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With Sunny Isle Closed and Lockhart Gardens Set to Follow, Tutu Park Stands as Kmart's Final Holdout in USVI

As Transformco winds down Lockhart Gardens and Sunny Isle exits early following a WARN notice to 96 employees, no official word has confirmed the future of Tutu Park—now the last Kmart in the USVI after decades of retail dominance in the territory.

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Kmart, the largest store at the Tutu Park Mall in St. Thomas, remains open as the last confirmed Kmart in the USVI following closures on St. Croix and the upcoming shutdown of Lockhart Gardens. By. ERNICE GILBERT, V.I. CONSORTIUM.

ST. THOMAS — The final days are now underway at Kmart’s Lockhart Gardens location on St. Thomas, where a storewide liquidation sale began earlier this month. Employees at the branch have been told the last day of business is scheduled for August 16, 2025. Fixtures, shelves, and back-room equipment are also marked for sale as the store prepares to shut down for good.

Bright, attention-grabbing signage announcing discounts of 20%, 25%, 30%, 40%, and 50% now dominate the store’s landscape. The language closely mirrors that of a striking black-and-red digital flyer currently circulating online. That flyer, titled “K26_StTHOMAS_USVI.png,” prompted speculation that the Tutu Park Mall Kmart was also closing. However, no such closure has been confirmed.

Despite the flyer’s filename—corresponding to Kmart Store #26, which is the internal designation for Tutu Park Mall—Transformco, Kmart’s parent company, continues to list the Tutu Park store as an “Operating Store” in its corporate real estate records. No WARN notice, press release, or official communication has indicated that a closure is imminent at that location.

That leaves Tutu Park Mall’s Kmart as the final confirmed operational Kmart in the U.S. Virgin Islands, once Lockhart Gardens ceases business in mid-August.

Across the water on St. Croix, the Sunny Isle Kmart—known as Unit #3972—closed its doors during the first week of July, [roughly a month earlier](#) than anticipated by most of its staff. The store’s exit was confirmed in a WARN notice dated May 9, 2025, which stated that Transform KM LLC would “permanently cease its entire operations” at the location due to a lease non-renewal.

The notice covered 96 employees, originally scheduling non-management staff to end work on August 8 and managers on August 29. The early closure took many by surprise. The letter noted that there were “no applicable bump or transfer rights”, though employees were offered one week of severance for every full year of service, prorated for partial years.

In an effort to minimize disruption, Transform KM LLC encouraged employees not transferring to St. Thomas to contact the V.I. Department of Labor or company representative Ray Covarrubias.

The shutdown at Sunny Isle marked the end of Kmart’s decades-long presence on St. Croix. Its sister store at Sunshine Mall in Frederiksted [had already closed in 2023](#), ending a 30-year run. At that time, mall owner Hatim Yusuf remarked that it was “disheartening to see the store close,” and confirmed redevelopment plans were in consideration for the vacated space.

Nationwide and within U.S. territories, Kmart's footprint has shrunk dramatically. A 2024 report from the Associated Press noted just five remaining Kmart stores, including three in the U.S. Virgin Islands, one in suburban Miami, and one in Guam. With Sunny Isle gone and Lockhart Gardens set to close, Tutu Park stands as the last Kmart in the USVI—its future uncertain, but still in operation as of this writing.

Once a titan of American retail, Kmart’s roots trace back to 1899 as the S.S. Kresge Company, later renamed Kmart in 1977, and known for its iconic “blue-light specials.” But over time, it lost ground to major competitors like Walmart, Target, and eventually online retailers.

Kmart filed for bankruptcy in 2002, merged with Sears in 2005, and faced a second Sears bankruptcy in 2018. In 2019, the remnants of the company were acquired by Transformco, a firm led by former Sears CEO Eddie Lampert, operating through its affiliate Transform KM LLC.

Since that acquisition, the focus has shifted away from retail growth and toward unlocking the value of approximately 50 million square feet of real estate. Across the mainland U.S., former Kmart locations have been repurposed into supermarkets, gyms, or even housing developments.

That shift leaves the remaining Kmart stores in a precarious position—vulnerable to lease decisions, redevelopment proposals, or broader corporate strategies. No such announcement has been made for Tutu Park, but given recent developments and the flyer confusion, its fate remains an open question.

For shoppers in the Virgin Islands, deep discounts continue at Lockhart Gardens through August 16, with store fixtures and equipment also available for purchase. And for those on St. Croix, Kmart is now a memory. With Lockhart Gardens preparing to go dark and Tutu Park stands alone, the brand that once boasted over 2,000 stores now sees its iconic blue light fading into history.

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