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## Bryan Administration Closes on Sale of King's Alley Hotel and Adjoining Property for \$3.65 Million

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### Proposed King's Alley design. By. GOV'T HOUSE

Government House announced Wednesday that Governor Albert Bryan in his capacity as chairman of the board of the Public Finance Authority has signed off on documents finalizing the \$3.65 million sale of the King's Alley Hotel and adjoining property in Christiansted to Neighborhood Establishment. According to Gov't House, the Neighborhood Establishment plans to develop the property, along with the King Christian Hotel into a major enhancement to the Christiansted Boardwalk.

According to the release, once fully renovated and integrated, the King's Alley Hotel is projected to become part of the King Christian Hotel and feature more than 100 hotel rooms, eight food and

beverage and retail outlets, event space, a pool, courtyard, 27 parking spaces and two boat docks accommodating 20-plus vessels.

“Neighborhood Establishment presented a fantastic plan that not only will beautify the already picturesque Boardwalk, it also will greatly enhance the appeal of Christiansted and the entire island of St. Croix as Tourism destinations,” Mr. Bryan said, according to Gov’t House. “This development is another key element of the Bryan-Roach Administration’s pledge to rebuild the downtowns in the U.S. Virgin Islands.”



**Governor Bryan and Rino Cassinelli of Neighborhood Establishment sign the closing agreement for the sale of the King's Alley Hotel while OMD Director Jenifer O'Neal (left), PFA Executive Director Nathan Simmonds and Finance Commissioner Bosede Bruce (center) look on. (Credit: Gov't House)**

Government House said the increase in guest rooms will support local retail, restaurants, tour guides, and ancillary business and hopefully drive more airlift to St. Croix. The renovations to both the King Christian and King's Alley hotels is estimated to generate 150 construction jobs and 100 full-time positions between the various properties, restaurants, and retail establishments, according to the release.

“This sale, in addition to the renovation of the King Christian Hotel and recent openings of the Grape Tree Bay and Divi Carina Bay Hotels, and the planned redevelopment of Hotel on the Cay all contribute to a resurgence of the hotel industry in St. Croix not seen since before Hurricane Hugo in 1989,” the governor said.

The King's Alley Hotel was run by King's Alley Management, Inc. (KAMI), which is a wholly owned subsidiary of the PFA, which acquired the property through foreclosure. KAMI operated and managed the King's Alley Walk and Hotel for several years and had a total of five full-time employees and three part-time employees.

The adjoining Anchor Inn property was acquired by the PFA in 2011 for \$614,000 and consists of a vacant lot with historical structures.

Both properties were appraised in 2019 for \$3,564,000 (Kings Alley at \$2.95 million and Anchor Inn at \$614,000), and the PFA received a number of solicitations from interested parties who wanted to either purchase or lease the properties, according to the release.

After conducting a market study, the PFA issued a solicitation for proposals in June 2021, which was sent to 18 companies and individuals that had previously expressed an interest in purchasing or leasing either or both properties and/or who operated nearby hotels and inns, Gov't House said. The PFA received one proposal only, from Neighborhood Establishment for the purchase of both properties.

Neighborhood Establishment's proposal was vetted by a committee that included a financial advisor and industry professional with more than 30 years' experience in St. Croix's hotel and hospitality industry, according to the release.

Government House said that in addition to Neighborhood Establishment's plans for construction of additional rooms at the Anchor Inn Site and proposed renovations of the King's Alley Hotel's guest rooms, the developer has transitioned all employees from KAMI to Neighborhood Establishment at the same or higher salary with additional benefits not offered by KAMI.