



Legislature of the Virgin Islands

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POST AUDIT DIVISION

May 15, 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: St. John Taxi Services Corporation

PREMISES: Parcel No. D-2 Estate Cruz Bay Town, Cruz Bay Quarter, St. John, U.S. Virgin Islands, consisting of 2,700 U.S. sq. ft. or 0.062 U.S. acre(s) of land more-or-less

TERM: Twenty (20) year period, with an option to renew for two (2) five (5) year periods. 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 to operate a taxi stand and for other related purposes.

LEASE SUMMARY

BACKGROUND: St. John Taxi Services Corporation is a locally owned and operated non-profit entity that has served the St. John community for over thirty years. The Corporation provides reliable transportation for residents and visitors while also offering educational insights to travelers about the island.

REQUIRED SUPPORTING DOCUMENTATION

DOCUMENT	EXPIRATION DATE
Business License	501(c)(3)
Trade Name Registration	N/A
Certificate of Liability Insurance	10/28/2025
Certificate of Good Standing	6/30/2025

PAYMENT TERMS

The lease requires an annual rent of \$9,600.00, payable in equal monthly installments of \$800.00, due on the first day of each month during the lease term. After the second year of the initial term, and every year thereafter, the rent will be adjusted in the following manner:

- a. The Lessee shall be required to pay Lessor the adjusted annual rent amount of \$12,000.00, payable in equal monthly installments of \$1,000.00 for the 3rd and 4th year of the lease; and
- b. The Lessee shall be required to pay Lessor the adjusted annual rent amount of \$14,400.00, payable in equal monthly installments of \$1,200.00 for the 5th year of the lease; and
- c. The rent payable under this Lease shall be adjusted after the 6th year of the initial term, and every year thereafter, including any renewal term, based on the Consumer Price Index. However, the increase will not exceed 3% over the previous year's rent. Additionally, the rent will never be reduced below the original annual rent of \$14,400.00. A late charge of 10% of the monthly payment will be assessed if the rent is not paid within ten (10) days of the due date.

IMPROVEMENTS

According to the lease terms, the Lessee shall provide the improvements listed below at its own cost and expense. Improvements to the property include the following:

1. Erection of a 6ft. x 6ft. mobile dispatch booth.

Lessee agrees to keep the said Premises and appurtenances as repaired, in a clean, sightly, and tenantable condition, and to return said Premises to Lessor upon the expiration or other termination of this Lease, in as goof condition as it was since the last repairs were made, less reasonable wear and tear from intervening use.

LIABILITY INSURANCE

Under the terms of the Lease, the Lessee agrees to:

- Keep in force a policy of public liability and property damage insurance with limits of not less than:
 - One Million Dollars (\$1,000,000.00) property damage,
 - One Million Dollars (\$1,000,000.00) for one person injured or killed, and
 - One Million Dollars (\$1,000,000.00) for any number of persons injured or killed in any one accident.

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Lease Agreement between Property & Procurement and St. John Taxi Services Corporation
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- All of the said insurance shall be in a form satisfactory to Lessor and shall provide that it shall not be subject to cancellation, termination, or change, except after thirty (30) days prior written notice to Lessor.

ADDITIONAL INFORMATION

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

Items	Page
• Improvements	3-4
• Mechanic's Lien	5
• Insurance and Indemnity	5-6
• Entry by Lessor	6
• Condemnation	6-7
• Cancellation, Termination, Assignment, and Transfers	8-9
• General Terms and Conditions	9-13

EXECUTIVE BRANCH APPROVALS

Signee	Title	Department	Date of Signature
Lisa M. Alejandro	Commissioner	Department of Property & Procurement	5/5/2025
Lauren Doudreaux	Assistant Attorney General	Department of Justice	5/6/2025
Honorable Albert Bryan Jr.	Governor	Office of the Governor	5/12/2025

ANALYSIS

Zoned W-1 for Waterfront Pleasure, the intent of **Bill No. 36-0092** is to authorize the use of a mobile structure as a temporary ticket booth. A revocable license agreement for this purpose was executed on August 27, 2024, typically valid for one year. The proposed measure seeks to replace this temporary license with a formal lease agreement. From the Government's perspective, taxi operators have unofficially used the surrounding area as a pick-up point for years. A long-term lease would allow the Government to better manage the flow of tourists and visitors; and improve transportation services from the port.

