



January 15th, 2019

Honorable Albert Bryan Jr.

Governor
United States Virgin Islands
Government House
5047 Kongens Gade
St. Thomas, VI 00802

RE: Virgin Islands Shipyard

Governor Bryan,

Enclosed is the proposal for the Virgin Islands Shipyard, prepared by Dare Blankenhorn and Chad Blake. The time is now to change course on the future of the yachting industry in the Virgin Islands, and this is the single greatest opportunity that this community has ever seen, while continuing seamless Cruise operations at the exact same time.

In the interest of time, we would request a follow up phone call pertaining to the project. Our focus is honed, and the timing is pertinent. We are available at your convenience for any discussion, and further explanation.

We thank you for your time and attention.

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00802

Virgin Islands Shipyard

Strategic Development Proposal

(WICO Dock Location)

Proposed By: Dare Blankenhorn and Chad Blake, and VIPCA



Key Concepts:

- Zero Impact on Cruise Ship operations.
- Flexible Use space to accommodate existing WICO requirements
- Multiple Formats: In-season and Off-season
- Stabilizing Economic Contribution to entire property, year-round
- Formalizes New Industry for the Virgin Islands
- More value in State of Emergency (pandemic, catastrophic storm)

Imagine The Virgin Islands...

- Yachts and owners are flocking to the VI for services and repair.
- Marine and other local businesses are flush with opportunity and growth.
- Young people of the Virgin Islands recognize and enter a relevant local industry.
- Effects of Dangerous Tropical Storms are mitigated.
- Yacht manufacturers view St. Thomas as an extension of their own infrastructure.
- People of the world view the USVI as the center of the Caribbean Yachting Industry and the Sailing Capital of the World.....

INTRODUCTION:

The goal of the Virgin Islands Shipyard is to support the underdeveloped recreational sector of the marine industry. This market exists because of the abundant natural resources here in the Virgin Islands, and it would only be fitting to create the support infrastructure to enhance industry growth. This facility brings the territory of the Virgin Islands back to relevance pertaining to the global yachting community.

The Virgin Islands Shipyard/ Marine Center is a Boatyard and Service Park to be located on the Western Side of WICO Dock in Charlotte Amalie, St. Thomas, USVI. The current land uses are managed by WICO, and are a combination of Building Rentals, and Parcel obligations, bringing minimal contribution to WICO's overall revenue stream.

The core function of the Virgin Islands Shipyard would be a Haul Out and Storage Facility for Yachts up 100' long and/or 40" wide, and up to 200 gross tons. Within the property, The VI Shipyard would house over ten (10) Virgin Island Businesses from the very beginning, and have the potential to house over twenty-five (25) as the development progresses. The Shipyard will provide space for education and development of VI youth as a core value. All entities on the property will be in trades relating to the service, repair, and protection of Ocean-Going Vessels that frequent the VI and Caribbean waters.

Two local businessman are leading the project , Chad Blake and Dare Blankenhorn. Both have owned and operated VI and BVI businesses for over 15 years. Chad Blake being the Managing Partner of HARBOR SHOPPERS, and NAUTICAL TRIPS and NAUTICAL CONSULTING. Dare Blankenhorn, the Managing Partner of CHARTER CARIBE, and CARIBE YACHT GROUP. Together they bring 50 years of combined experience in the Maritime Industry, with most of that taking place in the Caribbean.

First Impressions:

- Minimal input to Re-purpose the parcel to develop a Yacht Repair Facility.
- Re- use the majority of the existing buildings to house VI businesses and Educational Facilities.
- Install Cranes on a very small portion of the existing bulkhead to Haul vessels out of the sea, and transport them using travel-lifts to the work and storage area.
- Develop a new comprehensive legacy for WICO as an incubator.
 - Train Virgin Island youth in these same buildings.
 - These students take jobs in the adjacent buildings.
 - These employees build their own business in the adjacent buildings once their experience holds their weight.
 - These business owners continue to shape the Virgin Islands
- Retain annual yacht maintenance expenditures in the Territory.
- Protect local vessels and waterways during Named Storm Events.
- Align Underwriters with Compliance of Boatyard.
- Align with local and foreign shipbuilders to send new product to the Virgin Islands.

