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Governor Bryan Closes Sale of King's Alley Hotel to Development Group for Christiansted Boardwalk Enhancement

Development will have 100 hotel rooms; 8 food, beverage and retail outlets; event space; 27 parking spaces and two boat docks and create 150 construction jobs and 100 full-time positions

U.S. VIRGIN ISLANDS — Governor Albert Bryan Jr., in his capacity as Chairman of the Board of the Virgin Islands Public Finance Authority PFA), has signed off on the documents finalizing the sale for \$3.65 million of the King's Alley Hotel and adjoining property in Christiansted to Neighborhood Establishment, which plans to develop the property, along with the King Christian Hotel into a major enhancement to the Christiansted Boardwalk.

Once fully renovated and integrated, the Kings Alley Hotel is projected to become part of the King Christian Hotel and feature more than 100 hotel rooms, eight food and beverage and retail outlets, event space, a pool, courtyard, 27 parking spaces and two boat docks accommodating 20-plus vessels.

"Neighborhood Establishment presented a fantastic plan that not only will beautify the already picturesque Boardwalk, it also will greatly enhance the appeal of Christiansted and the entire island of St. Croix as Tourism destinations," Governor Bryan said. "This development is another key element of the Bryan-Roach Administration's pledge to rebuild the downtowns in the U.S. Virgin Islands."

The increase in guest rooms will support local retail, restaurants, tour guides, and ancillary business and hopefully drive more airlift to St. Croix. The renovations to both the King Christian and King's Alley hotels is estimated to

generate 150 construction jobs and 100 full-time positions between the various properties, restaurants, and retail establishments.

“This sale, in addition to the renovation of the King Christian Hotel and recent openings of the Grape Tree Bay and Divi Carina Bay Hotels, and the planned redevelopment of Hotel on the Cay all contribute to a resurgence of the hotel industry in St. Croix not seen since before Hurricane Hugo in 1989,” Governor Bryan said.



Governor Bryan and Rino Cassinelli of Neighborhood Establishment sign the closing agreement for the sale of the King's Alley Hotel while OMD Director Jenifer O'Neal (left), PFA Executive Director Nathan Simmonds and Finance Commissioner Bosede Bruce (center) look on.

The King's Alley Hotel was run by King's Alley Management, Inc. (KAMI), which is a wholly owned subsidiary of the PFA, which acquired the property through foreclosure. KAMI operated and managed the King's Alley Walk and Hotel for several years and had a total of five full-time employees and three part-time employees.

The adjoining Anchor Inn property was acquired by the PFA in 2011 for \$614,000 and consists of a vacant lot with historical structures.

Both properties were appraised in 2019 for \$3,564,000 (Kings Alley at \$2.95 million and Anchor Inn at \$614,000), and the PFA received a number of solicitations from interested parties who wanted to either purchase or lease the properties.

After conducting a market study, the PFA issued a solicitation for proposals in June 2021, which was sent to 18 companies and individuals that had previously expressed an interest in purchasing or leasing either or both properties and/or who operated nearby hotels and inns. The PFA received one proposal only, from Neighborhood Establishment for the purchase of both properties.

Neighborhood Establishment's proposal was vetted by a committee that included a financial advisor and industry professional with more than 30 years' experience in St. Croix's hotel and hospitality industry.

In addition to Neighborhood Establishment's plans for construction of additional rooms at the Anchor Inn Site and proposed renovations of the King's Alley Hotel's guest rooms, the developer has transitioned all employees from KAMI to Neighborhood Establishment at the same or higher salary with additional benefits not offered by KAMI.

The Bryan-Roach Administration is investing in the Territory's people, infrastructure and future through transparency, stabilizing the economy, restoring trust in the government and ensuring that recovery projects are completed as quickly as possible. Visit transparency.vi.gov

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