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## **\$15M Art Museum Project Advances as Lawmakers Review 99-Year Lease Terms**

**The Charles M. Kim V.I. Foundation seeks a 99-year lease for a historic site in St. Thomas to build a VI Museum of Art. Senators raised concerns over ensuring nonprofit status, long-term protections, and the museum's role in revitalizing Charlotte Amalie.**

Development / **Published On March 19, 2025 07:08 AM /**

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**Rendering of the The Charles M. Kim V.I. Foundation. By. V.I. LEGISLATURE**

The Charles M. Kim V.I. Foundation, Inc. d/b/a Virgin Islands Museum of Art is expecting to spend – at a minimum – \$15 million of its own funds to construct the Virgin Islands Museum of Art in Charlotte Amalie, St. Thomas, lawmakers learned on Tuesday.

Representatives from the foundation and the Department of Property and Procurement appeared before the Committee on Budget, Appropriations, and Finance to discuss Bill 36-0040, an act approving the lease of a portion of Lot No. 48b Norre Gade, Kings Quarter, St. Thomas. The property in question is home to the Hamburg-America Shipping Line Building built in 1914. The developers intend to demolish the current structure and construct a replica in its place.

“This proposal represents an extraordinary opportunity for the Virgin Islands,” said Senate President Milton Potter, who presented the bill. “The Hamburg America building was once a vital part of our territory’s commercial history [but] now stands as a deteriorating safety hazard.” The building is one of several in a similarly derelict condition in downtown Charlotte Amalie. “It represents a rare win-win proposition, where private investment will create a lasting public benefit,” Potter noted.

The lease agreement under consideration on Tuesday was for an initial 99 years, with two options to renew for an additional 50 years each. Annual rent is expected to total \$1,200.

According to DPP’s assistant commissioner Vincent Richard, the lease will permit the Charles M. Kim V.I. Foundation, Inc. to use the premises “for the operation of a museum, gallery, exhibition, space, community and civic purposes, studios and production of art, product exhibition, exhibition of art, cultural and historical materials and associated office and retail use and other related purposes.”

“The proposed lease agreement requires the lessee to place \$5 million in cash in escrow as a performance bond before beginning demolition,” Mr. Richards disclosed. After demolition, those funds would be released, and the contractor would then have to “obtain a \$5 million performance bond...as security for the lessee’s obligation and performance of the construction.” The construction phase is anticipated to last for up to five years.

The project will act as a “catalyst for further similar redevelopment projects,” suggested Mr. Richards. “This proposed lease agreement represents a once-in-a-lifetime opportunity.”

In its derelict state, the property has cost the Department of Property and Procurement \$50,000 to wrap it in a protective mesh as chunks of concrete continue to fall off the century-old building. The use of beach sand in the original construction has corroded its internal steelwork.

Jason Charles, the Foundation’s representative, assured lawmakers that the Kim family, founders of the Alpine Group, has no intention to operate the museum for profit. “The Kim family loves the arts and has significantly benefited numerous art-related initiatives,” testified Mr. Charles. Leasing the property is simply a means to “continue their support of the arts,” he suggested.

“This initiative will also broaden community awareness, foster diversity, and tourism, and preserve the beauty of our culture,” said Mr. Charles. He anticipates that the museum will highlight culinary traditions, carnivals, festivals, and rum production among a host of other features. A lounge, cafe, and gift shop are expected to be incorporated into the design.

Talk of revitalizing at least a small section of Charlotte Amalie and establishing a museum intrigued lawmakers, but the proposal left many with questions that needed to be answered.

Committee chair Senator Novelle Francis began the discussion by questioning the length of the lease. “It’s a multi-generational project. It’s a very significant investment,” replied DPP’s Vincent Richards. “For me, this project is like a seed for [a] fruit tree, and it’s not being grafted. It’s going to take time and it’s going to bear fruit for a long time.”

“Every town or city that prospers has some form of art museum,” said Jean Kim, the foundation’s treasurer. “I envision this space would be a place where kids could go on a field trip, where they could learn simultaneously,” she told Senator Avery Lewis.

Other legislators, like Senator Marise James, were concerned about maintaining the museum’s nonprofit status. She was assured that a diverse board of directors would be installed to ensure the ethical running of the museum.

Despite reassurances on other aspects of the lease arrangement, Senator Kurt Vialet remained concerned about “protections.” In the instance of a hypothetical change of leadership within the foundation, he wondered “how are we able to make sure that those protections are going to stay in place in reference to Virgin Islanders being a part of the board and being a part of that project moving forward?”

He therefore called for “concise” language in the lease agreement that would mandate the foundation to permanently use the leased site as a museum. “When we're all gone, I want to make sure that the intended purpose still exists,” he said. “There's nothing in the way that the language is constructed that says that a museum must be in this building, or the lease is void...I am supporting this project but I want clear language, clear language that states that this is for a museum only that is run by a nonprofit. It can't switch.”

“This is your responsibility to protect the interest of the Government of the Virgin Islands,” he advised the Department of Property and Procurement. “This [lease] is too important for the Virgin Islands to just be a basic template.” However, both DPP’s Mr. Richards and the Foundation's legal counsel explained that the lease was “painstakingly crafted with significant input from all sides.” Legal counsel Lee Goldman also outlined sections of the lease that would allow the GVI to cancel it.

Senator James also found some protective language unclear, prompting Mr. Richards to “apologize if you find a language vague and or ambiguous. It took us a tremendous amount of back and forth to work out language.”

The project is still in the review phase within the State Historic Preservation Office, but according to SHPO Director Sean Krigger, it is being viewed as a “positive contribution to the community.” With a favorable vote from the Committee, the Committee on Rules and Judiciary will make the next decision on whether the lease will ultimately be approved.