



Legislature of the Virgin Islands

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POST AUDIT DIVISION

April 22, 2025

MEMORANDUM:

TO: Honorable Novelle E. Francis, Jr.
Chairperson,
Committee on Budget, Appropriations and Finance
36th Legislature of the Virgin Islands

FROM: Post Audit Division

SUBJECT: Lease Agreement

LESSOR: Department of Property & Procurement

LESSEE: United States Department of Commerce, National Oceanic & Atmospheric Administration (NOAA)

PREMISES: A portion of the Telecommunications Tower located on Parcel R-22 of Tract 1 Estate Nazareth, No. 1 Redhook Quarter, St. Thomas U.S. Virgin Islands. The Premises are shown on O.L.G. No. D9-7534-T005 with the geographic coordinates of Latitude 18 19 42.5 Longitude -64 51 33

TERM: Twenty (20) year period. The parties may agree to enter into a succeeding or superseding lease for the Premises, with the U.S. Government's property (i.e. improvements) remaining on the property of the U.S. Virgin Islands Government. The initial lease term commences on the first day of the month following approval by the Legislature and the Governor of the Virgin Islands.

PURPOSE: The property will be used for the purpose of transmission and reception of weather broadcast communications and emergency broadcast communications.

LEASE SUMMARY

BACKGROUND: The National Oceanic and Atmospheric Administration (NOAA), established in 1970, is a scientific and regulatory agency within the United States Department of Commerce tasked with understanding and predicting changes in the Earth's environment, conserving and managing coastal and marine resources, and meeting the nation's economic, social, and environmental needs. This proposed lease

agreement will allow the United States Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) to be used for transmission of weather broadcast communications and emergency broadcast communication.

PAYMENT TERMS

The lease stipulates an annual rent of \$1,200, payable at a rate of \$100.00 per month in arrears, without demand. Therefore, the Lessee covenants and agrees to pay the specified rent as stated (subject to availability of funds). If the term of this Lease includes any partial month, the rent for that month shall be prorated. Rent must be made via electronic funds transfer based on the information provided in the System for Award Management ("SAM").

IMPROVEMENTS

Lessee shall not erect any improvements on the Premises or alter the Premises in any way without obtaining prior written consent from the Commissioner of Property and Procurement in each case, in addition to any other licenses or permits deemed necessary.

Lessee agrees to maintain the Premises and appurtenances in good repair, keeping them clean, attractive, and suitable for tenancy. Upon expiration or termination of this Lease, Lessee shall return the Premises to Lessor in the same condition as they were after the last repairs, except for reasonable wear and tear from normal use.

LIABILITY INSURANCE

Under the terms of the Lease:

The U.S. Government is considered to be self-insured and agrees to promptly evaluate and address any claims that may arise out of the use of the Lessor's Property/Premises by the U.S. Government or its authorized representatives or contractors of the U.S. Government and to compensate for any damages or injuries as required by applicable law.

In contrast, according to the Wireless Facility and Support Structure Rules and Regulations submitted with the lease package, the applicant shall submit proof of general liability insurance in the appropriate amount based on the following criteria:

- Two Hundred Fifty Thousand Dollars (\$250,000.00) for structures with a height of no more than 50 feet,
- Five Hundred Thousand Dollars (\$500,000.00) for structures with a height of 51 feet to 100 feet,
- Seven Hundred and Fifty Thousand Dollars (\$750,000.00) for structures with a height of 101 feet to 150 feet, and
- One Million Dollars (\$1,000,000.00) for structures with a height of 151 feet to no more than 199 feet.

Existing structures shall comply with this subsection within six (6) months of the promulgation of these regulations.

ADDITIONAL INFORMATION

Detail information on the following items can be found in the attached lease document:

Items	Page
• Improvements	2-3
• Insurance and Indemnity	3-4
• Entry by Lessor	4
• Condemnation	4-5
• Cancellation, Termination, Assignment, and Transfers	5-6
• General Terms and Conditions	6-9

EXECUTIVE BRANCH APPROVALS

Signee	Title	Department	Date of Signature
Lisa M. Alejandro	Commissioner	Department of Property & Procurement	12/17/2024
Sean P. Baily	Assistant Attorney General	Department of Justice	1/17/2025
Honorable Albert Bryan Jr.	Governor	Office of the Governor	2/4/2025

A comparative review was conducted using a lease agreement for a high-frequency radar station located on Water Island, which also involved telecommunications infrastructure and intergovernmental coordination. Aside from the variance in lease terms – *twenty years* in the current NOAA lease versus *one year* in the Water Island Agreement; the terms and conditions remain substantively similar. Notably, the payment structure in both agreements is identical, reflecting consistency in the Department of Property and Procurement’s approach to telecommunications-related leases. This reinforces the appropriateness and standardization of the NOAA agreement within the context of past practices.

CONCLUSION

The lease agreement between the Department of Property and Procurement and the United States Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) aligns with the Department’s established practices for telecommunications-related leases and complies with all applicable policies and regulations. Given the essential nature of NOAA’s operations – specifically, the transmission and reception of weather and emergency broadcast communications; the finalization of this lease supports both public safety and intergovernmental collaborations. Therefore, the Post Audit Division recommends approval of **Bill No. 36-0062** upon receipt of a waiver of acknowledgment letter confirming the Government of the Virgin Islands financial responsibility as required by law.



Theodora Philip, DBA.
Post Auditor

APPENDIX I



The image presented in **Appendix I** depicts the telecommunications tower situated on Parcel R-22 of Tract 1, Estate Nazareth, No. 1 Red Hook Quarter, St. Thomas, U.S. Virgin Islands. The structure serves as a key component of the region's communication infrastructure, supporting the transmission and reception of essential telecommunications signals.

APPENDIX II



Appendix II displays a GIS map of the area surrounding the telecommunications tower, including the SFC Leonard B. Francis Readiness Center and Ivanna Eudora Kean High School.

APPENDIX III

Appendix III presents a scaled map of the area bordered by Estate Frydenhoj and Estate Smith Bay.