STRATEGIC COMMUNITY BENEFITS:

EDUCATION and WORKFORCE TRAINING:

Dedicated spaces are reserved for Existing NGOs and Education facilities. Expansion of MY BROTHERS WORKSHOP and VIPCA MARINE APPRENTICESHIP will be physically located in the Virgin Islands Marine Center. These organizations will provide the background and training for all Marine Services, and be available to Virgin Islanders and Foreigners needing certification, or skills training for real-world application. Students train next door to the jobs that they will have the opportunity to pursue.

NEW MARINE FACILITY FOR VI BUSINESSES:

One of the core functions of the Shipyard is to provide facility leasing to other Marine Businesses. The opportunity of growth and economic development is completely spread amongst independent business owners, not one organization reaping the benefits of the new facility. Phase 1 of the project would include ten (10) other marine businesses, and final stages could include well over twenty-five (25). Added Benefit to adjacent areas and local businesses surrounding the project. Willing to entertain relationships with other existing projects.

STORM PROTECTION FOR VESSELS and WATERWAYS:

The proposed land-based facility will protect local vessels by providing refuge from Named Storm Events. The first step in preventing catastrophic damage to the marine environment, is to protect the floating liabilities.

RECAPTURE LOST REVENUES and RELATED TAX BASIS:

Currently, more than seventy percent (70%) of the local marine operators leave the territory for all annual haul out service and maintenance. In the term charter industry alone, this amounts to nearly 150 catamarans. These vessels spend on average \$25,000.00 per year on haul out operations, mostly in other territories. This amounts to nearly \$4,000,000.00 in taxable revenue and potentially more as the industry continues to grow. Indirectly, Charter season for all of these operations will last longer, and reduce downtime because of close access to maintenance.

OTHER INDUSTRY:

Importation of parts, systems, and actual vessels will quickly become another source of revenue for shipping companies and government agencies. Racing vessels will once again ship directly here for regattas. Foreign Manufacturers will see St. Thomas as a drop location for delivered vessels, and Vessels in Transit will once again use St. Thomas as a stopping point to acquire all major shipments of parts, systems, and materials.

PRESENT TIMELINE:

LAND USE: The key component in the development of the Virgin Islands Shipyard Center is the acquisition of the property in question. Three Government agencies have control of these parcels. Once approved, Phase 1 in the development of the Virgin Islands Shipyard & Marine Center will commence.

PHASE 1: STAGING (6-8 months)

- Final Legal Organization pertaining to the parcels.
- Permits (Environmental Assessments, Building, Land)
- Completion of Shipbuilding Grants from Maritime Association
- Asset Acquisition: Heavy Equipment. (Crane, earthmoving equipment, vessel-lifts)
- Securitization of Property
- Leasing Contracts established for other vendors
- Final approvals of Land Designs
- VI Port and Coast Guard definitions

PHASE 2: CONSTRUCTION AND DEVELOPMENT (4-6 months)

- Land and Building Transformation
- Construction of Catchment Bays
- Trial Hauls on Property #15
- Regional and National Marketing Campaigns for Recognition of Shipyard
- Government Promotion of new Education Facility (Display of Cancryn Buildings)
- Training of Personnel and Processes

PHASE 3: OPERATION (Early 2021)

- Normal Day to Day Operations

- Beautification of Property to enhance community
- Develop Floating dock system to accommodate work on floating vessels.
- Create Race Vessel Storage and Work Yard

PRODUCT/SERVICE OFFERINGS:

