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INVESTING IN BELIZE, A REAL LIFE EXPERIENCE!

Produced by the Belize Development Trust
(The Government broke every promise they made!)
An excerpt from the Belize Culture debating list.

Curtis (Cy) and Donna Young were leading fairly mundane lives in 1992. He had built and sold a beer distributorship and owned four video rental store in the Naples, Fla. area; she was the food and beverage manager at the Naples-Fort Myers Greyhound Race Track. They had just gotten married, a second try for both.

But Donna, now 51, has spent her 20s living in the Bahamas and longed to start a bed and breakfast on a warm island. Cy, now 56, has never been outside the U.S. But he was ready for something different. "He bought into the beach fantasy real fast," chuckles Donna.

Do you dream of opening an inn in some bucolic spot, where you would escape the rat race and chat with witty guests around the fireplace? Join the crowd. There is an estimated 18,500 B&Bs in the U.S., up from 1,000 in 1980. And the island part of the Young's fantasy wasn't exactly original, either. When the couple toured Caribbean islands, they found them crowded with innkeepers.

Then the Youngs read an article touting the tiny central American nation of Belize. "It sounded like the last frontier," Donna recalls. Despite its obscurity, Belize, the former British Honduras, was English-speaking and only a two hour flight from Miami. Better yet, it had a tiny string of islands, or cayes, protected by the world's second longest coral reef. The Youngs flew off to Belize to look around. They were disappointed. "It was already built up and overpriced," says Cy.

Then Cy saw an ad in a broker's window for 75 acres in mainland Belize's rainforest, near some Mayan ruins. They were smitten. They bid unsuccessfully for that parcel. A month later they bought a nearby parcel of 200 acres of virgin rainforest, populated with jaguars and howler monkeys - sight unseen, for \$45,000. The plot abuts thousands of acres of government-owned jungle and is a one-and-a-half-hour drive from Belize City's international airport.

Having visited Costa Rica, the Youngs knew that eco-tourism and adventure travel were taking off. But they were unprepared for either the real jungle or Belize's jungle of red tape. "We didn't do a lot of homework and we paid dearly for it," says Donna.

Based on discussions with local contractors, the Youngs went into the project

believing that they could build their inn for \$450,000. They also thought that the Belize government, eager to promote tourism, has agreed to extend electricity and a road to the property. "Every promise the government made, they broke," complains Donna. The Youngs ended up spending \$35,000 for generators and footing a \$50,000 bill to extend the dirt road two miles.

Building in the jungle presented some unusual problems. To extend the road, workers had to blast off the side of a mountain. The explosions irritated a bunch of killer bees that went on the attack, delaying work. The Youngs also had run-ins with rats and poisonous snakes. Yet, as they tell it, the bureaucracy was a bigger challenge.

Example: The Youngs paid \$5,000 for a permit that supposedly allowed them to import their own goods and gear for the hotel free of Belize's 40% import duties. But Donna says officials lost their paperwork and their cargo sat at the port for a year - accruing \$50,000 in storage fees. They got permission to bring in 20 toilets from Mexico duty-free. But because each commode was packed in two boxes, officials held up the shipment for a month, insisting there were 40 toilets.

Costs mounted with the delays, in no small part because this is a pretty lavish project, as jungle hideaways go. To the dismay of eco-tourism purists, the Youngs' 16 room Jaguar Paw Jungle Resort has air-conditioning, an in-ground pool, a satellite TV at the bar and a full-service restaurant featuring filet mignon imported from the U.S. (\$22.50 U.S.)

Having worked for others in the hotel and food business, Donna now wanted to do things her way, and not necessarily on the cheap. She decorated each room with a different theme; workers spent two weeks setting sea shells into the bathroom walls of the seashore room.

The result: By the time the Youngs opened in 1996 they had borrowed \$1.2 million from Cy's parents (his father is a physician), bringing their total investment to \$1.7 million. Despite paying wages of only \$2.25 to \$3.50 an hour, they ended up spending about as much per room as it costs to build a new U.S. luxury hotel - around \$100,000.

Of course, Jaguar Paw isn't your standard luxury resort. There are no tennis courts. Guests are told to leave their good clothes behind and to bring mosquito repellent. The Youngs pick them up in four-wheel drive vehicles; the last 7 miles to Jaguar Paw is a bone-jangling ride on a rutted dirt road.

Then, over the crest of a hill, in a jungle clearing, the resort's main building appears - a squarish edifice with green marble and bas-reliefs meant to evoke a Mayan ruin. The guest cabins are hidden in the lush foliage. At night the paths to the rooms are lit with dozens of candles and torches.

How much does all this exotica cost? For a double in the jungle, guests pay \$180 a day during the dry months. (After travel agents' commission and the room taxes, the Youngs get only \$124 of that.) For meals and liquor, you can add as much as \$50 per person a day. There's rock climbing, day trips to the Mayan ruins and day and night hikes through the rain forest. These extras can easily add \$40 to \$80 per

person a day to the visit, although many guests brave the jungle on their own or with their own tour guides. At night guests might spot a jaguar, or, if unlucky, step into a nest of red ants.

The main draw has turned out to be a network of partially flooded underground caves once used by the Mayans. Led by local guides and outfitted with inner tubes and miners headlamps, guests drift and paddle through the miles of caverns, ogling the bats, stalagmites and remnants of Mayan culture. It's the sort of "soft" adventure that appeals to aging baby boomers - particularly those who prefer air-conditioning to cabanas with mosquito netting. The Youngs charge \$40 a head for a half-day excursion; the trips have become a popular day trip for a cruise liner that calls on Belize once a week.

Can the Youngs make it in the jungle? Last year they posted a 40% average occupancy rate - ranging from below 20% during the rainy season to 80% between December and April. But with free rooms for tour guides and travel agents, their paid occupancy was closer to 25%. With 1998 revenues of \$370,000 (U.S.), they were able to cover \$270,000 in operating expenses, buy some trucks and build their emergency reserves.


So far the Youngs have relied on tour operators, travel writers, an 800 number and a droll web site (it brings in 20% of bookings) to build business. Central American tour operators have begun promoting Belize's jungle as a stopover for scuba divers headed for the coral reef and as an alternative to Costa Rica for eco-tourists tired of fighting the crowds.

Last year, Belize drew 161,000 visitors, a 20% jump over the year before, lending support to Cy's assertion that Belize is finally catching on and that he'll be able to begin paying back his parents in three years. Advance bookings for 2000 are "encouraging," he says. He's hoping to get occupancy up to 50%.

Like many other innkeepers, the Youngs work long hours - as many as 20 a day for Cy. He supervises a full time staff of 26. Donna is the resident plumber, carpenter and decorator. She prowls the property at night with a shotgun to scare off would-be hunters looking for peccary (nocturnal piglike animals) and other game.

Do the Youngs regret their entrepreneurial adventure? They assert that they do not. In fact, Donna suggests she's glad they didn't do their homework, because if they had, "we wouldn't be here right now. We would have thought it foolhardy."

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