



Legislature of the Virgin Islands

P.O. Box 1690, Emancipation Garden Station
St. Thomas, U.S. Virgin Islands 00804

TEL: (340) 774-2478

FAX: (340) 774-2492

POST AUDIT DIVISION

June 14, 2024

MEMORANDUM:

TO: Honorable Donna A. Frett-Gregory
Chairperson, Committee on Budget, Appropriations & Finance
35th Legislature of the Virgin Islands

FROM: Post Audit Division

SUBJECT: Lease Agreement

LESSOR: Department of Property & Procurement

LESSEE: St. Thomas Properties, LLC

PREMISES: Consolidated Parcel No. 17-3A Estate Nisky, Southside Quarter, St. Thomas, U.S. Virgin Islands, consisting of 24350.04 sq. ft. or .559 acres of land more-or-less.

TERM: Fifteen (15) year period, with an option to renew for three (3) ten (10) year periods. 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 a parking lot and for no other purpose.

LEASE SUMMARY

BACKGROUND St. Thomas Properties, LLC is a locally owned and operated business since 2019. This proposed lease agreement will allow St. Thomas Properties, LLC to operate a parking lot, and for other related purposes.

REQUIRED SUPPORTING DOCUMENTATION

DOCUMENT	EXPIRATION DATE
Business License	3/21/2024
Trade Name Registration	N/A
Certificate of Liability Insurance	3/27/2024
Certificate of Good Standing	6/30/2024

PAYMENT TERMS

The Lease requires \$36,829.80 per annum payable in equal monthly installments of \$3,069.15 due on the first day of each month during the term thereof. After the fifth (5th) year of the initial term, and every year after that, the rent shall be adjusted in accordance with the Consumer Price Index but not more than 3% over any proceeding year period. At no time will any rent determined in the above manner be reduced below the annual rent of \$36,829.80. A late charge will be assessed after ten (10) days of the due date for an additional ten percent (10%) of the monthly payment.

IMPROVEMENTS

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

Lessee agrees to keep the said Premises and appurtenances as repaired, in a clean 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.

INSURANCE AND INDEMNITY

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.
- All of 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

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

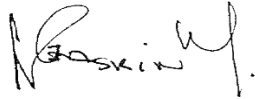
Items	Page
• Improvements	3-4
• Mechanic's Lien	5
• Insurance and Indemnity	5-6
• Entry by Lessor	6
• Condemnation	6-7
• Cancellation, Termination, Assignment, and Transfers	7-9
• General Terms and Conditions	9-14

EXECUTIVE BRANCH APPROVALS

Signee	Title	Department	Date of Signature
Lisa M. Alejandro	Commissioner	Department of Property & Procurement	2/12/2024
Daniel Ryan	Assistant Attorney General	Department of Justice	2/26/2024
Honorable Albert Bryan Jr.	Governor	Office of the Governor	3/7/2024

CONCLUSION

The Department of Property and Procurement has entered into a lease agreement with St. Thomas Properties, LLC whose purpose is to operate parking lot, and for other related purposes. All licenses and certificates were in compliance with the laws and regulations of the Government of the Virgin Islands as of the date of the Governor's signature but some has since expired. The terms and conditions of the lease are consistent with other leases issued by the Department of Property and Procurement. Therefore, the Post Audit Division recommends approval of this Lease between the Department of Property and Procurement and Verdell Turnbull d/b/a Turnbull Welding Service.



Wendell M. Gaskin, CPE
Post Auditor

