

Sugarmill Bay Spa & Beach Club (Antigua, BWI)

Objective

Sugarmill Bay is unique residential resort development to be constructed on a stunning 33.5 acre beachfront site in Antigua BWI. JNJ was initially engaged to advise the developer concerning hotel strategies and planning guidelines. After demonstrating special vision for integrated residential resorts, JNJ was engaged as project CEO to lead the project through programming, entitlements, branding and capitalization.

Scope

- JNJ led a project team including HKS Architects (vertical architecture), The Landworks Collaborative (land planning), PBS&J (engineering), Adworks (marketing) and DREAM (Sales & marketing) to work together to plan the project and “work out” the key dynamics of the venture.
 - Master plans and architectural schematics were created on a “fast track” in a collaborative workshop environment, with direct interaction among critical team members, including market and financial guidance from JNJ.
 - Sales and marketing strategies were defined to execute a “two front” campaign focusing on (a) US Northeast and Mid-Atlantic buyers, and (b) UK and European buyers.
- JNJ prepared detailed financial estimates in a dynamic model that allowed easy testing of alternative strategies. These evolved into full investment offering materials, business plans, sales & marketing plans, and all appropriate due diligence materials to take Sugarmill Bay to the capital markets.
- JNJ engaged a number of luxury hotel operators and eventually settled in on Nikki Beach, as an emergent hotel brand with strong European and international following. Full deal terms for management and performance based branding fees were fully negotiated to executed agreements.
- Discussions with capital sources also reached full bloom with an LOI negotiated and signed with the assistance of RBS Investment. The deal concept involved a tailored mezzanine capital structure yielding an effective 75 – 25 project participation against 10% matching sponsor equity.
- JNJ led negotiations with Antigua’s Ministers of Finance to negotiate on unprecedented concessions package including (a) critical fiscal exemptions exclusively available to Sugarmill Bay buyers, and (b) extended tax exemptions, fast-track permitting, foreign employer licenses and other concessions for economic development impacts.

Results:

- Sugarmill Bay has gotten to LOI commitments from three different sources on merits of the project design and stunning site features, and is on hold.

