a significant reduction in criminal activity. St. Maarten has made the proper investments in infrastructure, which has helped establish them as a top destination for yachting enthusiasts.

Recommendation 4 - Improve Quality of Life: Crime and Infrastructure

Infrastructure not only directly impacts economic development efforts in the USVI, it also has implications on and for tourism. Providing tourists with reliable and affordable transportation to and from Caribbean islands and while on an island itself is important to increase tourist satisfaction and disperse visitor spending. In the research conducted for this Tourism Master Plan, infrastructure improvements were often cited as necessary by past visitors and islanders alike. Infrastructure needs following hurricanes Irma and Maria totaled over $2.3 billion, according to an Economic and Fiscal Conditions Report by the CRS.[25] Addressing infrastructure resiliency post natural disasters through the lens of tourism may ensure a more successful tourism industry in the USVI. Additionally, adding increased internet infrastructure will improve opportunity for islanders and convenience for tourists.

[25] https://fas.org/sgp/crs/row/R45235.pdf

Similarly, the quality of travel methods and infrastructure, as well as the safety of tourists, were consistent topics throughout outreach to USVI locals and frequent visitors. Improving the quality of the overall tourism experience includes creating convenient, walkable, safe, and affordable infrastructure. While the USVI has decreased its murder rate by 6.42 percent over the past two years,[26] increasing security and making sure tourists feel safe should be a priority when addressing improvements to tourist districts.

Goal 1

Safe surroundings for islanders and tourists alike

Objective 1

Reduce crime and create safe, walkable tourist districts

High crime rates in the USVI are detrimental to the tourism industry, as local businesses are put at risk and fear of crime keeps tourists from visiting the islands. The USVI faces a significant amount of gang violence and crimes of economic hardship. While further research on long term crime mitigation strategies is needed, tourism districts can implement various strategies to reduce crime and protect tourists during their time in the USVI.

Downtown revitalization efforts, such as the one in Charlotte Amalie and all enterprise zones, can be implemented in conjunction with community design standards to prevent crime. This would include features like natural surveillance, safe access, and community support. Advertising these standards in walkable districts would create a feeling of safety among tourists and local businesses. Similarly, businesses can invest in increased security by collectively forming Business Improvement Districts. The dues from these districts can fund the aforementioned design efforts or increased security. Public private partnerships between economic districts and the USVI government can ensure that the reduction of crime is addressed throughout infrastructure improvements and tourism planning.

Strategy 1: Evaluate community design standards for preventing crime and implement strategies in development plans. (STT, STX)

- *How to Measure:* Compare standards to current community designs; evaluate the potential impact of current designs on crime mitigation

[26] The United Nations Office on Drugs and Crime (UNDOC), International Homicide Rankings, 2017

- *Accountable Agencies:* Downtown Revitalization Inc., local governments

Strategy 2: Continue plans to develop a Business Improvement District (BID) in all four downtown areas and find new communities that may benefit from a BID. Use funding from dues to improve security and create safe spaces for tourists.

- *How to Measure*: Increase security and evaluate the impact on crime in Business Improvement Districts

- *Accountable Agencies*: Downtown Revitalization Inc., USVI EDA, OTF

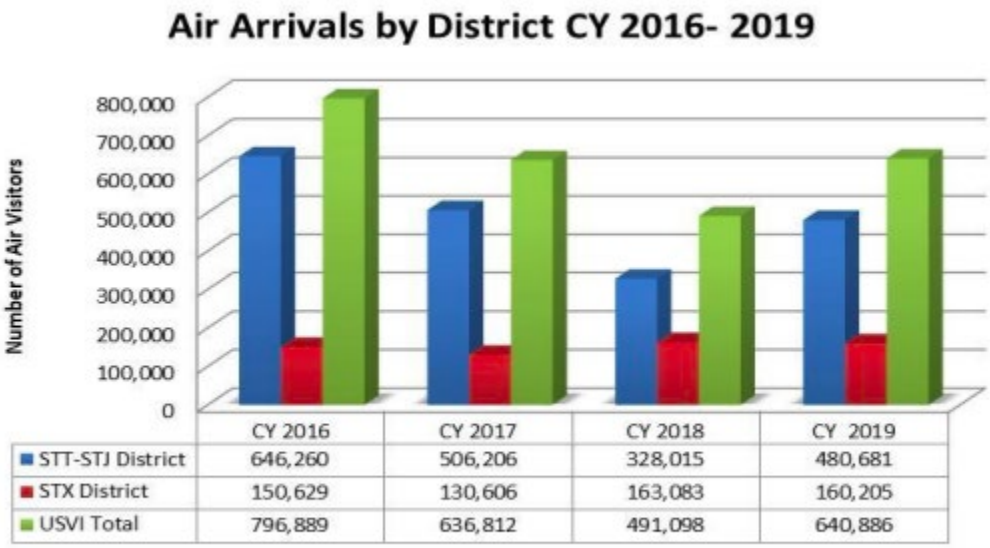
Objective 2

Easy access for tourists within and between islands

Invest in inter-island and inter-Caribbean infrastructure to increase tourist mobility. Mobility between tourist attractions in the USVI and Caribbean is challenging. Similarly, navigating to and between the three islands as a tourist is costly and impractical. Increasing tourist mobility would increase tourist spending over a greater area of the USVI as well as allow tourists to visit more attractions across the territory.

Air travel to the USVI is largely concentrated in St. Thomas (see graph). St. Croix has about one third of St. Thomas's air capacity, and St. John depends on ferries and water taxis to bring in tourists, as it does not have an airport. This presents problems for St. Croix and St. John, as travel to those islands becomes more costly and time consuming. This impairs the success of the USVI as tourist spending and overnight visitors are primarily concentrated in St. Thomas.

There are currently plans in place to improve air capacity and frequency of travel into the USVI and within Caribbean islands. While these plans, such as the Recovery and Resilience plan formed by the USVI Hurricane Task Force, emphasize the need to improve and harden air infrastructure, actualizing these plans is important to increase and support tourism.



Source: USVI Division of Economic Research

The use of a ferry is another popular inter- island and inter-Caribbean travel method. While ferries between St. Thomas and St. John run multiple times per day for reasonable prices, routes from St. Thomas to St. Croix and inter-Caribbean routes are far less frequent and more costly. There is demand among tourists for more convenient and frequent routes among these other Caribbean islands. Establishing more routes will ensure a more even spread of tourism spending among all three USVI islands and attract tourists to the USVI from other Caribbean destinations, such as the British Virgin Islands.

Strategy 1: Increase air capacity on St. Croix by implementing the Henry E. Rohlsen Airport Terminal Expansion and Modernization Project proposed by the Virgin Islands Port Authority, securing funding for phases two, three, and four of the plan. (STX)

- *How to Measure:* Maintain 6-year timeline for completion of the four-phase plan
- *Accountable Agencies:* Virgin Islands Port Authority Airline Division

Strategy 2: Continue to fund and implement the Airline Incentive Program to airlines that have active routes to and from St. Thomas, incentivizing increased air capacity and tourism traffic in St. Croix. (STX)

- *How to Measure:* Increase the amount of flight traffic at Cyril E. King and Henry E. Rohlsen airports by attracting new routes to St. Thomas and St. Croix by November 2022.

- *Accountable Agencies:* Virgin Islands Port Authority Aviation Division

Strategy 3: Improve connectivity between islands by establishing affordable and frequent ferry routes between St. Thomas, St. Croix, St. John, and the BVI and creating more ferry access points near popular tourist destinations. Explore public-private partnerships between ferry operators and a government agency. (STT, STJ, STX)

- *How to Measure:* Ferry routes between St. Thomas and St. Croix operated by Native Son Ferry currently run only two times per week, on Fridays and Sundays in addition to the service provided by the St. Croix Ferry. Ferry service between the USVI and BVI has significantly reduced due to the pandemic. Provide at least 3 additional ferry trips per week between St. Thomas, St. Croix and the BVI by Summer 2022

- *Accountable Agencies*: Virgin Islands Port Authority, government partners

Objective 3

Ensure reliable and affordable transportation for tourists

Because popular transportation services such as Uber and Lyft are not available within the USVI to date, ensuring the availability of a reliable transportation infrastructure is imperative. Available transportation will allow tourists to move easily between tourist attractions and destinations. Eliminating the variance in taxi fares is an important step in providing reliable and affordable taxi transportation.

