



Legislature of the Virgin Islands

P.O. Box 1690, Emancipation Garden Station

St. Thomas, U.S. Virgin Islands 00804

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POST AUDIT DIVISION

November 10, 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: Accent Property Management, LLC.

PREMISES: Parcel No. 123 Sub-base, St. Thomas, U.S. Virgin Islands, consisting of 39,240 U.S. sq. ft. or 0.905 U.S. acre(s) of improved land more-or-less, containing one (1) building, other structures, and parking surfaces; and

Parcel No. 129 Sub-base, St. Thomas, U.S. Virgin Islands, consisting of 30,675 U.S. sq. ft. or 0.704 U.S. acre(s) of improved land more-or-less, consisting of two (2) buildings, other structures, and parking surfaces.

TERM: Thirty (30) year period, with an option to renew for three (3) ten (10) 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: These properties will be demolished, repaired and/or redeveloped and used to evaluate various capital improvement requirements and will develop the Premises in accordance with the terms of this Lease to operate, establish and manage a slate of subtenants on the Premises. Lessee shall manage and collect rents from the current subtenants on the Premises, and if necessary contract with new subtenants, and perform any other permitted purposes.

LEASE SUMMARY

BACKGROUND: Accent Property Management, LLC is a newly established, locally owned and operated business based in the United States Virgin Islands (USVI).

Currently, Accent Property Management, LLC assists individuals and businesses with property ownership and leases.

REQUIRED SUPPORTING DOCUMENTATION

DOCUMENT	EXPIRATION DATE
Business License	2/28/2026
Trade Name Registration	N/A
Certificate of Liability Insurance	8/27/2026
Certificate of Good Standing	6/30/2026

PAYMENT TERMS

The Lease requires \$144,000.00 per annum, payable in equal monthly installments of \$12,000.00 due on the first day of each month after the Construction & Financial Stabilization Period of sixty (60) months and during the term thereof. Lessee shall be required to pay a reduced rent of \$6,000.00 per month, for months one through twenty-four (1-24) and \$9,000.00 per month, for months twenty-five through sixty (25-60). After the first (1st) year of the initial term, and every year after, including the renewal term, the rent shall be adjusted in accordance with the Consumer Price Index but not more than 3% over any preceding year period. At no time will any rent determined in the above manner be reduced below the annual rent of \$144,000.00. A late charge will be assessed after ten (10) days of the due date for an additional ten percent (10%) of the monthly payment.

In the event that the Lessor consents to sublease the Premises or any part thereof, as a part of the consideration for the Lessee's Improvement to the premises in this agreement, Lessee shall pay to the Lessor an additional amount of:

- a. Five percent (5%) of all base rent actually collected monthly by Lessee per month from the first (1st) year through the fifth (5th) year of the initial term.
- b. Eight percent (8%) of all base rent actually collected monthly by Lessee per month from the sixth (6th) year through the tenth (10th) year of the initial term.
- c. Ten percent (10%) of all base rent actually collected monthly by Lessee per month from the eleventh (11th) year through the fifteenth (15th) year of the initial term.
- d. Fifteen percent (15%) of all base rent actually collected monthly by Lessee per month from the sixteenth (16th) year through the twentieth (20th) year of the initial term.
- e. Twenty percent (20%) of all base rent actually collected monthly by Lessee per month from the twenty-first (21st) year through the twenty-fifth (25th) year of the initial term.
- f. Twenty-five percent (25%) of all base rent actually collected monthly by Lessee per month from the twenty-sixth (26th) year through the thirtieth (30th) year of the initial term.
- g. Thirty percent (30%) of all base rent actually collected monthly by Lessee per month from the thirtieth (30th) year and continuing through the renewal terms.

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IMPROVEMENTS

According to the lease terms, the Lessee shall provide the improvements listed below at its own cost and expense, which are estimated to cost approximately Five Hundred Thousand Dollars (\$500,000.00). Improvements to the property include the following:

1. Building 1 (Parcel No. 123 Subbase)
 - a. Demolish, rebuild, or renovate the building's:
 - i. Roof,
 - ii. Electrical Systems,
 - iii. Plumbing,
 - iv. HVAC, and
 - v. Mechanical systems.
2. Building 2 (Parcel No. 129 Subbase)
 - a. Renovate the building's:
 - i. Roof,
 - ii. Siding,
 - iii. Electrical Systems,
 - iv. Plumbing,
 - v. HVAC,
 - vi. Mechanical Systems, and
 - vii. Interior.
3. Building 3 (Parcel No. 129 Subbase)
 - a. Renovate the building's:
 - i. Roof,
 - ii. Siding,
 - iii. Rollup doors, and
 - iv. Interior.

The Improvements shall be completed no later than sixty (60) months of the effective date, the twenty-four-month period referred to herein as the "Construction Period".

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 good condition as it was since the last repairs were made, less reasonable wear and tear from intervening use. Lessee has seven (7) days to remove furniture or other personal items after termination of lease or property shall become that of the Lessor.

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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- 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	6-8
• Mechanic's Lien	8
• Insurance and Indemnity	9-10
• Entry by Lessor	10
• Condemnation	10-11
• Cancellation, Termination, Assignment, and Transfers	11-13
• General Terms and Conditions	13-17

EXECUTIVE BRANCH APPROVALS

Signee	Title	Department	Date of Signature
Lisa M. Alejandro	Commissioner	Department of Property & Procurement	10/6/2025
Daniel Morris	Assistant Attorney General	Department of Justice	10/9/2025
Honorable Albert Bryan Jr.	Governor	Office of the Governor	10/15/2025

ANALYSIS

Accent Property Management proposes a multi-phase development initiative involving the modernization, renovation, and potential new construction of three separate buildings located in Sub Base, St. Thomas. A redevelopment initiative structured as a 60-month (5-year) phased project, organized into eight sequential phases which includes:

1. Assessment & Planning
2. Demolition & Site Preparation
3. Structural Renovation & New Construction (as needed)
4. System Upgrades – HVAC, electrical, plumbing, fire safety
5. Exterior Improvements & Building Envelope Modernization
6. Interior Renovation & Finishes
7. Compliance, Permitting & A&E Oversight
8. Final Commissioning & Turnover

According to the development plan, a detailed cost breakdown will be provided following completion of the preliminary design and procurement process.

CONCLUSION

The Department of Property and Procurement has entered into a lease agreement with Accent Property Management, LLC to oversee, develop, and manage various subtenants on the premises. This lease also facilitates strategic redevelopment and aims to secure long-term value and economic growth for the Virgin Islands. The documents confirm that this agreement adheres to all current policies and regulations. Based on this confirmation, the Post Audit Division recommends approving the lease between the Department of Property and Procurement and Accent Property Management, LLC.

A handwritten signature in blue ink, appearing to read 'Theodora Philip, DBA', with a stylized flourish at the end.

Theodora Philip, DBA.
Post Auditor

APPENDIX I





