

The Virgin Islands Consortium

Prosperity Farm Bar and Events Shut Down Indefinitely Over Missing Health, Fire and Business Approvals

Prosperity Farm's bar, food-service and event operations were halted after officials cited missing health and fire approvals and activities outside its farming license, deepening a years-long fight over zoning, alcohol service and agritourism rights.

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An aerial view of Prosperity Farm on St. Croix, where regulators on Saturday halted the venue's bar, food-service and event operations over missing health, fire and business approvals.

ST. CROIX — Prosperity Farm's bar, food-service and event operations were shut down indefinitely on Saturday after government regulators found that the venue lacked a health permit and required Fire/EMS approval and was conducting activities outside the scope of its commercial farming license, according to V.I. Department of Health and Department of Licensing and Consumer Affairs officials interviewed by the Consortium Sunday morning.

The action does not appear to amount to a shutdown of Prosperity Farm's agricultural operation or, based on what either commissioner told the Consortium, an order halting the production or distillation of spirits itself. Instead, Saturday's enforcement action targeted the public-facing activities that have become a central point of contention between Prosperity Farm and territorial regulators: serving food and alcohol, operating a bar and hosting events.

Health Commissioner Justa Encarnacion said the enforcement action involved both DOH and DLCA, describing the licensing agency as taking the lead while Health participated as a partner. From the Health Department's standpoint, however, the immediate deficiency was clear. "They did not have a health permit. I can validate that," she told the Consortium.

Ms. Encarnacion said inspectors also identified additional health-code violations, though she did not detail them, and said Prosperity Farm lacked a Fire/EMS permit. She confirmed that the action occurred Saturday but could not provide the precise time.

The Health Department unit involved in such enforcement is its Division of Environmental Health, which conducts inspections and enforces health requirements governing food-service and similar establishments. The division has previously been identified by the Consortium as the DOH arm responsible for inspecting establishments and, when warranted, ordering public-facing operations closed.

When asked specifically whether the entire Prosperity Farm property had been shut down, Ms. Encarnacion drew a narrower line. "I know that from a health standpoint, in terms of serving food," she said, before directing questions about the broader licensing implications to DLCA.

That distinction is important. Prosperity Farm continues to hold a commercial farming license, according to DLCA Commissioner Nathalie Hodge. The problem, she said, is that the business has expanded beyond what that license permits.

Ms. Hodge said Prosperity Farm holds a commercial farming license but had been operating outside its scope by running a bar, serving alcohol and hosting events for which it was not licensed. She confirmed that the bar and event activities are not covered by Prosperity Farm's existing commercial farming license.

DLCA itself does not have authority to simply close an establishment without following the required administrative process, Ms. Hodge said. That limitation was also central to the department's position last year, when Prosperity Farm was repeatedly cited but continued operating while its licensing dispute moved toward an administrative hearing.

Saturday therefore marks a significant escalation in a regulatory fight that has been unfolding for more than a year.

Farming License Versus Bar and Events

The current enforcement dispute centers on a basic divide between what Prosperity Farm is licensed to do and what regulators say it has actually been doing.

WTJX NewsFeed reported in November 2025 that Prosperity Farm Distillery and Raising Cane had been fined \$5,500 by DLCA for operating without required licenses and for conducting activities outside the scope of their existing license. At the time, Commissioner Hodge said the valid license was for “Commercial Farming of Plants & Animals,” while the bar and event space were not covered. DLCA had issued citations on June 24 and 28, August 28 and September 26.

Prosperity Farm subsequently applied for a “Cabaret/Lounge | Tavernkeeper A (Distilled & Fermented)” business license, but Ms. Hodge said that DPNR had denied the application because of zoning. DLCA officials also identified additional license categories they believed were necessary for the activities taking place at Prosperity Farm, including a primary distiller license, nightclub license and license for rental of commercial space.

At that point, however, DLCA said it could cite and fine the operation but could not simply shut it down. Suspension or revocation required notice and an opportunity for an administrative hearing, and one was scheduled for November 18.

Ms. Hodge told the Consortium Sunday that a decision has since been rendered in the licensing matter and that she expects Prosperity Farm to appeal. She said that while that process continued, the operation kept conducting activities without all of the licenses and permits the government believes are required.

Saturday’s intervention changed the immediate circumstances because the operation was also found to lack approvals tied directly to health and public safety.

Events May Have a Path; Alcohol Remains More Complicated

Ms. Hodge said Prosperity Farm is not necessarily barred forever from conducting every activity beyond farming. She said the business could apply for the appropriate licenses for events, though those applications would still have to satisfy zoning requirements and obtain approvals from the other agencies involved.