While many locations in the continental US charge flat rates for taxi by mileage, private taxis are popular in the USVI and average around $40 per hour. There are also many set fares between popular tourist destinations, but though these rates are published, they may increase after storms and during peak hours. Implementing cashless systems can ensure that tourists are prepared to pay taxi fares without carrying large amounts of cash. Card payments also prevent the need for exact change when fares can change from the published rates.

As mentioned as an area of weakness for the USVI, taxis are often unreliable and inconsistent throughout the islands. Through forming a partnership with the USVI Taxi Association, the territory can develop fare and quality standards for road travel throughout an island. A certification process for taxi operators can serve to set this standard. Similarly, registration of all taxi vehicles and amenities, such as cashless payment systems, can help the USVI achieve their goal of accessible, safe, and environmentally efficient taxi travel within the islands.

Strategy 1: Expand Taxi and Tour Operator License and Badge Certification Program access among taxi operators on all islands to equip taxi operators with the skills needed to enhance the visitor experience and ensure repeat business. Introduce incentives for operators that complete the four-course program. (STX, STT, STJ)

- *How to Measure:* Increase certification among taxi operators on all islands
- *Accountable Agencies*: Taxi Cab Association, UVI CELL

Strategy 2: Phase out the use of cash transactions between taxi operators and tourists to the extent possible in order to ensure safe interactions during COVID-19 and create a more convenient experience for tourists. (STT, STX, STJ)

- *How to Measure*: Implement contactless payment systems in all taxis
- *Accountable Agencies*: Virgin Islands Taxicab Association

Strategy 3: Transition taxi fleets into environmentally friendly and efficient vehicles, establishing vehicle year and efficiency standards, potentially offering incentives to taxi operators who own and use efficient vehicles.[27] (STJ, STX, STT)

- *How to Measure:* Develop a plan for measuring and tracking emissions from taxis on the islands. Create a database of registered taxis and develop a plan for transition to efficient vehicles.
- *Accountable Agencies:* Virgin Islands Taxicab Commission

Goal 4

Modernize infrastructure and create sustainable and reliable power sources

Objective 4

Develop powerful and reliable internet sources.

[27] https://tcc.vi.gov/drivers

There are currently no concrete plans for actualizing high speed internet within the USVI. While the topic of fiber expansion has been addressed in Comprehensive Economic Development Strategy plans in 2009, 2012, and 2015, no plan has been dedicated to strategizing and preparing for the expansion of high-speed internet to all homes and businesses within the USVI. Because hurricanes and other disasters often disable internet access, internet infrastructure should also be hardened to prepare for these disasters.

The expansion of powerful and reliable internet access is necessary in order to attract as many tourists as possible in a post-COVID-19 world. Attracting remote workers has become a priority for vacation destinations, and the USVI could capitalize on this as a US territory for which American citizens do not need a passport to enter and work remotely. However, reliable internet is imperative for workers to do their jobs and stay on the islands.

Strategy 1: Develop plan to expand last-mile high speed internet capabilities among homes and businesses in the USVI. (STX, STJ, STT)

- *How to Measure:* Evaluate fiber capabilities and create standards for increased access. Actualize plans through expansion through securing funding for improvements. Expand Territory-wide Metropolitan Area Network "MAN" to accommodate fiber in more homes and businesses.

- *Accountable Agencies*: Virgin Islands Water and Power Authority (WAPA), Virgin Islands Next Generation Network, Internet Service Providers

Strategy 2: Create more free public Wi-Fi spaces throughout islands, like the ones created after Hurricanes Irma and Maria in 2017. Locate these free Wi-Fi hotspots in open, tourist-friendly spaces to comply with COVID-19 guidelines and attract remote workers to the islands. (STT, STX, STJ)

- *How to Measure:* Evaluate success and capabilities of currently operational free Wi-Fi spaces. Develop plan for implementation of new, high-speed internet access points around popular tourist destinations.

- *Accountable Agencies:* Virgin Islands Next Generation Network, Virgin Islands Water and Power Authority

<u>Objective 5</u>

Improve utilities and physical infrastructure, capitalizing on bi-continental power capabilities.

There are currently a number of plans and projects in place to improve wastewater and physical infrastructure in the USVI. Both internal departments within the islands and federal offices have developed strategies and provided funding for hardening infrastructure in the USVI, particularly after hurricanes Irma and Maria in 2017. Improving and hardening infrastructure is an important step in supporting increased tourism to the USVI. Not only is it necessary for supporting more tourism lodging, it is also necessary to improve perception of the islands. Tourists and locals alike indicated a negative attitude towards the current infrastructure in the USVI, as roads are not updated, and many areas do not look modern or safe.

In order to increase tourism lodging and attractions, the USVI must develop more reliable and sustainable power sources. Improvement of these sources will support existing tourism attractions and allow for new developments, as increased power capacity is necessary to expand tourism lodging. These improvements to power infrastructure will also make the USVI a more attractive tourism and remote worker destination, as reduced costs can be an anticipated result of sustainable power.

Strategy 1: Implement training and certification for designers, plumbers, and installers of wastewater treatment systems as well as for Waste Management Authority (VIWMA) employees, as outlined in the NOAA USVI Capacity Assessment.[28] (STT, STX, STJ)

- *How to Measure:* Set standards for the number of certifications given per year; track certifications and ensure standards are being met.

- *Accountable Agencies:* Virgin Islands Waste Management Authority

Strategy 2: Repair and harden solid waste and wastewater systems, protecting wastewater infrastructure from further damage and preparing for increased tourism capacity. (STX, STT, STJ)

- *How to Measure:* Evaluate progress on the 2012 NOAA Capacity Assessment wastewater recommendations. Implement plans to follow through on recommendations that have not yet been addressed.

- *Accountable Agencies:* Virgin Islands Waste Management Authority (VIWMA)

[28] https://www.coris.noaa.gov/activities/capacity_assessment/finalusvicapacityassessment.pdf

Strategy 3: Invest in improvements to existing infrastructure, including physical infrastructure and power generation. (STJ, STX, STT)

- *How to Measure*: Follow through and completion of current infrastructure plans, including: strategies outlined in the 2020 CEDS study, RAND study, USVI Hurricane Task Force Recovery and Resilience Report. Complete and maintain schedules of currently active projects.[29]

- *Accountable Agencies*: USVI Department of Public Works, WAPA, VIWMA

Case Study: Bournemouth Coastal BID Expands Year-Round Tourism

Launched in 2012, the Bournemouth Coastal BID in Southern England has assisted in establishing Bournemouth as a year-round vacation destination and as a vibrant area for businesses and residents. Originally set for a five-year contract ending in 2017, the Bournemouth Coastal BID was renewed for another five-year contract through 2022. The BID focused on local investment in the area, attracting new events, and promoting the local trading districts.

In its first five years, Coastal BID saw the investment of around £2 million of taxpayer money. This investment went towards development plans that the Coastal BID had identified in their original 2012 plan. Part of these investments went towards promoting Bournemouth as a tourist destination and creating a more eventful town - for both tourists and residents. To do this, the Coastal Bid went through a creative off-season marketing campaign, looking to market Bournemouth as a year-round tourist attraction. Off-season marketing campaigns were focused on selling Bournemouth as a short-stay getaway during the non-peak seasons. The Coastal BID brought in a professional marketing agency, which aided in successful marketing campaigns. In a survey of local businesses, 63 percent of respondents said they would use BID campaigns in their own marketing.

To attract new events, the Coastal BID teamed up with Business Events Bournemouth (BEB). Through collaboration, a new brand identity for Bournemouth's business tourism product was created. Social media and e-marketing channels were established to help sell a new brand of business tourism. Through their partnership with BEB, the Coastal BID generated 15,000 bed nights, equivalent to £2 million in hotel revenue and over £5 million in economic benefit. In addition to business events, the Coastal BID has established a plethora of new events across the area. The Coastal BID was able to persuade the Indy Car P1 Championship Series to use Bournemouth as one of their venues. The Coastal BID's focus on creating new attractions in the area helped increase foot traffic for businesses -- for example, 43 percent of businesses in Westbourne said they benefited from the new Christmas events.

