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Historic Naval Site Set for Transformation into Business Hotel and Moe's Market

Demah Inc.'s \$15 million project gains senators' support for economic revitalization in St. Thomas

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Current view of the historic naval warehouse in St. Thomas, slated for redevelopment into a business hotel and Moe's Fresh Market. By. SCREENSHOT/VI CONSORTIUM

The territory's lawmakers have expressed overwhelming support for Demah Inc.'s request for a zone variance from the V.I. Dept. of Planning and Natural Resources that would allow the company to construct a business hotel on a historic property in St. Thomas.

Brought before the Senate Committee of the Whole on Monday, Bill 35-0234 seeks permission for a zoning variance from the I-2 (Light Industry) designation to a parcel of land in Estate Nisky, No.

6 Southside Quarter, St. Thomas. The plot of land belongs to the Government of the Virgin Islands and is currently under lease to Demah Inc. doing business as Moe's Fresh Market. A 14,491-square-foot steel frame structure currently sits on the property.

If approved, Demah Inc. anticipates it will need 24-36 months to redevelop the structure, enabling the construction of a Moe's Fresh Market branch and distribution warehouse on the ground floor and 52 hotel rooms on the first and second floors. The developers anticipate that the project will align with "the administration's vision for the area's redevelopment" and will be somewhere that cruise ship passengers are "comfortable traversing."

This was welcome news for several legislators, including Senator Franklin Johnson who noted that "we always could use more hotels." Senator Donna Frett-Gregory called it an "exciting project," referring to the steel structure in its current state as an "eyesore". She commended the developers for embarking on a project that will be a "major economic booster for the territory." Once the project is completed, "we should see an increase in our income taxes as well as our gross receipts," predicted Ms. Frett-Gregory.

The development is expected to cost between \$10 and \$15 million, said Waleed Hamed, representing his family's company. He explained to committee members that the hotel will "provide overnight accommodation for business travelers," and announced that the company has already engaged a local architectural firm to ensure that the hotel "preserve[s] the historic character of the site." The steel structure on the property served as a naval warehouse during World War II.

Department of Planning and Natural Resources Territorial Planner Leia La Place-Matthew assured lawmakers that the State Historic Preservation Office (SHPO) had already been consulted on the project, and has provided the developers with a host of requirements to maintain the historic appeal of the property. Among these, "same or similar window designs" must be used along certain parts of the facade. The main entrance will also be preserved by using a "glass window enclosure system so the original opening of the bay doors is still visible." Additionally, the developers will be required to maintain metal finishing on the building's exterior to "recall the naval era of the warehouse."

SHPO has also provided guidance for the interior of the building, mandating that "columns, beams, and trusses are to be left exposed to celebrate the naval design." According to Ms. La Place-Matthew, SHPO wants Demah Inc. to "achieve a positive balance of preserving the historic and unique details of this World War II naval warehouse while renovating it for a modern market and business hotel."

With guidelines for renovating historic properties recently under scrutiny again, Senator Samuel Carrion wondered whether Demah Inc. found the requirements from SHPO "too stringent." Mr. Hamed expressed reservation in answering and explained that "there are ongoing situations and we're dealing with it as we go." Nonetheless, he affirmed that "the State [Historic] Preservation Office has been helpful."

No votes are taken during the Committee of the Whole, meaning lawmakers will vote on the zone variance request during a later legislative session.