

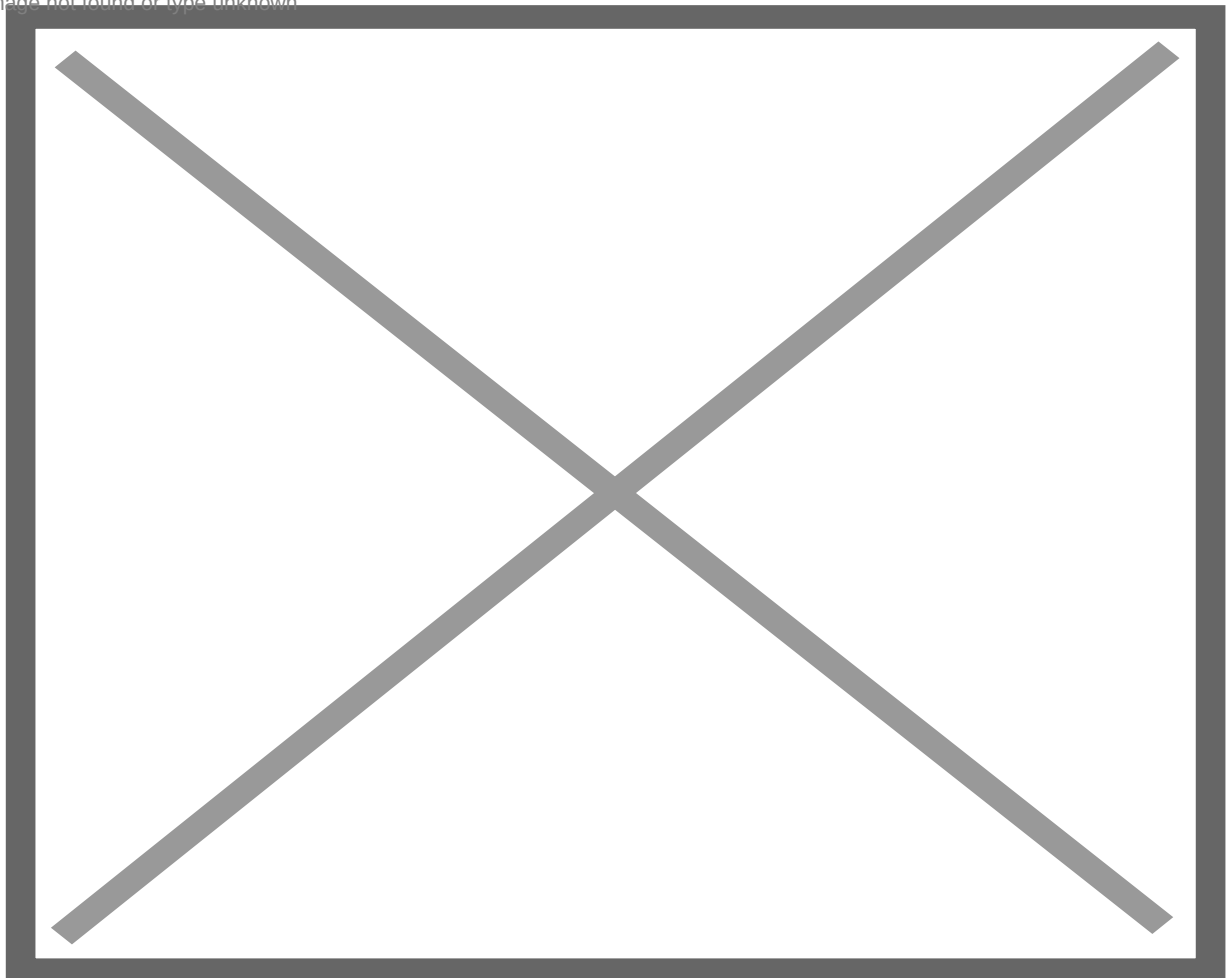
Hearing on 30-Year Leonard Dober School Lease Pulled at Developer's Request Amid Questions Over Rent and Process

A hearing on a proposed 30-year lease covering the Leonard Dober School, Franklin Building and six other downtown St. Thomas parcels was removed from Monday's agenda at John Engerman's request after questions arose over bidding, rent and public value.

Government / **Published On August 04, 2026 06:16 AM /**

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A scheduled discussion on Bill 36-0341, an act leasing several parcels of government-owned property to the Kronprindsens Gade Development Group, LLC was removed from the agenda of the Committee on Budget, Appropriations, and Finance on Monday “at the request of the managing partner, Mr. John Engerman.”

That was the notice shared by Senator Novelle Francis Jr., the committee's chair. The final block of Monday's meeting was expected to feature discussion on four leases. That included the aforementioned measure, in which the Kronprindsens Gade Development Group, LLC seeks to lease Parcels Nos. 81A, 81B, 9A, 9B, 10A, 10B Kronprindsens Gade and Parcel No. 5B and No. 6 Store Straede, from the Government of the Virgin Islands.

According to the [bill](#), the lease allows the Group to "develop a small hotel, 5 apartment suites, commercial, retail, conference, meeting places and permitted and related public-benefit purposes in St. Thomas." It is a 30-year lease with the option to renew for three additional terms of 10 years. The bill further states that that lessee shall pay an annual rent of \$120,000 payable in equal monthly installments of \$10,000.00.

Word that the bill would be discussed on Monday stirred commentary on social media, including several posts from Janelle Sarauw, who only days ago won the Democratic Primary Election contest for Delegate to Congress. In one post, she stated that the lease is "'giving away" Leonard Dober School to a private investor." She added that the currently dilapidated building "sits in the heart of an underserved community. There is use for that school. We cannot continue to give the Virgin Islands away to the cabal."

In a second post, she said that Virgin Islanders "deserve to know whether these valuable downtown parcels were ever publicly advertised. They deserve to know whether a Request for Proposals was issued and how many developers, if any, were given the opportunity to compete." Ms. Sarauw also demanded that the administration "explain how an annual lease payment of \$120,000 was determined to be fair market value for eight downtown parcels."

In a third post, Ms. Sarauw lamented that "the lease locks in the same rent for 30 years. There are no scheduled increases to account for inflation, no adjustments after the developer renovates and improves the property, and no provision for the government to share in increased revenues if the project becomes more profitable."

John Engerman, managing partner of the Kronprindsens Gade Development Group, LLC, took to social media as well. In a Facebook post hours before the bill was scheduled to be heard, he stated that he had been working on a "special project over the past year." He noted that the "Leonard Dober School and the Franklin Building (aka Marianne building) has sat vacant and deteriorating for many years...Every year it remains abandoned, it continues to decline."

He explained that "...a team of local Virgin Islanders have chosen to invest our own resources, create opportunities, and breathe new life into a property that has long been neglected. Our goal is not to take from the community, but to contribute to it by transforming an eyesore into something that once again serves our people."

He seemed to respond to Ms. Sarauw and said that "this project is not about "giving away" the Virgin Islands. It is about Virgin Islanders investing in the Virgin Islands." Mr. Engerman's post concluded with a note that his Group would be before the Legislature on that day, but that would not come to pass.

It is unclear why Mr. Engerman requested that the bill's hearing be rescheduled, and no lawmakers commented any further.