[29] https://dpw.vi.gov/projects/current-active-projects

Stimulating the local trading districts of Boscombe, Southbourne, and Westbourne was a major objective of the Coastal BID. This began with helping these trading districts create a brand identity. The Coastal BID went through essential research which was shared with the trading districts and businesses to help them endorse themselves and better business practices. New wayfinding signage was built to help tourists easily find their way from the waterfront to the retail areas of the different trading districts. Funding from the Coastal BID was used by local trade associations for other various marketing activities.

The Coastal BID has been a major contributor to the economic development of Bournemouth since 2012. Through marketing and investment into the community, the Coastal BID has established Bournemouth as a top destination for not only vacationers, but for business tourism as well. After being renewed for another five years, the Coastal BID looks to continue to be a driver of economic growth for Bournemouth.

Recommendation 5 - Diversification: Capitalizing on Investments and Industry Trends

Tourism is an export sector, and there are multiple opportunities to increase different types of tourism in the USVI beyond the strong cruise tourism industry that existed pre-COVID. Exports are services or products that businesses sell to customers outside of their local communities. When spending from outside a community is facilitated, more money is brought to the local economy, rather than just circulating the same earnings through local businesses. There is an opportunity in the USVI to increase both services and products that tourists will purchase, therefore increasing exports. Furthermore, increasing the types of tourism will increase the number of tourists, as new experiences are expanded and marketed.

The tourism draws in the Virgin Islands include beautiful beaches, boating and diving, and a Caribbean escape in the United States. In recent years, investments have been made that appeal to new markets, including the sports markets. Travelers who come to the islands for boating and diving or sports tourism are likely to have higher incomes and be willing to spend more money to optimize their vacations. Building on growing trends in the tourism industry can encourage more tourist expenditures and will bring more tourists to the territories and encourage them to spend more money with local operators.

Tourists can also provide a laboratory to test products that may be marketed beyond the territory. Small scale product producers can sell their wares to tourists through markets, or pop-up venues, thereby conducting product research that provides valuable information about foreign markets. Existing programs from USVIEDA support this recommendation but can be expanded.

Creating new experiences and engaging local producers provides a pathway for entrepreneurs and small local businesses to engage with the tourism industry, thereby increasing the share of

the tourist dollar that trickles down to the local economy. This strategy also diversifies the tourism industry, making it more resilient in the face of multiple threats and weaknesses.

Goal

Expand sports tourism to wellness tourism.

According to the non-profit Global Wellness Institute (GWI) wellness tourism is defined as "travel associated with the pursuit of maintaining or enhancing one's personal well-being." Wellness tourism includes healthy eating, exercise, yoga, spa treatments and practices like meditation and tai chi. The organization reports that, from 2015 to 2017 the wellness tourism market grew from $563 billion to $639 billion, or 6.5 percent annually – more than twice as fast as the growth of tourism overall, according to GWI.[30]

Sports tourism is a natural gateway to wellness tourism. In recent years, the USVI has expanded its sports tourism offerings. In 2017, the territory became an approved destination to host National Collegiate Athletic Association (NCAA) Division I teams in basketball, volleyball and swimming events, as well as soccer, lacrosse and other NCAA-sponsored sports during the summer months.[31] The annual Paradise Jam basketball tournament attracts an influx of college teams, their friends, families, supporters and officials over the Thanksgiving period, although in 2020, it was held in Washington DC due to COVID.[32] Additionally the Bethlehem Soccer Complex is the only FIFA-certified field in the Caribbean.[33]

Other events, from the long-running Beauty and the Beast Triathlon, and the USVI Charter Yacht Show, to newer events such as the USVI Tennis Cup bring populations of athletes and fans to the island. This population could be marketed for adjacent wellness activities that complement their participation in sporting events, or that break up spectatorship, such as yoga, healthy eating, spa treatments, and other wellness offerings.

Objective 1:

Connect sports tourists to local wellness providers.

Local wellness providers, such as yoga instructors, masseuses, and other professionals would see an increase in business if they were connected to the sports tourism market. Tournaments, races, and other sporting events often encourage their attendees to stay at one hotel. Working with these

[30] https://globalwellnessinstitute.org/wp-content/uploads/2019/12/Global-Wellness-Economy-Bubble-Chart-2019.pdf
[31] https://www.caribbeanworld-magazine.com/travel-trade/home/u-s-virgin-islands-gets-sports-tourism-boost/
[32] https://sflcn.com/sports-will-help-usvi-tourism-sector-post-pandemic-revival/
[33] https://viconsortium.com/VIC/?p=80286

hotels to publicize wellness services can encourage guests to expand their experience. Wellness services can be tailored to different audiences, for example offering massage or other body work services to race participants.[34]

Strategy 1: Create a certified list of wellness practitioners to share with event organizers and venues. (STX, STT, STJ)

Sports Destination Management suggests that event organizers, "compile a list of providers, such as massage therapists, day spas and yoga studios and post it on your website," noting that providers may offer discounts on services for attendees. In lieu of event organizers organizing this, a stakeholder group could take on the task of investigating providers, certifying quality, and arranging a discount for event attendees. This could be done in conjunction with the hotel, which could serve as a venue, or with a collection of wellness providers who have their own spaces. Establishing criteria, such as practitioners holding licenses or certifications, will ensure quality.

- *How to Measure:* Seek feedback from event organizers to understand the value of providing more access to wellness practitioners , if a discount code for practitioners is provided, track how often it is used

- *Accountable Agencies and Stakeholders:* Hotel and Tourism Association, Department of Tourism, Coalition of wellness practitioners

<u>Objective 2:</u>

Target associated audiences.

Women travelers are a major segment of the wellness market because they tend to be more active and to invest in their health. For example, a 2016 study of Millennial runners found that, while races used to be evenly divided between men and women, now about 60 percent of finishers are women.[35] The Wellness Tourism Association finds that women make up a larger proportion of wellness travelers, especially women traveling by themselves motivated by health and self-care.[36]

Creating packages for women that involve rest and relaxation, exercise, and healthy eating can introduce a new market of tourists to the territory. Furthermore, these travelers are willing to

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[34] https://www.sportsdestinations.com/management/economics/what-wellness-tourism-and-how-can-you-harness-it-y-15467

[35] https://www.washingtonpost.com/lifestyle/wellness/millennials-have-fully-embraced-running-as-a-lifestyle-now-the-industry-must-adapt/2016/03/14/0b40eefa-e55d-11e5-b0fd-073d5930a7b7_story.html

[36] https://www.wellnesstourismassociation.org/five-wellness-travel-trends-2019/

invest in an experience that allows them to unplug; according to a 2018 survey of women aged 35 and up from Spa Executive, most respondents were willing to spend $2,000 or more on a five-day all-inclusive wellness vacation.[37]

Strategy 1: Market wellness retreat venues to influential instructors in key markets. (STJ, STX, STT)

Marketing to teachers who plan immersive retreats, such as yoga, meditation, or detox retreats will introduce a new market to the USVI. Accessing these influential teachers can be accomplished through targeting studios in key markets such as New York, Chicago, and Boston, as well as attending trade shows such as the Annual General Meeting of the Wellness Tourism Association.

Understanding the needs of this demographic is essential; wellness retreat participants seek a connection with nature, have specific food needs including an interest in local foods, and sometimes, a need for silence, or as little disruption as possible, as in the case of meditation retreats.[38]

A stakeholder group, such as the Hotel and Tourism Association or even a coalition of wellness providers, could create a list of potential sites for small, medium, and large retreats, along with pricing - and potential discounts - for each retreat. These prices should be compared with other markets (i.e. Costa Rica) including cost of travel. The convenience of easy flights and no need for a visa or passport should be presented as an advantage.

