The Virgin Islands Consortium

Senate Committee Approves Long-Term Lease to Revive Derelict Crystal Gade Property

Lawmakers approved a 30-year lease allowing DM Hospitality to invest at least $250,000 to rehabilitate a deteriorating government-owned building in St. Thomas' historic district, with plans for food, beverage, and administrative operations.

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Government-owned buildings at Parcel No. 2 Crystal Gade and a portion of Parcel No. 3 Crystal Gade in Queen's Quarter, St. Thomas, slated for rehabilitation under a new 30-year lease approved by lawmakers. By. V.I. LEGISLATURE.

A long-vacant, government-owned property in St. Thomas's historic district is set to undergo rehabilitation following approval last week of a new lease agreement by the Committee on Budget, Appropriations, and Finance.

The committee approved a 30-year lease between the Government of the Virgin Islands and DM Hospitality, LLC, allowing the company to repurpose Parcel No. 2 Crystal Gade and a portion of Parcel No. 3 Crystal Gade in Queen's Quarter for commercial use centered on food, beverage, and related operations.

According to Vincent Richards, assistant commissioner in the Department of Property and Procurement, the leased parcels include a two-story building that will serve multiple functions.

"On both properties sit a two-story building where the lessee will operate a food and beverage management company with a bakery and deli, jewelry management services and other related purposes," Richards told the committee.

The lease carries an annual rent of $12,000, with an option for extension if the lessee remains in good standing. Richards explained that a reduced rent will apply during what he described as the "construction and stabilization period of the lease."

Under the agreement, DM Hospitality is expected to make improvements valued at approximately $250,000 or more. Because the property lies within St. Thomas' historic district, all renovation work will require approval from the Historic Preservation Committee.

Richards told lawmakers that DM Hospitality has prior experience working within the district, noting that the company has "previously renovated multiple buildings and spaces within the district." He pointed to the company's most recent project, Island Grind, which recently opened a second location on Main Street.

Speaking on behalf of the company, Giresh Mipuri, a DM Hospitality partner, said the property currently "does not generate any meaningful public benefit and continues to deteriorate absent sustained use and investment." The lease, he said, provides a pathway for rehabilitation through "private investment, without reliance on public funding, and while preserving the government's ownership and oversight."

Plans for the building's lower level include the construction of a commissary kitchen to support centralized food preparation for DM Hospitality's coffee shops. The company also intends to install "cold storage facilities in the parking area and quality control for multiple food and beverage operations that we conduct."

The upper level will be used for administrative offices, including "accounting, human resources management, compliance, jewelry management and other back office functions," according to Mipuri.

He said the redevelopment is expected to bring broader benefits, adding that "productive use of this property will support employment, increase daytime activity and promote responsible stewardship of our public assets."

Several lawmakers expressed support for the initiative. Senator Marvin Blyden commended the investment and encouraged DM Hospitality to engage the community and offer hospitality training opportunities. In response, Pash Daswani, another partner in DM Hospitality, said the company has “already approached young individuals who we want to do a training session with.”

Senator Carla Joseph also voiced support, thanking DM Hospitality for “taking on another challenge with an old derelict building.”

While the lease has cleared the Committee on Budget, Appropriations, and Finance, it must still be considered by the Committee on Rules and Judiciary, which is chaired by Senator Joseph, before advancing further in the legislative process.

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