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Senate Committee Advances \$260,000 Sale of Long-Neglected Hospital Street Parcel for Christiansted Housing Redevelopment

Bill 36-0217 cleared the Budget, Appropriations and Finance Committee, backing the \$260,000 sale of Parcel 20-A at 28 Hospital Street to Z Property VI, LLC, which plans housing redevelopment and says rehab costs will top the purchase price.

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Pictures of the government-owned property on Hospital Road to be sold. By. V.I. LEGISLATURE.

The Committee on Budget, Appropriations, and Finance has advanced legislation authorizing the sale of a long-unused government-owned property on Hospital Road in Christiansted, clearing the

first legislative hurdle for its transfer to Z Property VI, LLC for redevelopment.

Bill No. 36-0217, introduced during Monday's meeting by Senate President Milton Potter, approves the sale of Parcel 20-A at 28 Hospital Street for \$260,000 — a price that exceeds the appraised value of the property. The parcel is currently owned by the Government of the Virgin Islands.

Sen. Potter told committee members that the transaction would “convert a liability into revenue while stimulating economic development in a historic town of Christiansted.” He described the property as one that “currently yields no benefit and, quite frankly, poses ongoing maintenance burdens for the territory,” calling the sale “fiscally prudent and strategically sound.”

Vincent Richards, representing the Department of Property and Procurement, echoed those concerns, explaining that the parcel has been left inactive for nearly three decades and has continued to deteriorate. “Over nearly three decades, the parcel has continued to deteriorate due to inactivity,” Richards said. He added that the proposed sale aligns with the government's goal to “encourage investment, restore vitality in the Christiansted area, and transition unused government-owned properties into productive and beneficial use.”

Z Property VI, LLC President Peter Zielke told lawmakers that the acquisition fits within his long-standing plans to restore Hospital Street. The company intends to redevelop the property into housing units and has prior experience rehabilitating deteriorated properties on St. Croix.

Zielke said the project is expected to “support the expansion of affordable housing within the town core,” and pledged that redevelopment would strike a “thoughtful balance between historic preservation, community beautification, and practical solutions to housing accessibility.” To maintain consistency with the surrounding historic district, he said the project will incorporate “a good bit of brick cladding and coral.”

Because the property has remained untouched for at least three decades, Zielke estimated that renovation costs would be “at least twice what the cost of the purchase of the property is.”

Committee members largely expressed support for the proposal, citing the opportunity to revitalize a long-blighted site. Richards noted that the Department of Property and Procurement is prepared to move forward with closing the sale once all required legislative approvals are secured.

Sen. Kurt Violet voiced strong support for the measure, describing the parcel as “a very small plot” that is “in bad condition” and “overgrown.” “So I'm happy to see that particular area get restored,” he said.

Sen. Potter reiterated his confidence in the transaction, saying he was “very comfortable with this sale” and emphasizing that it would transform a “very blighted property” into “something that we can all be proud of as Virgin Islanders.”

The committee ultimately voted in favor of Bill 36-0217, advancing the measure to the Committee on Rules and Judiciary for further consideration.