- *How to measure:* All information should be posted on a website to track interest, if a discount code for booking a retreat is used, this code should be tracked across venues

- *Accountable Agencies and Stakeholders:* Hotel and Tourism Association, Department of Tourism, Coalition of wellness practitioners

<u>Goal</u>

Increase agriculture and food tourism

[37] https://spaexecutive.com/2018/10/19/the-most-common-wellness-traveller-is-a-solo-woman-heres-what-she-wants/
[38] https://www.wetravel.com/blog/wellness-travel-trends/

According to a United Nations report, food tourism has gained increasing attention over the past years. The report states, "With food so deeply connected to its origin, this focus allows destinations to market themselves as truly unique, appealing to those travelers who look to feel a part of their destination through its flavors."[39] Furthermore, the report notes, nearly one third of tourist spending is related to food.

As it is known in academic circles "gastronomic tourism" is considered as a subgroup of cultural tourism and includes not only restaurant dining, food festivals, factory tours, educational seminars, and farm visits but also chefs, media, and tourism providers, catering services, tourism services, governmental regulations, public awareness, food image, promotion and marketing.[40] In regards to diversification of the tourism industry in the USVI, food-oriented tourist activities include increasing chef- and culture- driven restaurants, food production, food events and promoting the cultural foods of the islands.

Objective 3

Establish the USVI as a well-known example of sustainable fishing and Caribbean ocean cuisine.

Surrounded by the Caribbean Sea and coral reefs, the USVI culinary culture is linked to seafood. Programs like the Reef Responsible Sustainable Seafood Initiative help to curb overfishing and should be continued.

According to the recent report, "The Ocean Economies of Puerto Rico and the U.S. Virgin Islands," fish markets in the territory are undercounted; for example, national statistics only capture one fish market in St. Thomas, but local knowledge puts the number at 11. Furthermore, the report finds that there is a lot of informal activity with fishermen selling from the backs of trucks or from coolers that are not registered as a business.[41]

Establishing the USVI as an example of sustainable fishing will encourage visitors to learn more about the habitat that local seafood comes from, including coral reefs and mangroves that are threatened by extreme weather and human activities. It also creates space to have a conversation about cultural seafood preparations from sustainably caught fish.

Strategy 1: Increase advertising for Reef Responsible Sustainable Seafood Initiative, including reviving the Reef Responsible Restaurant program. (STX, STT, STJ)

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[39] https://www.e-unwto.org/doi/epdf/10.18111/9789284414819

[40]https://www.researchgate.net/publication/312914762_Gastronomy_Tourism_Motivations_and_Destinations/download

[41] https://www.arcgis.com/apps/Cascade/index.html?appid=24f56f56818043179b8668ff1c596345

Showcase species of sustainable fish through an educational program for tourists drawing on the work of Reef Responsible Sustainable Seafood Initiative; this includes highlighting the importance of buying from licensed fishermen, and not fishing out of season or out of weight class.

- *How to measure:* Number of citations for commercial and recreational fishing out of weight or season, monitor number of new subscribers to the Reef Responsible Sustainable Seafood Initiative social media outlets, monitor number of restaurants interested in participating in the Reef Responsible Restaurant program.

- *Accountable Agencies and Stakeholders:* The Nature Conservatory and other stakeholders of the Reef Responsible Sustainable Seafood Initiative, U.S. Office of Coastal Management, Virgin Islands Department of Planning and Natural Resources

Strategy 2: Highlight chef-driven ocean cuisine. (STJ, STT, STX)

While tourists are increasingly looking for authentic culinary experiences, chefs are reaching levels of celebrity that bring name recognition to events they are engaged with. By creating chef-driven ocean cuisine events, tourists will learn about sustainable fishing and have an authentic experience.

Events could include engaging cooking demonstrations at government-operated seafood markets, creating food tours including both gourmet and folk cuisine, and showcasing different species and recipes on social media. Tours could include cruise passengers.

- Attendance at events, social media followers of local chefs or campaign hashtag

- *Accountable Agencies and Stakeholders:* West Indian Chefs Alliance, Royal Caribbean Group, Virgin Islands Department of Planning and Natural Resources, the Nature Conservatory, and other stakeholders of the Reef Responsible Sustainable Seafood Initiative

Objective 4

Grow agritourism along with the agriculture sector

Spurred on by an increasing interest in organic foods, agricultural tourism is a growing tourist sector that combines agriculture and tourism to give visitors a firsthand look at food production. Common examples include “u-pick” farms, corn mazes, winery tours, and other crop or

livestock-oriented activities. Expanding these types of activities in the USVI is tied to increased investment and interest in promoting agriculture as a viable venture.

According to the Virgin Islands Bureau of Research (VIBER), agriculture is the most moribund and neglected sector in the territory despite apparent fresh produce import substitution possibilities.[42] The territory imported food products valued at $128.5 million in 2019, with fresh and chilled fruits and vegetables accounting for nearly $10 million of the total import bill. Fruits and vegetables seem to present an area for possible import substitution, that is, locally grown fruits and vegetables could substitute for imports, thereby enriching the local economy.[43]

VIBER predicts the number of active farmers to be a few hundred, with most being part-time, with most household income coming from a non-farm source. Their report cites a VI Department of Agriculture statistic from 2015 listing the number of licensed farmers at 157 (104-crop, 30 livestock, 9 mixed, and 4 honeybees). The vast majority of farmers were located on St. Croix. Supporting agriculture in the Virgin Islands would support restaurants catering to tourists that are accustomed to locally grown food.

Strategy 1: Provide technical assistance from marketing to legal help to farmers interested in hosting tourists on their properties. For example, a landowner who opens his or her land to the public faces the risk that he or she could be considered liable if an entrant is injured while on the property, and both the landowner and the visitor should understand the risk.[44] (STX, STT)

- *How to measure:* Increase in number of farms, increase in number of tourists visiting St. Croix, the main island for farming.

- *Accountable Agencies and Stakeholders*: U.S. Virgin Islands Department of Agriculture, Farmers, Department of Tourism

<u>Goal:</u>

Expand export product offerings through tourism

With tourists from around the world visiting the USVI, local producers can learn from their preferences to understand how they might position products at home and abroad. A report from the World Bank explains the linkages between products sold to tourists and those sold abroad, noting that "...once local producers in the host country meet the standards that tourists demand,

[42] http://usviber.org/wp-content/uploads/2020/03/Review-of-the-Virgin-Islands-Economy-3-25-20.pdf
[43] http://usviber.org/wp-content/uploads/2016/11/food-imports-report-2019-2.pdf
[44] https://nationalaglawcenter.org/overview/agritourism/

they will also comply with the technical requirements needed to export the product to OECD and other international markets. As a result, establishing productive linkages with the local economy can serve as a springboard to export diversification."[45]

Objective 5

Expand export markets of small manufacturers, artists, and craftspeople by testing the tourism market.

Products made in the Virgin Islands are most likely to land on shelves in the United States, due to ease of exporting. The presence of Virgin Island products will enhance the brand and create more interest from U.S. citizens in visiting the territory.

Strategy 1: Continue initiatives that support Made in the Virgin Islands products. In recent years, a holiday pop-up shop has been created by the US Virgin Islands Economic Development Authority Enterprise Zone Commission and the Virgin Islands Council on the Arts. This venue allows local artists and craftspeople the opportunity to showcase their items to all shoppers including tourists. (STX, STT, STJ)

- *How to Measure:* Increase in profits by local artist and crafts people involved in Made in the USVI programs, increase in social media followers for those involved in the Made in the USVI program. Number of local artists and crafts persons producing goods.

- *Accountable Agencies and Stakeholders*: US Virgin Islands Economic Development Authority, Virgin Islands Council on the Arts, small scale manufacturers, producers, and artists

Strategy 2: Facilitate opportunities for small producers to introduce their products to new audiences. (STT, STX, STJ)

Producers that have had success in building their product locally and through tourism may need additional help to launch their product in the continental U.S. One initiative has already facilitated exposure. Using a grant through the US Small Business Administration's State Trade Expansion Program, USVIEDA facilitated a trip for eleven small manufacturing entrepreneurs to attend the NY NOW Summer 2018 trade show for home and lifestyle products in New York City.

