



# 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

August 31, 2023

### MEMORANDUM:

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

**FROM:** Post Audit Division

**SUBJECT:** Lease Agreement

**LESSOR:** Department of Property & Procurement

**LESSEE:** St. Thomas Rescue, Inc.

**PREMISES:** Parcel No. 146 Revised Submarine Base, No. 6 Southside Quarter, St. Thomas, Virgin Islands, consisting of a one-story building residing on 8,271.52 U.S. sq. ft. or 0.1899 U.S. acres of improved land more or less.

**TERM:** Twenty (20) 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 as a long-term headquarters for all rescue related activities of the Lessee.

### LEASE SUMMARY

**BACKGROUND** No background information was received on this company. This proposed lease agreement will allow St. Thomas Rescue to operate a long-term headquarters for all rescue related activities of the Lessee.

### 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 \$1,200.00 per annum payable in equal monthly installments of \$100.00 due on the first day of each month during the term thereof. After the tenth (10<sup>th</sup>) 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 \$1,200.00. 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 Nine Hundred Fifty Thousand Dollars (\$950,000.00). Improvements to the property include the following:

1. Erection of a second (2<sup>nd</sup>) floor on top of the existing one (1) story building;
2. Remodeling of the existing first (1<sup>st</sup>) floor;
3. Evaluation of repairs to be made to the cistern on the property;
4. Clean, repair leakage, and plaster the walls of the cistern; and
5. Erection of an outdoor classroom and training space.

The Improvements shall be completed no later than twelve (12) months of the Commencement Date of this lease ("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:

<b>Items</b>	<b>Page</b>
• 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	9-13

### EXECUTIVE BRANCH APPROVALS

Signee	Title	Department	Date of Signature
Anthony D. Thomas	Commissioner	Department of Property & Procurement	11/18/2022
Carol E. McDonald, Esq.	Assistant Attorney General	Department of Justice	11/21/2022
Honorable Albert Bryan Jr.	Governor	Office of the Governor	2/28/2023

### CONCLUSION

The Department of Property and Procurement has entered into a lease agreement with St. Thomas Rescue whose purpose is to operate a long-term headquarters for all rescue related activities of the Lessee. **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 St. Thomas Rescue once all certificates are submitted.



Vincent Samuel  
Post Auditor