

# **Presentation to the 35<sup>th</sup> Legislature of the U.S. Virgin Islands Committee on Economic Development & Agriculture**

**Senator Javan E. James Sr., Chairman**



**Carlton Dowe  
Executive Director  
Virgin Islands Port Authority**

March 8, 2023







GATEWAYS TO THE U. S. VIRGIN ISLANDS  
AND ITS ECONOMY  
-ESTABLISHED 1969-



# About the Virgin Islands Port Authority (VIPA)

- VIPA is an autonomous, self-sustaining, U.S. Virgin Islands (USVI) government agency that has managed the ports of the territory since 1969.
- VIPA manages the two airports and most of the public seaports in the USVI.
- VIPA's mandate is to maintain and develop the airports and seaports of the USVI to accommodate the current and future demands of its users.
- VIPA is a critical arm of the USVI's economy by facilitating travel, commerce and aiding in fostering tourism and economic growth via our ports.
- Our stakeholders are the USVI community, our facility users and tenants, neighboring Caribbean islands and the global aviation and marine port agencies.

# How VIPA Funds its Port Operations

**Marine Bonds Floated with BBB+ Bond Rating**  
Fiscal Year 2014



VIPA is a self-sustaining agency (no GVI budget allotment).



VIPA funds its operations via tenant and user fees. Some marine and aviation fees have been raised in 2019.



**Federal grants** are awarded to VIPA (U.S. Department of Transportation, FAA, Coast Guard, etc.).



**Passenger Facility Charges** (PFC's) approved by the FAA are added to airline tickets to be used for airport improvement projects only.



**Legislative allotments** for a specific project may be provided via the USVI Legislature.





**marine**

**U.S. Virgin Islands**

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Wilfred “Bomba” Allick Port & Transshipment Center

# Krause Lagoon, St. Croix

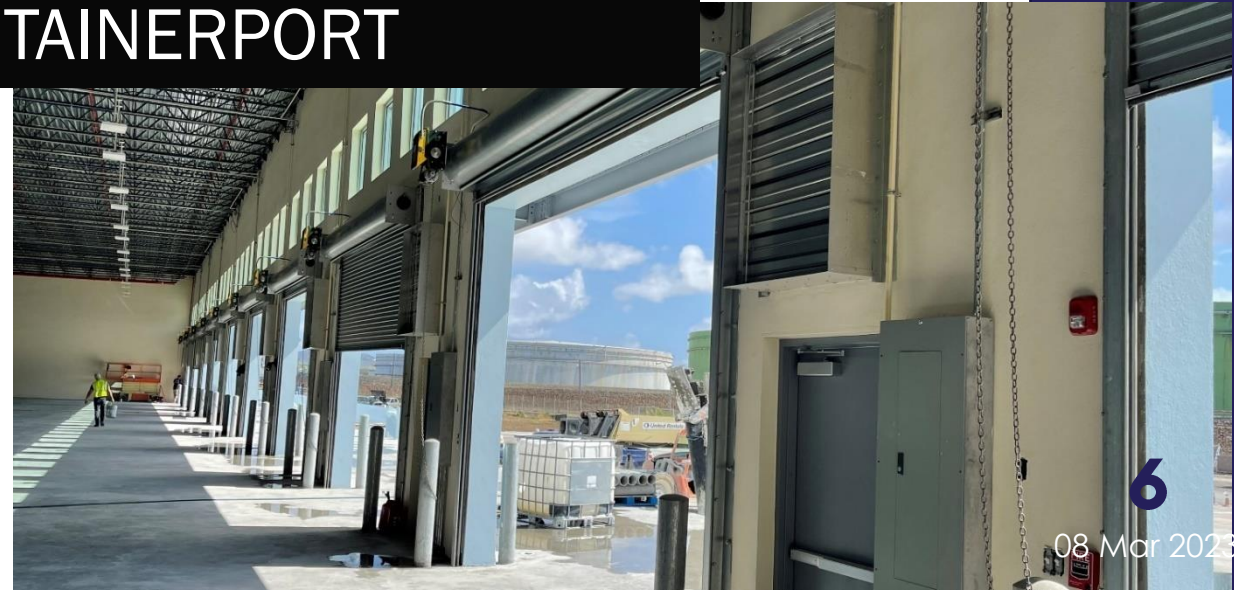
- This new 42,000 square foot facility has ten bays – seven of which already have commitments from tenants to occupy.
- New facility replaces the old warehouse that was destroyed in the 2017 hurricanes.
- **Expected Opening Date:** Certificate of occupancy expected in 30 days
- **Cost: \$15.9** million built by Lemartec, USVI







**NEW CARGO FACILITY AT  
THE CONTAINERPORT**





# Krause Lagoon, St. Croix

- New construction of a new 19,000 square foot, five bay cargo facility
- **Groundbreaking:** July 2020
- **Completed:** June 2022
- **Cost & Funding: \$12,176,244** \$10.6 million from the U.S. Department of Transportation Maritime Administration (MARAD). The project began in 2020 after the Legislature of the Virgin Islands appropriated \$3.8 million in matching funds.
- **Future Development:** In 2023, VIPA will complete the paving at this port to facilitate the safe movement of large cargo trucks.

This paving project has been funded by the USVI Legislature via Act 8649 which appropriated \$679,250 to VIPA from the St. Croix Capital Improvement fund.



