

March 18, 2025

Honorable Novelle E. Francis, Jr.
Chairman
Committee on Budget, Appropriations and Finance
36th Legislature of the Virgin Islands
Earle B. Ottley Legislative Hall
Capitol Building
Charlotte Amalie, St. Thomas, Virgin Islands 00804

Good morning, Honorable Chairman Novelle E. Francis, Jr., members of the 36th Legislature of the Virgin Islands Finance Committee, and the listening audience. My name is Jason Charles, and I am here today representing Alpine Group and the Kim Family in my capacity as Chief of External Affairs. Accompanying me in the chambers are Jean Kim, Director and Treasurer of the Charles M. Kim V.I. Foundation, Inc.; Pat Bailey, Construction Manager for Alpine; Leigh Goldman, Legal Counsel; Assistant Commissioner Vincent Richard; Commissioner Lisa Alejandro of the Department of Property and Procurement; and Sean Krigger, Director of the Historic Preservation Commission, DPNR.

Today, the Kim Family, owners of Alpine, are here to request approval for the lease of the Hamburg-Amerika Line building, located on Parcel Lot No. 48B Norre Gade, Kings Quarter, St. Thomas, Virgin Islands, for the purposes of housing the Virgin Islands Museum of Art (VIMA). We would like to make it clear from the beginning: neither Alpine, the Charles M. Kim V.I. Foundation, or the Kim Family will be using this building for profit.

Alpine, an investment trading firm based in St. Thomas, USVI was founded by the Kim Family in 2008. We are beneficiaries of the USVI Economic Development Authority's Economic Development Commission Tax Incentive Program. Alpine has been deeply committed to giving

back to this community. Over the past 17 years of operations in the Virgin Islands, we have donated millions of dollars to worthy non-profit organizations across the territory, including, but not limited to, the Lutheran Social Services Queen Louise Home for Children on St. Croix, Nana Baby Children's Home, My Brother's Workshop, Junior Achievement of the Virgin Islands, the VI Children's Museum, St. Thomas Rescue and EMS Service providers, Family Resource Center, the Virgin Islands Police and Fire Departments, and various youth athletic teams territory wide - from Little League programs in both districts to martial arts programs and many sports in between, the University of the Virgin Islands, and various public, private, and parochial schools throughout the territory.

In addition to supporting many community organizations, we have also launched several initiatives, including the annual King of the Wing Contest, which has raised over \$1mm in 13 years with our 14th year rapidly approaching. Beneficiaries of this event include the Nana Baby Children's Home, Junior Achievement of the Virgin Islands, and the VI Children's Museum.

The Kim Family's love of the arts has significantly benefited numerous art-related initiatives - the Ivanna Eudora Kean High School Music Department, the Charlotte Amalie High School Band Boosters, 81C Arts, the Caribbean Museum Center for the Arts, the VI Council on the Arts, the Mid Atlantic Arts, and the French Ballet Theatre. The Kim Family would like to continue their support of the arts through the lease of the Hamburg Building, and the creation of the Virgin Islands Museum of Art (VIMA).

Our goal is to establish a dedicated space for the arts that will further enhance opportunities for local arts and music programs. This initiative will also broaden community awareness, foster a diverse tourism market, and preserve the beauty of our culture.

Originally constructed in 1914, the Hamburg-Amerika building served as the Caribbean headquarters for the Hamburg-Amerika Line Shipping Company. This historic building played a pivotal role in the transshipment of goods, textiles, food, rum, molasses, building materials, and the refueling of coal ships traveling between South America, North America, and Europe. In the late 20th century, it was also used as a courthouse, and later as a VIPD forensic lab. However, over the past 30 years, the building has deteriorated significantly with the last major renovation occurring in 1930 when the water tower was removed due to structural concerns.

Today, the Hamburg-Amerika building has become a major liability, as it continues to crumble before our eyes. In its current state, this building is 111 years old. At the outset of this project, our team commissioned the structural engineering firm BuildTec, LLC - based in St. Croix - to conduct a structural engineering analysis. Their comprehensive testing included core cement sampling from eight key locations throughout the building. The results revealed high levels of salinity and efflorescence in all eight core samples, indicating that the concrete was made with beach sand, which compromises its structural integrity. As you are aware, the government has installed protective safety sheets to safeguard pedestrians walking near the building's southern and eastern sides. I must emphasize, BuildTech has advised that in the unfortunate event of a moderate to strong earthquake or another major storm with high tides, this building could collapse, posing an imminent danger to both property and life.

If the 36th Legislature ratifies the lease agreement, the Kim's will begin securing the necessary permits for demolition. We will collaborate closely with the Historic Preservation Commission, the Police Department's Traffic Bureau, the Department of Public Works, and all surrounding businesses to minimize the impact of demolition and construction. It is our intention to solicit Requests for Proposals (RFPs) for both the demolition and reconstruction phases. Barring any unforeseen circumstances, we anticipate the demolition process will take approximately nine to twelve months to complete, with an estimated cost of \$3 million - funded by the Kim Family. We are asking for no government funding for this project. This phase is expected to create approximately 40 or more local jobs. The subsequent construction phase is projected to take 36 months, with an estimated cost between \$12 million to \$15 million, employing approximately 100 workers. Once completed, the facility is expected to provide employment for 10 to 20 full-time staff members.

The Charles M. Kim V.I. Foundation is dedicated to the preservation of U.S. Virgin Islands culture. This building will be used exclusively for charitable purposes, serving as a space to celebrate the rich history and heritage of the Virgin Islands. It will highlight our culinary traditions, cultural attire, Carnival festivities and costumes, the historical significance of rum production, and the fine arts of the Virgin Islands. This culturally significant building will not only be restored, but preserved and maintained at no cost to the Government or the people of the Virgin Islands. In order to help preserve this for the future, we are requesting lease terms of 100 years, with two 50-year renewal options.

This Virgin Islands Museum of Art (VIMA) is solely intended to create a space where Virgin Islands arts and culture can be experienced and celebrated in the heart of Charlotte Amalie. To reiterate, neither Alpine Group nor the Charles M. Kim V.I. Foundation will use this building for profit. The building will still belong to the USVI Government and this project will be a gift to the people of the Virgin Islands. We hope with the approval of this lease we can preserve the history and heritage of the people of the Virgin Islands for generations to come.

Thank you, Senators, for your time and consideration.

Respectfully,
Jason Charles
Chief of External Affairs
Alpine USVI