[45] https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.469.7979&rep=rep1&type=pdf

- *Metrics*: Number of producers involved in trade shows exposing them to larger markets, more name recognition for the Virgin Islands in the continental United States

- *Accountable Agencies and Stakeholders*: US Virgin Islands Economic Development Authority, Virgin Islands Council on the Arts, Small scale manufacturers, producers, and artists

Case Study: Beer Capitalizes on Culture in Asheville North Carolina

Asheville, North Carolina has become a top destination for American tourists because of its reputation as the craft beer capital of America. Asheville has always been home to boutique craft breweries, but in recent history the area has attracted some of the largest craft brewing companies in the country. In 2014, New Belgium Brewing Company started its construction of its second brewery in Asheville and it became fully operational in 2016. Preceding New Belgium, in 2012 Sierra Nevada Brewing Company opened its own brewery in the Asheville metropolitan area. These two brewing companies are respectively the second and third largest craft brewing companies in the country. These large craft brewing companies saw the tourist appeal of Asheville, and strategically set themselves up in what is now considered the craft beer capital of America.

Asheville's culture was a major selling point for these two large companies. Asheville's relaxed and outdoorsy vibe goes hand and hand with the brand that craft brewing has established across the country. The shared idea of sustainability was a major selling point for these brewing companies when they picked Asheville to be the new home of their breweries. The already instilled culture and brand of Asheville has allowed it to become a major tourist attraction for craft beer and outdoor enthusiasts.

One of the major resources for beer production is abundant in Asheville, and that is water. The 20,000-acre Great Smoky Mountains watershed is known to be clean and pristine, which aids in the production of great craft beer. This natural asset can be credited for helping Asheville grow into a haven for craft beer tourism. Beer friendly infrastructure allowed brewing companies to produce high quality products and attract tourism from all over the country.

With this exponential growth in craft brewing, entrepreneurs have been able to carve out a niche market for themselves. There are multiple companies who lead brewery tours throughout Asheville. Becoming the craft beer capital has created jobs in Asheville, not only in the breweries, but in the tourism industry as well. Through similar cultures and favorable resources, Asheville has been able to use craft brewing as a driver of economic development.

Conclusion

The United States Virgin Islands encompass 133.73 square miles and 106,406 people on four islands, St. Thomas, St. John, St. Croix, and Water Island. By some estimates, tourism and associated economic impacts make up 60% of the GDP in the US Virgin Islands. Yet, tourism is an industry that is highly affected by external forces. In the past four years, the tourism industry in the US Virgin Islands has seen the devastating effects of forces outside the realm of control. The damage from back-to-back Category 5 hurricanes Irma and Maria in 2017 caused a major disturbance in the tourism industry; 2018 saw 1.937 million visitors, compared to a pre-hurricane peak of 2.814 million visitors in 2014. In 2020, with the onset of the COVID-19 virus and the Centers for Disease Control (CDC) "no sail order", cruise visitation ceased and 40% or less of air arrivals were projected for 2020, which is a loss of $202 million.

The Tourism Master Plan outlines next steps in addressing the challenges to tourism within the USVI. Recommendations address the primary concerns explored through each step of the planning process, including qualitative and quantitative data gathered through economic research and direct communication with USVI locals and tourists. An evaluation of plans currently in place in the USVI, situational analysis of the state of the tourism industry, and SWOT analysis led to five categories through which the planning team developed recommendations. These categories are:

- Authenticity: Focus on Native Islanders and Local History and Culture
- A Mutually Respectful Tourism Experience from Beginning to End: Marketing, Attitude, Type of Tourism and Customer Service
- Capitalizing on the Blue Economy: Cruise Industry and Need to Diversify with Marine, Maritime and Water Activities
- Improve Quality of Life: Addressing Social Challenges and Infrastructure
- Diversification: Capitalizing on Investments and Industry Trends

By implementing this Tourism Master Plan and its recommendations to address tourism-related recovery and resilience efforts, the planning team expects the territory to see greater success in planning and resilience efforts.

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Appendix

Appendix A: List of Plans

List of Plans (Hyperlinked)	
The Town's Blueprint	Housing Choice Voucher Program ADMINISTRATIVE PLAN (AMENDED)
Virgin Islands - Highway Safety Plan	Main Street Enhancement Project
St. Croix Community Recovery Plan	Melvin Evans Highway Reconstruction and Rehabilitation Project
St. Thomas Community Recovery Plan	St. Croix Operations and Maintenance Facility
St. John Community Recovery Plan	Comprehensive Water and Land Use Plan
Workforce Innovation and Opportunity Act State Plan	Water Island Development
USVI Disaster Recovery Action Plan	Long Bay Landing Development
Territorial Hazard Mitigation Plan	Paul E. Joseph Stadium Revitalization
2015 Comprehensive Economic Development Strategy	Coastal Zone Management Program
2009 Comprehensive Economic Development Strategy	Bloomberg Hurricane Recovery Taskforce
2012 Comprehensive Economic Development Strategy	Virgin Islands WIOA Unified State Plan
AirBnB Report	USVI Hurricanes Irma and Maria Recovery Progress Report (2nd Anniversary)
Educational Facility Master Plan	Cruise Industry Report
Current Active Projects List	RAND Study
U.S. VIRGIN ISLANDS 2015- 2019 CONSOLIDATED PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT	VIPCA Marine Strategy Proposal

Appendix B: List of Outreach Partners

Outreach Event/Partners	Number of Participants
STX Town Hall	39
STJ Town Hall	31
STT Town Hall	68
India Association of the Virgin Islands	18
Virgin Islands Professional Charter Association (VIPCA) and Virgin Islands Game Fishing Club	2
USVI Hotel and Tourism Association	43
STX Chamber of Commerce	14
USVI Legislature and Senators	21

Appendix C: Survey and Town Hall Results Summary

Strengths
1. Marketing is effective and well received (18)
2. Natural resources/ natural beauty (11)
3. Local history and culture (5)
4. Cruise industry is strong (3)
5. Easy travel access from the US (3)

Weaknesses
1. Too dependent on cruise tourism and a lack of diversity in tourism initiatives (24)
2. Tourist spending does not come back to locals; there is a negative relationship between tourism and locals (10)
3. Infrastructure (13)
4. Islands and beaches are not kept (13)
5. Marketing (9)

Opportunities
1. Expand authentic cultural showcasing (16)
2. Focus on eco-tourism (14), particularly on St. John (4)
3. Focus on marine and water activities (9), including charter boats and yachts
4. Focus on high-end/luxury tourism and move away from cruise dependency (5)
5. Market islands individually, USVI as the complete package for island hopping (3)

Threats
1. Environmental degradation from overdevelopment, lack of waste management, lack of management of waterways (20)
2. Attitude of tourists; more day visitors, less overnight visitors who respect island environment and culture (14)
3. Violent crime (9)
4. Focus on cruise ships, lack of diverse tourism product (7)
5. Lack of focus on native islanders (4)

What does tourism success in the USVI look like?
1. Diverse tourism offerings, not just cruise tourism (12)
2. Respect by locals and tourists for natural resources and the environment (11)
3. Local and community involvement in tourism through business ownership and engagement (8)
4. Increased visitor numbers, increased spending from tourists (8)
5. Promoting local history and culture through diversified tourism attractions (7)

What would be your three top priority as they relate to USVI tourism?
1. Focus on Culture/History/Art (26)
2. Stimulate opportunities for locals (17)
3. Cleaning up the island and beautification (16)
4. Promote ecotourism (14)

5. More support for marine and water-based activities (10)

1. Expand authentic cultural showcasing
2. Focus on eco-tourism, particularly on St. John
3. Focus on marine and water activities, including charter boats and yachts
4. Focus on high-end/luxury tourism and move away from cruise dependency
5. Market islands individually, USVI as the complete package for island hopping

Additionally, respondents expressed significant pessimism about future opportunities.