- **Yacht Hauling** (crane lift onto bulkhead, travel lift to storage)
- **Yacht Storage** (3 acres of Storage location, up to 200 vessels)
- **Chocking and Blocking** (Stable land storage design and implementation)
- **Pressure Washing** (Environmentally acceptable bottom cleaning, collection)
- **Hurricane Strapping** (Insurance Approved safety attachments to grounding)
- **Hurricane Storage** (term storage for vessels avoiding Tropical Seasons)
- **Surveying** (Full Service Insurance Survey, Valuations and Consult)
- **Yacht Sales and Brokerage** (New Yachts, Boats, and Brokerage options)
- **FiberGlass Repair** (Structural, Body, Component, Composites and Design)
- **Electrical Sales, Install and Repair** (Marine System install, and Diagnosis)
- **Mechanical Sales, Install and Repair** (Gas and Diesel applications)
- **Electronic Sales, Supply and Repair** (Sail, Power, and Fish related systems)
- **Foreign Yacht IMPORT** (Import Storage, Direct Drop technology from Ship)
- **Yacht Carpentry** (Woodworking Repair, Design, and Installation)
- **Shipbuilding** (Small vessel, Catamaran, and Small Fishing Brands)
- **Yacht Guardianage** (Absentee owner Care for present yachts)
- **Marine Consulting** (Build consult, Manufacturer Rep's location)
- **Metal Fabrication** (Full Metal Shop, with ability to service commercial)
- **Outboard Sales, Install and Repair** (Multiple Vendors and Brands)
- **Dinghy Sales and Repair** (Multiple Vendors and Repairs)
- **Yacht Detailing and Refinishing** (Cleaning, Waxing, Surface Detail)
- **Canvas Production, Install and Repair** (Marine Fabric, Interior/Exterior)
- **Sail Production, Install and Repair** (Race capable, Commercial Capable)
- **Rigging** (Mast Shipping, Rig Building and Repair)
- **Insurance Repairs** (Compliance with existing underwriters)
- **Warranty Repairs** (Full support from Foreign boatbuilders)
- **Full Covered Paint Shop** (Housed in existing buildings)
- **Glass work Facility** (shaped and custom fit)
- **SCUBA Facility** (Full service testing, Hydro, service)
- **Marine Consignment** (In house supply, and E-commerce to the world)
- **Waste Disposal Center** (Keeping the VI compliant and clean)
- **Fueling Station** (Port Authority is asking for this now)

TARGET MARKETS for VENDORS and CUSTOMERS:

CUSTOMERS:

- Crewed Charter: Over 100 vessels full time/100 vessels transient (growing)
- BareBoat Charter: 50 vessels full time/850 vessels transient (growing rapidly)
- Cruising Vessels: Over 1,000 Vessels full time/ Countless Vessels Transient (stable)
- Day Charter: Over 100 vessels full time (stable)
- Commercial: Over 50 vessels full time (stable)

VENDORS:

My Brothers Workshop
VIPCA
World Ocean School
Quantum Sails
Harbor Shoppers
Charter Caribe
Sail Caribe
CYOA
Virgin Islands Yacht Charter
CharterHOUSE
Charter Yacht Solutions
Virgin Islands Canvas

Paradise Yacht MGMT
Charterport
Regency
Select Yachts
Caribe Yacht Group
Nautical Trips and Consulting
Island Rigging
Island Marine
ReefCo
Alfonzo Fire Safety

In-season: (November - July)


- Cruise Ship operations are in full effect.
- Shipping Containers are used for product transport, loading and unloading
- Taxi staging for Cruise clients is a high priority.
- Boatyard is fully functional
- High priority on Cruise perception of the Shipyard.

- Cleanliness, Environmental Impact, and footprint are focal points



Off-season: (August - October)



- Yacht Storage Space is maximized
- Hurricane Tie-downs are implemented and insurance requirements met
- Yacht Transport Operations are replacing Cruise Operations
- Mobile Cranes are added to infrastructure for High-Efficient Storm Preparations
- Clean waters of the USVI are present during Storm events