The alcohol component presents a more difficult problem.

According to Ms. Hodge, the agricultural zoning of the property remains an impediment to certain alcohol-related activities, and Prosperity Farm has been advised that it would need to pursue a zoning remedy. She said the business had not completed that process or updated its application with DLCA.

Prosperity Farm and territorial regulators have sharply different interpretations of how much activity is already permitted under Virgin Islands agricultural laws.

In a November 2025 opinion piece, Prosperity Farm team member Mark Gelband argued that the property’s A-1 agricultural zoning and commercial farming license allow a broad range of agricultural-processing and agritourism activities. He maintained that Virgin Islands law permits agricultural processing, including distillation other than rum, as well

as farm tours, food events, classes and farm stays.

Ms. Hodge told the Consortium Sunday that DLCA's attorneys do not share the farm's interpretation when the activity expands into what effectively operates as a bar, nightclub or unrelated entertainment venue.

"If he was doing farm-to-table then we would say patience, but you're doing more than that," she said. "If you're having nightclub activities, if you're doing, you know, bar activity, our belief is that the Farm Act doesn't cover that."

A fight Going Back to 2022

The controversy surrounding alcohol production at Estate Prosperity predates the opening of the current bar and event venue.

In 2022, Raising Cane owner Robert Apfel pursued plans for a rum distillery on the agricultural property, touching off an [intense debate](#) over land use and the Legislature's decision to amend territorial law to permit rum distillation as agricultural processing when ingredients were grown on the farm. The change drew substantial opposition from residents concerned about zoning, environmental effects and the process used to authorize the development.

Lawmakers ultimately reversed course. The Legislature repealed the provision later that year, restoring rum distillation to the uses excluded from agricultural land. Mr. Apfel had also withdrawn the distillery permit amid the controversy.

The operation that later emerged at Prosperity Farm relied on an important distinction: it was not producing rum.

When the issue returned to the Legislature in February 2026, Prosperity Farm attorney Kevin Rames told lawmakers that the facility produced gin, vodka and other cane-based spirits and argued that existing law permits agricultural processing on the property. Prosperity Farm's position has been that the law specifically prohibits rum production on agricultural land but does not prohibit every form of distillation, as well as tastings and events which Rames argued are within territorial agricultural-processing and agritourism laws.

DLCA's position is considerably narrower.

The agency has maintained that even if certain agricultural processing can legally occur on the property, that does not automatically authorize a commercial bar, nightclub-style activities or event venue without the separate licenses, zoning approvals and health and safety permits normally required for those operations.

Legislature Has Yet to Resolve the Larger Question

The regulatory uncertainty resurfaced this year [through Bill 36-0211](#), which proposed allowing microbreweries and microdistilleries in certain agricultural and residential zones under a new framework.

The legislation produced a lengthy Senate hearing in February in which discussion repeatedly turned to Prosperity Farm and whether existing agricultural-processing and agritourism laws were being interpreted too broadly.

DPNR supported establishing a regulated pathway for smaller distilleries, while opponents raised concerns about agricultural land preservation, wastewater, environmental protections and enforcement. Lawmakers ultimately held the bill in committee rather than advancing it, with several senators calling for stronger safeguards and substantial revisions.

That left the basic statutory and zoning disagreement unresolved.

What It Will Take to Reopen

The immediate path toward restarting Prosperity Farm's public-facing activities appears to involve several different agencies and several different requirements.

From the Health Department's standpoint, Prosperity Farm must obtain the required health permit and address whatever additional health-code deficiencies inspectors identified. Required Fire/EMS approval must also be secured.

The licensing questions are more complex. Prosperity Farm's commercial farming license remains in place, but DLCA says that license does not authorize the bar and event activities that have been conducted on the property. Event operations would require appropriate applications and agency approvals, while alcohol-related activity continues to intersect with the unresolved zoning and statutory dispute.

Ms. Encarnacion emphasized that Saturday's action was not intended to signal government opposition to Prosperity Farm as a venture. She said DOH and DLCA intend to work with the operators toward compliance.

"I think that the best thing to do is to let them know both departments will be working closely with them because I think that it's a beautiful venture, it's a visual arena," she said. "But at the same time, we want to make sure that everything remains safe for the community, and that's really our goal."

She said both agencies would work with Prosperity Farm to make sure operators understand what is required.

For now, there is no announced date for the resumption of the bar, food-service or event operations. Resolving the missing health and fire requirements may address part of the problem, but reopening the venue in the form patrons have come to know will also require Prosperity Farm to overcome a larger licensing and zoning dispute that has followed the property for years.