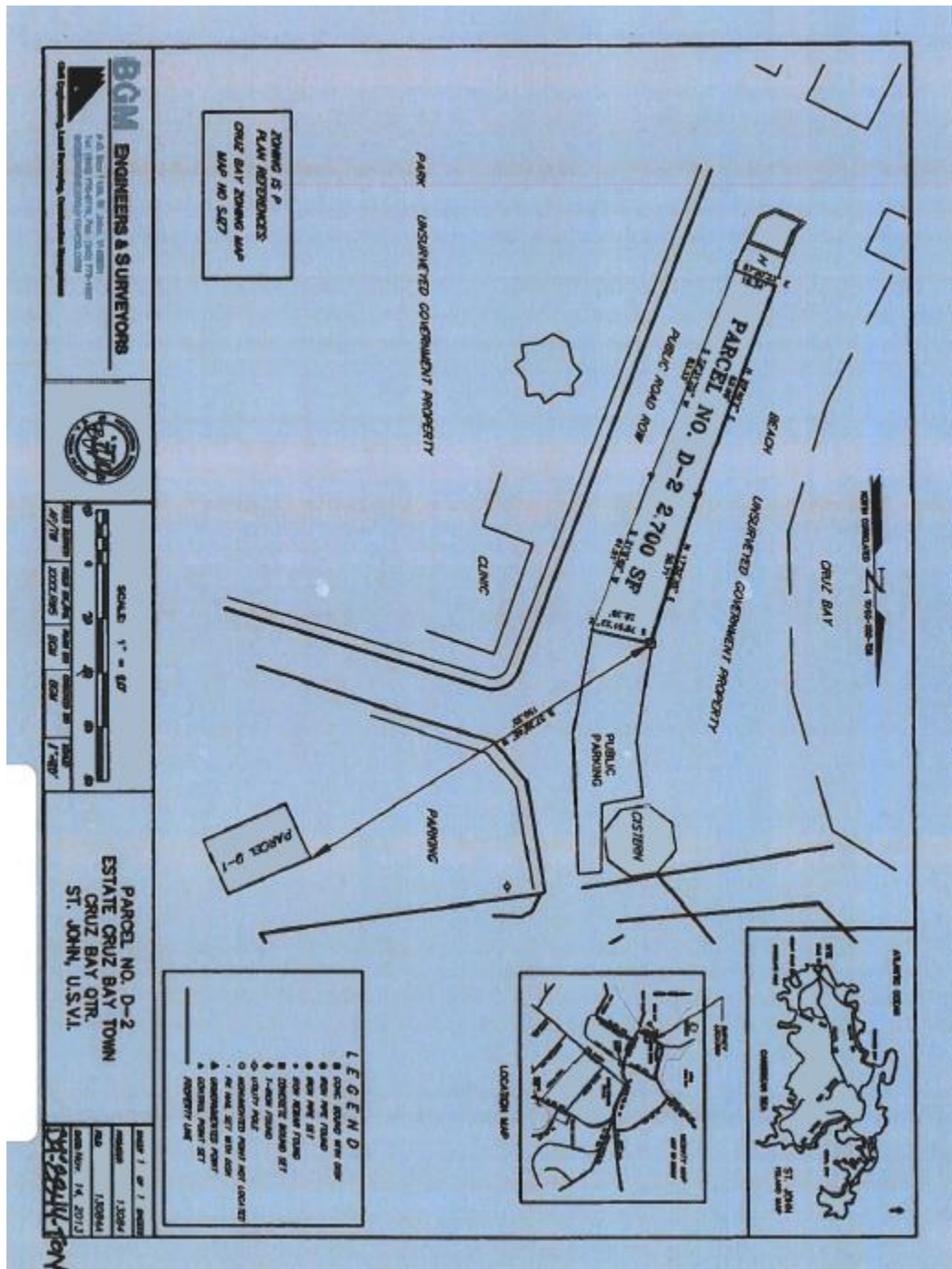
CONCLUSION

The Department of Property and Procurement has signed a lease with St. John Taxi Services Corporation to run a taxi stand and other related purposes. According to documents, this agreement complies with all relevant policies and regulations. Based on this confirmation, the Post Audit Division recommends the approval of the lease between the Department of Property and Procurement and St. John Taxi Services Corporation.



Theodora Philip, DBA.
Post Auditor

APPENDIX I



APPENDIX II



The images above depict Parcel No. D-2, Estate Cruz Bay Town, St. John U.S. Virgin Islands. Two standard parking spaces will be utilized for the construction of a 6x6 booth.