Appendix D: Tourism Asset Inventory

Category	Attraction	Category	Attraction
Top Attractions	Scott Bay Beach	Outdoor Activities	Palm Tree Charters
Top Attractions	Trunk Bay Beach	Outdoor Activities	Aqua Marine Dive Center
Top Attractions	Ram's Head Trail	Outdoor Activities	Morningstar Sailing and Power Charters
Top Attractions	Maho Bay Beach	Outdoor Activities	Sunshine Daydream Boat Charters
Top Attractions	Isaac Bay	Outdoor Activities	Ocean Surfari Charters
Top Attractions	St. Thomas Synagogue	Outdoor Activities	Kekoa Sailing Expeditions
Top Attractions	Hansen Bay Beach	Outdoor Activities	St. Thomas Scuba and Snorkel Adventures
Top Attractions	Phantasea Tropical Botanical Garden	Outdoor Activities	Island Roots Charters
Top Attractions	Sandy Point National Wildlife Refuge	Outdoor Activities	Tree Limin' Extreme Zipline
Top Attractions	Buck Island Reef National Monument	Outdoor Activities	Big Blue Excursions
Top Attractions	Pirates Treasure Museum	Outdoor Activities	Sonic Charters
Top Attractions	Honeymoon Beach	Outdoor Activities	Stormy Pirates Boat Charters
Top Attractions	Watermelon Cay	Outdoor Activities	Sweet Pea Charters
Top Attractions	Francis Bay	Outdoor Activities	Over the Line Charters
Top Attractions	Lindqvist Beach	Outdoor Activities	Love City Excursions
Top Attractions	St. George Village Botanical Garden	Outdoor Activities	St. Croix Ultimate Bluewater Adventures
Top Attractions	Cinnamon Bay	Outdoor Activities	Beach Charters VI
Top Attractions	Water Island	Outdoor Activities	Red Hook Dive Center
Top Attractions	Solomon Beach	Outdoor Activities	Big Beard's Adventure Tours

Food and Drink	Side Street Pub (American, bar)	Hotels	Cruz Bay Boutique Hotel
Food and Drink	PRIME at Paradise Point (steakhouse)	Hotels	Gallows Point Resort
Food and Drink	Pizza Pi (Italian)	Hotels	Sea Shore Allure
Food and Drink	Cafe Fresco	Hotels	St. John Inn
Food and Drink	Extra Virgin Bistro (Italian)	Hotels	The Buccaneer
Food and Drink	Morgan's Mango restaurant (Caribbean)	Hotels	Estate Lindholm
Food and Drink	Dinghy's Beach Bar and Grill (Caribbean)	Hotels	Sandcastle on the Beach
Food and Drink	Drink St. John	Hotels	Secret Harbour Beach Resort
Food and Drink	The Longboard (seafood)	Hotels	Marriott's Frenchman's Cove
Food and Drink	Sam and Jack's Deli (American)	Hotels	The Palms at Pelican Cove
Food and Drink	Beuchert's Beer Garden (pub)	Hotels	Point Pleasant Resort
Food and Drink	Polly's at the Pier (American)	Hotels	Carambola Beach Resort St. Croix
Food and Drink	Amalia Cafe (Mediterranean)	Hotels	Caneel Bay Resort
Food and Drink	Coral Bay Caribbean Oasis (Caribbean)	Hotels	The Ritz-Carlton, St. Thomas
Food and Drink	Turtle's Deli (American)	Hotels	Bolongo Bay Beach Resort
Food and Drink	Heidi's Honeymoon Grill (Caribbean)	Hotels	The Westin St. John Resort Villas
Food and Drink	Toast Diner (Caribbean)	Hotels	Mafolie Hotel
Food and Drink	Galangal (Asian)	Hotels	Hotel Caravelle on St. Croix
Food and Drink	Ziggy's Island Market (Caribbean)	Hotels	Crystal Cove Beach Resort and Spa
Food and Drink	40 Eats and Drinks (Caribbean)	Hotels	Frenchman's Reef and Morning Star Marriot Beach Resort
Shopping	House of Rajah Jewelers	Shopping	Beverly's Jewelers
Shopping	Vibe Collection	Shopping	Ajanta Jewelers
Shopping	Bamboo Studio	Shopping	Kay's Fine Jewelry
Shopping	Grand Jewelers	Shopping	Cardow Jewelers

Shopping	Ballerina Jewelers	Shopping	ib designs
Shopping	Palacio Jeweler	Shopping	Diamonds International
Shopping	Lucky Jewelers	Shopping	Alpha Jewelers
Shopping	Imperial Dynasty Jewelers	Shopping	Gold Mine Inc.
Shopping	Eden Jewelers	Shopping	Mongoose Junction

Source: Yelp

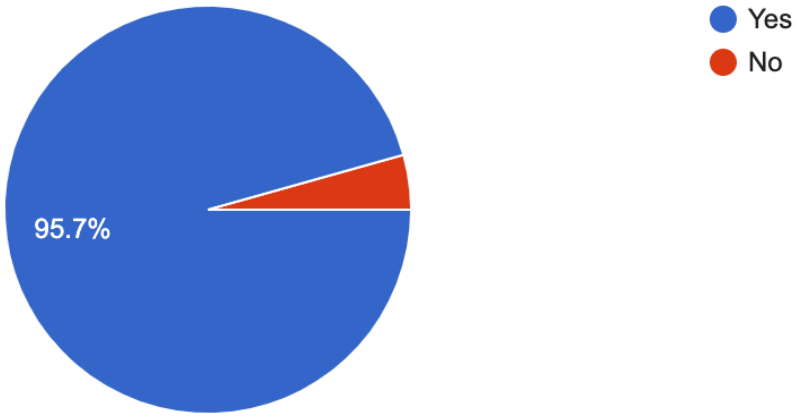
Appendix E: Visitor Survey

USVI Visitor Survey

In order to understand the perspective of visitors to the U.S. Virgin Islands, the TMP group conducted an online survey via targeted advertising on Facebook. The survey was filled out by 22 people, most of whom had visited the Virgin Islands in the past. One of the responses was a repeat and was deleted.

Have you visited the USVI before?

23 responses



Place of Origin

The respondents were all from the United States, but their state of origin was varied. Some respondents did not indicate their state of origin.

Northeast / East Coast
New York - 4
Connecticut - 1
Massachusetts - 1
New Hampshire - 1
Maryland - 1
Delaware - 1
Pennsylvania - 1

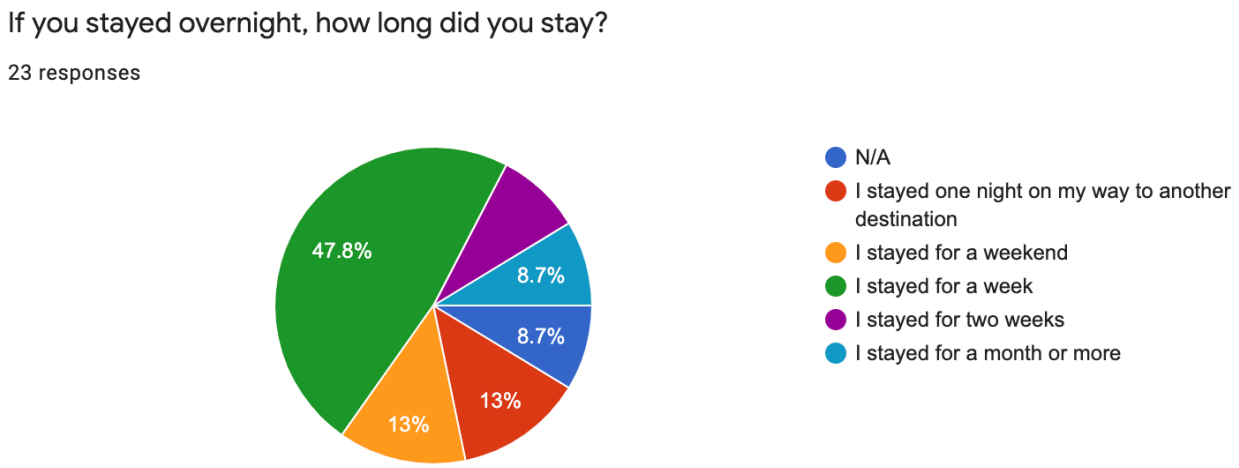
South
Texas - 1
Alabama - 1
Georgia - 1
Virginia - 1

