



Legislature of the Virgin Islands

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POST AUDIT DIVISION

September 1, 2023

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: Dave Jeffers d/b/a Dave Trucking Service

PREMISES: Parcel No. 142-B Estate Anna's Retreat, No. 1 New Quarter, St. Thomas U.S. Virgin Islands, consisting of 6,627 U.S. sq. ft. or 0.144 U.S. acre of land more-or-less.

TERM: Ten (10) year period, with an option to renew for two (2) five (5) 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 to operate the general offices of the trucking company and for other related purposes.

LEASE SUMMARY

BACKGROUND No background information was received on this company. This proposed lease agreement will allow Dave Jeffers d/b/a Dave Trucking Service to operate the general offices of the trucking company and for other related purpose.

REQUIRED SUPPORTING DOCUMENTATION

DOCUMENT	EXPIRATION DATE
Business License	Not received
Trade Name Registration	Not received
Certificate of Liability Insurance	Not received
Certificate of Good Standing	Not received

PAYMENT TERMS

The Lease requires \$6,000.00 per annum payable in equal monthly installments of \$500.00 due on the first day of each month after the Construction Period of eighteen (18) months or less has expired, during the term thereof. During the construction period of eighteen (18) months, lesse shall be required to pay a reduced rent of \$250.00. After the second (2nd) 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 \$6,000.00. A late charge will be assessed after ten (10) days of the due date for an additional ten percent (10%) of the monthly payment.

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 Seventy-Five Thousand Dollars (\$75,000.00). Improvements to the property include the following:

1. Construction of business offices.

The Improvements shall be completed no later than forty-eight (48) months of the effective date, the such forty-eight-month period being referred to herein as the “Construction Period”.

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	4-5
• Mechanic’s Lien	6
• Insurance and Indemnity	6-7
• Entry by Lessor	7
• Condemnation	7-8
• Cancellation, Termination, Assignment, and Transfers	8-10
• General Terms and Conditions	10-15

EXECUTIVE BRANCH APPROVALS

Signee	Title	Department	Date of Signature
Liisa M. Alejandro	Acting Commissioner	Department of Property & Procurement	2/28/2023
Carol E. McDonald, Esq.	Assistant Attorney General	Department of Justice	3/7/2023
Honorable Albert Bryan Jr.	Governor	Office of the Governor	4/20/2023

CONCLUSION

The Department of Property and Procurement has entered into a lease agreement with Dave Jeffers d/b/a Dave Trucking Service whose purpose is to operate the general offices of the trucking company and for other related purposes. No licenses were included in the packet. 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 with Dave Jeffers d/b/a Dave Trucking Service once all certificates are submitted.



Vincent Samuel
Post Auditor