

Testimony of
William A. Harris
Property Manager of the
Department of Property and Procurement
On behalf of
Lisa M. Alejandro
Commissioner of the Department of Property & Procurement

On

Lease Agreements between the Department of Property and Procurement on behalf of the
Government of the Virgin Islands and James O. Gaston, and the Virgin Islands Centre for
Architecture, Crafts, and Build Heritage St. Croix, Inc. d/b/a Virgin Islands Architecture Center
for Built Heritage and Crafts

Before

Committee on Budget, Appropriations, and Finance

January 19, 2024,
@ 10:00 am

Frits Lawetz Conference Room
ST. CROIX, U.S. VIRGIN ISLANDS

Good morning, Committee Chair Donna A. Frett-Gregory, Vice-Chair Novelle E. Francis, Jr., Committee members – Honorable Senators, Marvin Blyden, Samuel Carrion, Wayne DeGraff, Ray Fonseca, and Javan James, Sr., Non-Committee members, Central and Legislative Staff, fellow testifiers, visitors present in the chambers, and members of the viewing and listening audience.

I am William A. Harris, Property Manager of the Property Division for the Virgin Islands Department of Property and Procurement (DPP). I am testifying today on behalf of Commissioner, Lisa M. Alejandro, to offer testimony on the proposed Lease Agreements for the St. Thomas and St. Croix Districts which are before this Committee for consideration. Today, DPP requests this Committee's, and ultimately the full Senate's approval of the Lease Agreements between the Government of the Virgin Islands and James O. Gaston (*hereafter "James O. Gaston"*) (*Bill No. 35-0211*). and the Virgin Islands Centre for Architecture, Crafts, and Build Heritage, St. Croix, Inc. d/b/a Virgin Islands Architecture Center for Built Heritage and Crafts (*hereafter "Virgin Islands Architecture Center for Built Heritage and Crafts"*) (*Bill No. 35-0225*).

These Lease Agreements require legislative approval in accordance with 31 V.I.C. § 205. Their terms all commence on the first (1st) day of the month following the approval of the Governor and Legislature of the Virgin Islands. The rent payable under these leases shall -after individual grace periods- be adjusted annually, including any renewal term, in accordance with the Consumer Price Index (CPI) increase established by the U.S. Department of Labor, Bureau of Labor Statistics. These Lease Agreements all require a minimum of One Hundred Thousand Dollars (\$100,000.00 – **James O. Gaston**) and One Million Dollars (\$1,000,000.00 - **Virgin Islands Architecture Center for Built Heritage and Crafts -STX**) for all limits of general liability coverage.

As the premises owner, DPP will be required to execute all permits and licenses required for the premises. These two (2) potential Lessees have provided the required documentation to support the processing of their respective Lease Agreements with the Government including but not limited to their respective Business Licenses and Certificates of Good Standing.

I. Bill No. 35- 0211(James O. Gaston)

The Lease Agreement between James O. Gaston and the GVI acting through the DPP is for Parcel No. 9-G VICORP Lands, Prince Quarter, St. Croix, U.S. Virgin Islands, consisting of 653,400 U.S. sq. ft. or 15.00 U.S. acres of unimproved land more-or-less. The property will be used for the purpose of crop production and the rearing of livestock.

The term of this agreement is for twenty (20) years and the Lease Agreement provides for one (1), and ten (10) year renewal option. The annual rent for the above-referenced parcel will be Two Hundred Twenty-Five Dollars and Zero Cents (\$225.00) during the term of this Lease.

II. Bill No. 35-0225 (Virgin Islands Architecture Center for Built Heritage and Crafts)

The Lease Agreement between Virgin Islands Architecture Center for Built Heritage and Crafts and the GVI is for Plot Nos. 8 Church Street and 21, 22, and 23 Hospital Street, Christiansted Town, Company Quarter, St. Croix, U.S. Virgin Islands, consisting of two (2), two-story masonry buildings herein known as buildings 1 and 2, residing on 92,347.2 U.S. sq. ft. or 2.12 U.S. acres of improved land more-or-less. The property will be used to promote the common good, welfare, and education of the people of the United States Virgin Islands community on its heritage and cultural legacy.

The term of this agreement is for fifty (50) years and the Lease Agreement provides an option for three (3) additional terms of ten (10) years. The annual rent for the above-referenced parcel will be One Thousand Two Hundred Dollars and Zero Cents (\$1,200.00) payable in equal monthly installments of One Hundred Dollars and Zero Cents (\$100.00) during the term of this Lease.

These proposed Lease Agreements will allow the prospective tenants to repurpose and significantly rehabilitate these properties in the respective Districts of the United States Virgin Islands. The properties will be returned to the GVI at the end of the lease terms in an improved condition.

DPP and Commissioner Alejandro seek tenants committed to establishing long-term tenancy and remaining current in all governmental obligations. DPP respectfully requests that the Committee on Budget, Appropriations, and Finance vote in favor of these proposed Lease Agreements.

If approved, these leases will assist the locally owned businesses to execute a plan for its expansion and improved operations. It will also contribute to the ongoing growth of the United States Virgin Islands and the long-term stability and expansion of our economy.

This concludes my Testimony, and I am prepared to answer any questions the Committee may have on the referenced Lease Agreements. Thank You.