

Testimony of
Vincent Richards
Assistant Commissioner of Property & Procurement
Department of Property and Procurement
On behalf of
Lisa M. Alejandro
Commissioner of the Department of Property & Procurement

On

*Lease Agreement between the Department of Property and Procurement on behalf of the
Government of the Virgin Islands and DM Hospitality, LLC.*

Before

The Committee on Rules & Judiciary

Friday, July 10, 2026

Fritz E. Lawaetz Legislative Hall Conference Room
ST. CROIX, U.S. VIRGIN ISLANDS

Good morning, Committee Chair Carla J. Joseph, Vice-Chair Kenneth L. Gittens, Committee members – Milton E. Potter, Avery L. Lewis, Angel L. Bolques, Jr., Alma Francis Heyliger, and Clifford A. Joseph, Non-Committee members, Central and Legislative Staff, fellow testifiers, visitors present in the chambers, and members of the listening and viewing audience.

I am Vincent Richards, Assistant Commissioner of the Virgin Islands Department of Property & Procurement (“DPP”). I am testifying virtually today on behalf of Commissioner Lisa M. Alejandro, on the proposed multi-year Lease Agreement for the St. Thomas/St. John District, which is before this Committee for consideration. I am here today to request this Committee’s and ultimately the full Senate’s approval of the proposed Lease Agreement between the Government of the Virgin Islands and DM Hospitality, LLC (*hereafter “DM Hospitality”*) (Bill No. 36-0237).

This proposed Lease Agreement requires legislative approval in accordance with 31 V.I.C. § 205 (c). The term commences on the first (1st) day of the month following the approval of the Legislature of the U.S. Virgin Islands. This potential Lessee has provided all required documentation to support the processing of this proposed Lease Agreement with the Government, including but not limited to their Business License and Certificate of Good Standing.

I. Bill No. 36-0237 (DM Hospitality, LLC)

The proposed Lease Agreement between DM Hospitality and the Government of the Virgin Islands is for Parcel No. 2C Crystal Gade, Queen’s Quarter, St. Thomas, U.S. Virgin Islands, consisting of a two (2) story building residing on 967 U.S. sq. ft. or 0.22 U.S. acre(s) of land more-or-less and a portion of Parcel No. 3 Crystal Gade, Queen’s Quarter, St. Thomas, U.S. Virgin Islands, consisting of a two (2) story building of 1,650 U.S. sq. ft. or 0.037 U.S. acre(s) of improved land more-or-less. The property will be used to operate a food and beverage management company with a bakery and deli, a jewelry business management company, and other related purposes.

The term of this agreement is thirty (30) years, and the Lease Agreement provides for two (2) additional ten (10) year renewal options. The annual rent for the above-referenced parcels will be **Twelve Thousand Dollars and Zero Cents (\$12,000.00)** payable in equal monthly installments of **One Thousand Dollars and Zero Cents (\$1,000.00)** during the term of this Lease.

The rent payable under this proposed lease shall be adjusted annually, including any renewal term, in accordance with the Consumer Price Index (CPI) increase established by the U.S. Department of Labor, Bureau of Labor Statistics. This Lease Agreement requires a minimum of One Million Dollars (\$1,000,000.00) for all limits of public liability coverage.

Lessee is required to make extensive improvements at a minimum estimated cost of **Two Hundred Fifty Thousand Dollars and Zero Cents (\$250,000.00)**. Improvements to the property after obtaining all required permits and specifically approval of the Historic Preservation Committee (if required); repairing or renovating the building as needed, interior, electrical, plumbing, HVAC, and mechanical systems as needed; and installing an emergency backup generator, security lighting, and cameras.

On March 9, 2026, the Department of Property and Procurement ("DPP") issued a "Sixty (60) day Notice of Termination of Use to the **St. Thomas Reformed Church ("STRC")** regarding its use of Government-owned property in accordance with Paragraph No. 3 of the Stipulated Agreement in Civil No. 731/79, in the settlement of the action to quiet title between the parties. This was successfully delivered to STRC on March 11, 2026.

On May 5, 2026, the Commissioner of Property and Procurement met with representatives of STRC to discuss the Notice and hear the concerns raised by the Church. During that meeting, the Commissioner clarified that the Government of the Virgin Islands was not terminating or modifying the parties' Court Settlement Agreement. Rather, the Notice was intended only to terminate STRC's permissive use of Government property beyond the rights expressly preserved in the Settlement Agreement and STRC would continue to enjoy all rights granted under the Court Settlement Agreement, including the right to utilize the designated parking area and to access the Church building through Parcel No. 3 for repairs, maintenance, and preservation of the property, consistent with the terms of the Stipulated Agreement.

The Department of Property and Procurement respectfully requests that the 36th Legislature of the United States Virgin Islands, Committee on Rules and Judiciary, vote in favor of this proposed Lease Agreement. If approved, this lease will assist this locally owned business to achieve their goals of expansion and improved operations. This business will contribute to the ongoing revitalization of the historic town of Charlotte Amalie and growth of the United States Virgin Islands and the long-term stability and expansion of our economy.

This concludes my prepared Testimony, and I am prepared to answer any questions the Committee may have on the referenced Lease Agreement. Thank You.