Other
Minnesota - 1
California - 1
Ohio - 1
West Virginia - 1
Indiana - 1

Unspecified
United States - 2
Unanswered - 1

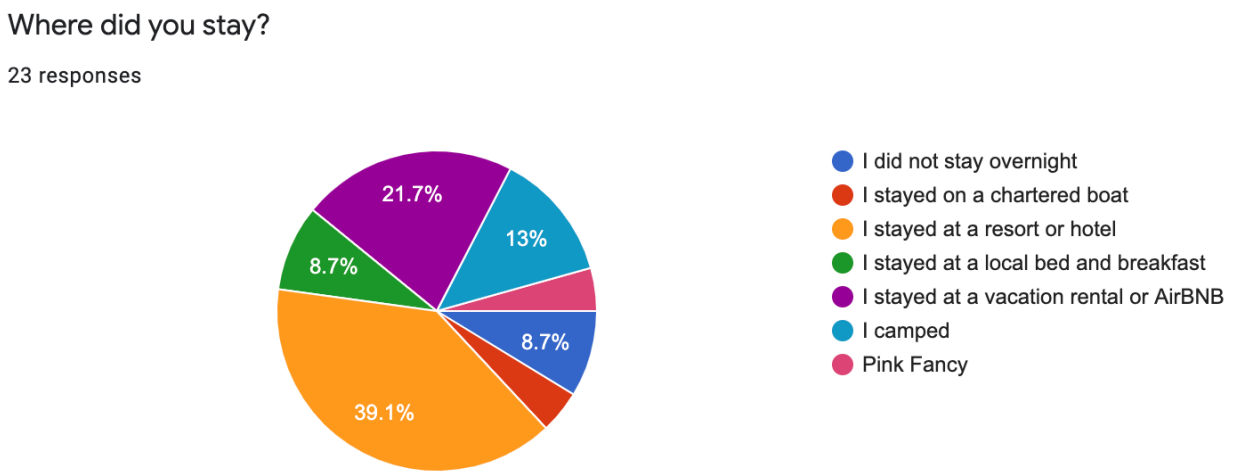
Length of Stay

About half of the respondents to this survey stayed for one week. The next most popular answer was staying for a weekend or one night en route to another destination. Fewer stayed for over two weeks.



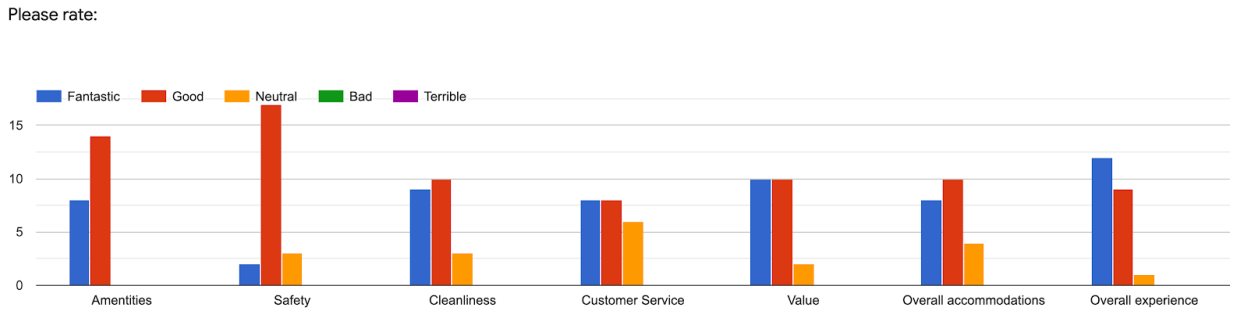
Accommodations

Most respondents -- about 40 percent -- stayed at a resort or hotel. About half that amount stayed at a vacation rental or AirBnB. The next most popular place to stay was camping, followed by staying at a local bed and breakfast. One person named a bed and breakfast - the Pink Fancy - which was not included in this total.



Ratings

Survey participants were asked to rank their trips across seven metrics. There were rankings below neutral, but the overall responses indicate some areas of concern. Customer service was ranked neutral more often than any other metric. Safety was ranked good or neutral more often than fantastic. Overall accommodations scored slightly lower than overall experience.



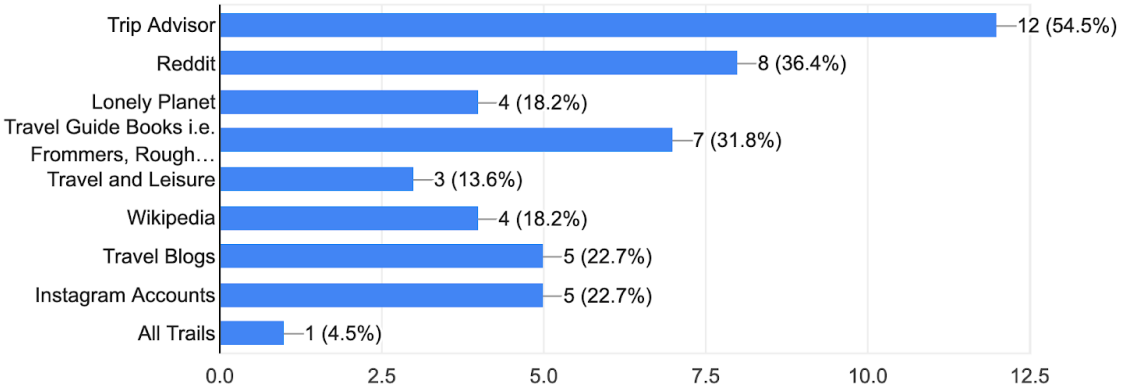
Sources of Information

Survey respondents were most enthusiastic about Trip Advisor as a source of information with 12 responses indicating that was the most used site. The next most popular was online forum Reddit, followed by travel guidebooks, some of which have websites as well. Travel blogs and Instagram accounts were tied for next in line, while Wikipedia, Lonely Planet, and Travel and Leisure rounded out the bottom half. One respondent wrote in the hiking app All Trails.

The use of online sources (Reddit, Instagram, travel blogs) versus paper sources such as books and magazines may be split between age groups, with younger people more focused on platforms they are already familiar with such as social media. However, this survey did not account for age, so it is not possible to cross reference.

What do you consider trustworthy sources of information for those who want to travel to the USVI? (Check all that apply)

22 responses



Highlights

In response to the question, "What did you like most about the USVI?" respondents' answers fell into five different categories, listed below as headings, with specific answers under each heading.

People/Culture

- The people
- The culture
- Vibe
- The culture
- Charming people

Shopping

- Tax free shopping
- shopping

Environment/Nature

- Environment, weather
- Nature and surroundings
- Scenery
- Tropical environment
- Beautiful Caribbean environment
- Natural surroundings
- Environment

Ease

- Relaxing
- Easy to get to and everyone speaks English

Amenities

- Diving, beaches, blue water
- Beaches
- Beaches
- Many things to do over the three islands
- Whole experience!

Lowlights

When asked, "What did you like least about the USVI?" most of the respondents replied that there was nothing to report or left the question blank. For those who did respond, their answers fell into six categories, which are the headings below, with answers under each.

Tourists

- Tourists

Traffic

- Drive on left
- Driving on the left side of the road
- Driving on the left side of road plus traffic

Crime

- Crime
- Parts did not feel safe
- We heard that some areas were not safe

Infrastructure

- bad roads
- Power outages

Expensive

- More expensive than other Caribbean destinations
- Expensive

Accommodations

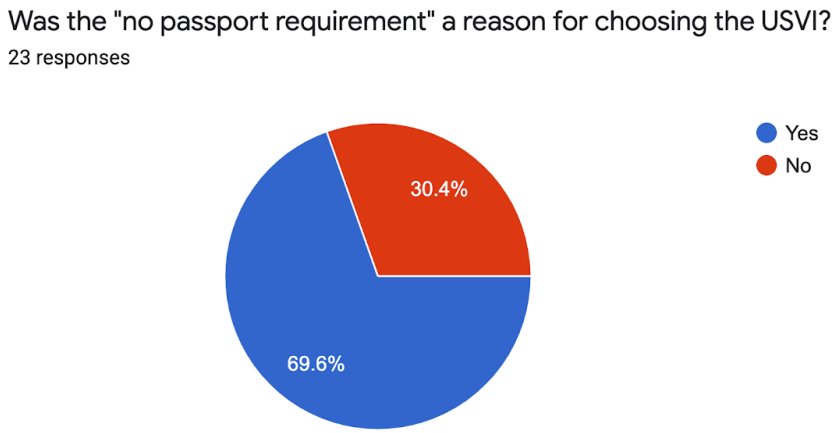
- Accommodations needed an update

Recommend to Others

Every respondent who answered the question, "Would you recommend a vacation to the USVI? Why or why not?" answered positively. Answers for the second question were related to the islands' beauty or general enthusiasm for the place.

