

Jumby Bay Island (Antigua, BWI)

Objectives

Jumby Bay is a super-luxury resort and residential development on a private island off the coast of Antigua created by John Mariani of Banfi Vintners. Jumby Bay has been consistently ranked as one of the top ten luxury resorts in the world, and commands one of the highest daily room rates in the Caribbean market.

Banfi began as passive investors in the project, but financial difficulties of their investment partners forced Banfi to take control of the property. Later a failed fractional membership program had engendered controversy with property owners.

Banfi's objectives included (a) financial turn-around for the project, terminate the failed club program, and (b) chart a strategy for future success as a boutique luxury resort and residential community.

Scope

JNJ was engaged in the early 1990's as an expert in luxury resorts and private club developments to advise Banfi as to their options and alternative course of action for five major initiatives:

- Comprehensive critique of Jumby Bay as a real estate development, evaluation of its economic potential, and the development strategies which would optimize its overall value.
- Development of asset disposition strategy appropriate for this project, which features a 36 key resort hotel, lot sales program and villa condominium program.
- Operational improvement program with a hand picked team of "big six" and experienced industry professionals.
- Restructuring of documents to remedy flaws in the club membership program and master plan documentation.
- Negotiations with property owners and club members to implement the necessary master plan modifications.
- Expert witness testimony in connection with proceedings involving controversy with a dissident minority group of property owners.

Results

- Operating deficits approximating \$1.0 million per year in a challenging hospitality environment.
- Reduced operating deficits to virtual break-even over approximately 10 months.
- Led presentations to owners illustrating required changes in club structure and documentation.
- Provided expert witness testimony in litigation with minority dissident property owners.
- Stabilized project conditions to preserve and maximize value of the property pending resolution of litigation.
- Jumby Bay was eventually sold to the property owners and became a member owned resort community.

