



VIRGIN ISLANDS PORT AUTHORITY

# TESTIMONY

PRESENTED TO

THE HONORABLE NOVELLE E. FRANCIS JR.  
PRESIDENT

35TH LEGISLATURE OF THE U.S. VIRGIN ISLANDS



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## TESTIMONY OF CARLTON DOWE, EXECUTIVE DIRECTOR OF THE VIRGIN ISLANDS PORT AUTHORITY

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Good morning Honorable Senator Novelle E. Francis, President of the 35th Legislature of the Virgin Islands, all senators present, legislative staff, and the listening and viewing audience. I am Carlton Dowe, the Executive Director for the Virgin Islands Port Authority (hereinafter referred to as VIPA). Thank you for the opportunity to present testimony regarding VIPA's request for legislative approval to dispose of real property through a land exchange between VIPA and the University of the Virgin Islands (hereinafter referred to as UVI or the University).

The property VIPA seeks to convey is located at Parcel Number 72 Estate Lindbergh Bay, consisting of (0.822 U.S. acres). UVI's property through the exchange is located at Parcel Number 66-5 Estate Lindbergh consisting of 0.822 U.S. VIPA's Parcel 72 has a large warehouse building that formerly housed the Merchants Market wholesale food service business. Most recently, the building was renovated and served as the West Bay Supermarket. This property was leased to V.I. Finest Food LLC, which operated the supermarket.

The leasehold interest was acquired by UVI on March 5, 2020, from the Government Employees Retirement System (GERS), which was a lender to V.I. Finest Food LLC. UVI currently occupies the building for various operations. The location of Parcel Number 72 sits on the southeastern portion of the St. Thomas UVI campus.

The real property known as Parcel Number 66-5 Estate Lindbergh, is owned by UVI. This property is located adjacent to UVI's soccer field and contiguous to the north side of the Cyril E. King Airport General Aviation area. I would like to make it clear that the property we are discussing is **not** the University's soccer field.

Parcel Number 66-5 is contiguous to the Cyril E. King Airport General Aviation area, and thus the best use of this property is to incorporate it into the CEKA Airport Operating Area (AOA). UVI approached VIPA regarding this land swap proposal, and the University is willing to transfer this property to VIPA in exchange for the Parcel 72 Estate Lindbergh Bay, which is better located for the University's operation.

By Quitclaim Deed dated June 13, 1966, the United States of America transferred the airport properties as surplus properties under the federal laws - the Federal Property and Administrative Service Act of 1949 and the Surplus Property Act of 1944 to the Government of the Virgin Islands. The airport properties included Parcel 72. In the Deed, there is a restricted covenant that any transfer of the property cannot be done without approval from the Federal Aviation Administration (FAA). Based on the FAA's standards for the sale and disposal of federally obligated airport property, its consent shall be granted only if:

1. it is determined that the property is not needed for present or foreseeable public airport purposes; and
2. the airport account must receive Fair Market Value (FMV) compensation for all deletions of airport real property from the airport.

On January 25, 2023, the Federal Aviation Administration (FAA) through a Release of Conditions granted VIPA's request (as the Airport Owner) for the FAA to release it from all terms, conditions, and obligations to maintain as airport property, Parcel Number 72 Estate Lindbergh Bay (.822 acres). In exchange, VIPA will receive Parcel Number 66-5 Estate Lindbergh (.822 acres) to be added to the Airport Property inventory. The FAA's approval was conditioned on the airport operator (VIPA) receiving an additional \$143,700 compensation from UVI, which was determined to be equitable in the fair market value for Parcel Number 72. The FAA release of Parcel Number 72 is for the purpose of permitting VIPA (as the Airport Owner) to sell and convey the title of this property for non-aeronautical use in exchange for a parcel (Parcel Number 66-5 Estate Lindbergh) that can be developed for aeronautical purposes.

In each institution's case, the property to be received in the swap runs contiguous with other property owned and utilized in important operations of the two

instrumentalities. It will allow VIPA the much-needed opportunity to expand its General Aviation Operations.

President Francis, I thank you again for the opportunity to present the testimony regarding this requested property conveyance of Parcel Number 72 Estate Lindbergh Bay, consisting of (0.822 U.S. acres) between the Virgin Islands Port Authority, and the University of the Virgin Islands, which will yield additional value to the people of the Virgin Islands. This concludes my testimony, and I am willing to answer any questions concerning this matter.