Passport

Most respondents -- 70 percent -- considered that no passport was required for entry to the USVI, while about 30 percent did not consider this a reason to choose to vacation in the territory.



Summary

According to survey results, the average visitor had a positive experience in the USVI. The environment and culture were cited as the most impressive aspects of visits, while there were some complaints about driving on the left side of the road, crime, and infrastructure. There was also some indication that customer service was a concern and that the vacation was not as value conscious as other Caribbean destinations.

Appendix G: Tourism Industry Location Quotients

	Accommodation				
Area	**Accommodation Employment**	**Accommodation Establishments**	**Location Quotient**	**Time Period**	
		Accommodation			
	Area	**Accommodation Employment**		**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	1,621	59	1.643333333	Q3 2019
St. Thomas	St. Croix	492	21	0.66	Q3 2019
	St. John	868	29	1.09	Q3 2019
Area	St. Thomas	261	**9**	**3.18**	**Q3 2019**
		Air Transportation			
	Area	**Air Transportation Employment**	**Air Transportation Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	58	12	N/A	Q3 2019
St. Thomas	St. Croix	Confidential	4	Confidential	Q3 2019
Amusement, Gambling, and Recreation Industries					Q3 2019
Area	St. Thomas	N/A	**N/A**	**N/A**	**Q3 2019**
	Amusement, Gambling, and Recreation Industries				
	Area	**Amusement, Gambling, and Recreation Industries Employment**	**Amusement, Gambling, and Recreation Industries Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	655	50	N/A	Q3 2019
St. Thomas	St. Croix	319	16	1.06	Q3 2019
Beverage and Tobacco Product Manufacturing					Q3 2019
Area	St. Thomas	Confidential	**5**	**Confidential**	**Q3 2019**
	Beverage and Tobacco Product Manufacturing				

	Area	Beverage and Tobacco Product Manufacturing Employment	Beverage and Tobacco Product Manufacturing Establishments	Location Quotient	Time Period
Virgin Islands		(Not	(Not		
St. Croix		Preliminary)	Preliminary)		
St. John	Virgin Islands	223	16	N/A	Q3 2019
St. Thomas	St. Croix	187	9	1.83	Q3 2019
Clothing and Clothing Accessories Stores					Q3 2019
Area	St. Thomas	Confidential	**1**	**Confidential**	**Q3 2019**
	Clothing and Clothing Accessories Stores				
	Area	**Clothing and Clothing Accessories Stores Employment**	**Clothing and Clothing Accessories Stores Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		(Not	(Not		
St. Croix		Preliminary)	Preliminary)		
St. John	Virgin Islands	962	200	0.9433333333	Q3 2019
St. Thomas	St. Croix	127	40	0.29	Q3 2019
Food and Beverage Stores					Q3 2019
Area	St. Thomas	42	**12**	**0.86**	**Q3 2019**
	Food and Beverage Stores				
	Area	**Food and Beverage Stores Employment**	**Food and Beverage Stores Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		(Not	(Not		
St. Croix		Preliminary)	Preliminary)		
St. John	Virgin Islands	1,317	64	1.063333333	Q3 2019
St. Thomas	St. Croix	551	24	0.91	Q3 2019
Food Services and Drinking Places					Q3 2019
Area	St. Thomas	81	**5**	**1.22**	**Q3 2019**
	Food Services and Drinking Places				
	Area	**Food Services and Drinking Places Employment**	**Food Services and Drinking Places Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		(Not	(Not		
St. Croix		Preliminary)	Preliminary)		

St. John	Virgin Islands	2,847	298	1.206666667	Q3 2019
St. Thomas	St. Croix	988	108	0.76	Q3 2019
General Merchandise Stores					Q3 2019
Area	St. Thomas	245	**36**	**1.70**	**Q3 2019**
	General Merchandise Stores				
	Area	**General Merchandise Stores Employment**	**General Merchandise Stores Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	888	10	N/A	Q3 2019
St. Thomas	St. Croix	Confidential	4	Confidential	Q3 2019
Internet Service Providers, Web Search Portals, and Data Processing Services					Q3 2019
Area	St. Thomas	N/A	**N/A**	**N/A**	**Q3 2019**
	Internet Service Providers, Web Search Portals, and Data Processing Services				
	Area	**Internet Service Providers, Web Search Portals, and Data Processing Services Employment**	**Internet Service Providers, Web Search Portals, and Data Processing Services Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	4	6	N/A	Q3 2019
St. Thomas	St. Croix	Confidential	2	Confidential	Q3 2019
Museums, Historical Sites, and Similar Institution					Q3 2019
Area	St. Thomas	N/A	**N/A**	**N/A**	**Q3 2019**
	Museums, Historical Sites, and Similar Institution				
	Area	**Museums, Historical Sites, and Similar Institution Employment**	**Museums, Historical Sites, and Similar Institution Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	152	13	N/A	Q3 2019

St. Thomas	St. Croix	35	6	0.50	Q3 2019
Rental and Leasing Services					Q3 2019
Area	St. Thomas	Confidential	**1**	**Confidential**	**Q3 2019**
	Rental and Leasing Services				
	Area	**Rental and Leasing Services Employment**	**Rental and Leasing Services Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	313	56	1.716666667	Q3 2019
St. Thomas	St. Croix	117	15	0.81	Q3 2019
Scenic and Sightseeing Transportation					Q3 2019
Area	St. Thomas	54	**17**	**3.41**	**Q3 2019**
	Scenic and Sightseeing Transportation				
	Area	**Scenic and Sightseeing Transportation Employment**	**Scenic and Sightseeing Transportation Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	112	33	1.053333333	Q3 2019
St. Thomas	St. Croix	6	7	0.12	Q3 2019
Telecommunications					Q3 2019
Area	St. Thomas	7	**6**	**1.24**	**Q3 2019**
	Telecommunications				
	Area	**Telecommunications Employment**	**Telecommunications Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	400	17	N/A	Q3 2019
St. Thomas	St. Croix	162	6	0.88	Q3 2019
Utilities					Q3 2019
Area	St. Thomas	Confidential	**1**	**Confidential**	**Q3 2019**
	Utilities				
	Area	**Utilities Employment**	**Utilities Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		

St. John	Virgin Islands	37	6	N/A	Q3 2019
St. Thomas	St. Croix	Confidential	2	Confidential	Q3 2019
Waste Management and Remediation Service					Q3 2019
Area	St. Thomas	N/A	**N/A**	**N/A**	**Q3 2019**
	Waste Management and Remediation Service				
	Area	**Waste Management and Remediation Service Employment**	**Waste Management and Remediation Service Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	126	20	N/A	Q3 2019
St. Thomas	St. Croix	84	11	1.45	Q3 2019
Water Transportation					Q3 2019
Area	St. Thomas	Confidential	**2**	**Confidential**	**Q3 2019**
	Water Transportation				
	Area	**Water Transportation Employment**	**Water Transportation Establishments**	**Location Quotient**	**Time Period**
Virgin Islands		**(Not**	**(Not**		
St. Croix		**Preliminary)**	**Preliminary)**		
St. John	Virgin Islands	312	18	2.34	Q3 2019
St. Thomas	St. Croix	60	7	0.42	Q3 2019
	St. John	165	6	1.08	Q3 2019
	St. Thomas	87	5	5.52	Q3 2019

Source: USVI Bureau of Economic Research