All 5 bays have commitments from tenants to occupy.

Gordon A. Finch Molasses Pier

# Krause Lagoon, St. Croix

## IMPROVEMENTS TO ROLL ON/ROLL OFF DOCK

- **Completed October 2021**
- **Cost & Funding: \$9.6 million** U.S. Department of Transportation Maritime Administration (MARAD) and VIPA funds.

## DREDGING

- **Completed May 2022**
- **Cost & Funding: \$1,050,640** U.S. Department of Transportation Maritime Administration (MARAD) and VIPA funds.

The Gordon A. Finch Molasses Pier can now safely accommodate larger cargo vessels.



All cargo activity will be relocated from Gallows Bay to the Molasses Pier.



Ann E. Abramson Marine Facility

# Frederiksted, St. Croix

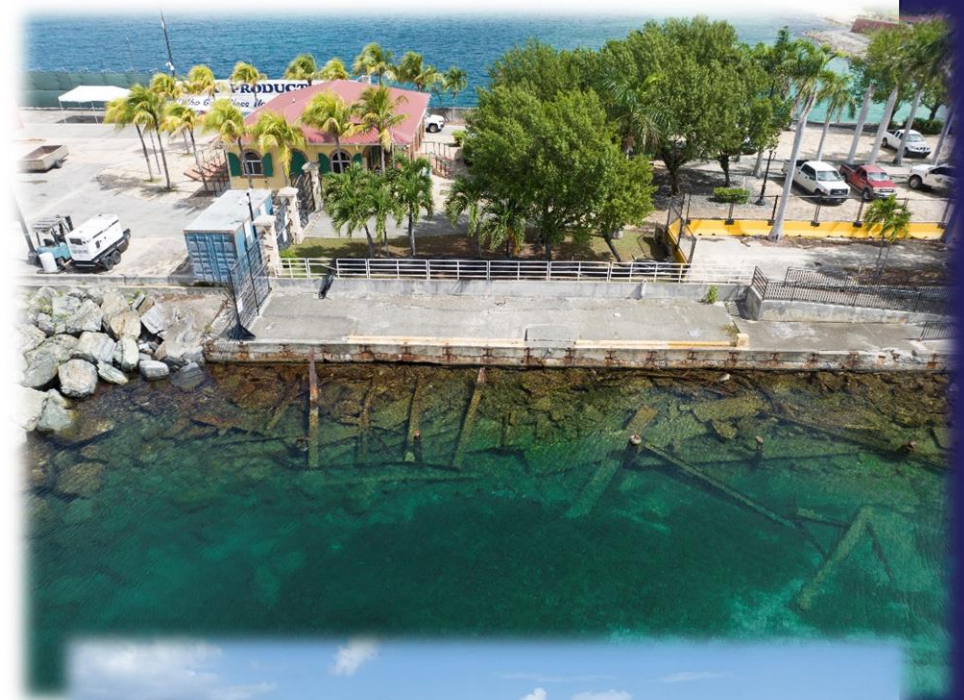
## Construction/Repairs Scheduled to Begin February 7, 2023:

### South Tender Landing Pier

- Used by tour operators, divers, and other small vessels at the Abramson Pier.
- Damaged by storms in 2017.
- Repairs funded via a **\$2.05 million** appropriation requested by Governor Albert Bryan Jr. from the Legislature of the Virgin Islands.

### Storm Panels

- Protect the dock from storm waves.
- Damaged in the category 5 hurricanes in 2017
- The USVI Legislature funded the **\$400,000** needed for this project via Act 8473.



# Urman V. Fredericks Marine Facility Restrooms Red Hook, St. Thomas

- **Project:** Renovation of the restrooms at the Urman V. Fredericks Marine Terminal in Red Hook
- **Project details:** The male and female restrooms will be renovated, and temporary restroom facilities will be available on-site for the duration of the project.
- **Start date:** February 2023
- **Expected completion:** June 2023
- **Contractor:** Continental Construction
- **Cost:** \$210,000, funded by VIPA





## Restroom Renovations

# Lindbergh Bay Beach, St. Thomas



- **Project:** Renovation of the restrooms Lindbergh Bay Beach
- **Project details:** Both male and female restrooms and the shower facility were completed renovated.
- **Start date:** August 2022
- **Expected completion:** February 2023
- **Contractor:** TMZ Construction
- **Cost:** 84,660, funded by VIPA



**VIPA has implemented new operating hours to prevent any future vandalism and destruction of the facility. The restrooms open at 6 a.m. and close at 6 p.m. daily.**

Loredon L. Boynes Sr. Dock

# Cruz Bay, St. John

- Primary port of entry for St. John, USVI
- **Start Date:** April 2023
- **Completion Date:** September 2023
- **Contractor:** Rodriguez & Garland
- **Cost: \$1.5 million** funded primarily by the U.S. Virgin Islands Legislature St. John Capital Improvement Fund (Act No. 8401 and Act No. 8644)
  - ❖ Adding a male and female restroom
  - ❖ Installing a canopy adjacent to the existing terminal
  - ❖ Resurfacing the pier; and
  - ❖ Adding an electrical room for an emergency power generator.





## Enighed Pond Multi-Purpose Facility for Cultural Events

# Cruz Bay, St. John

### **Project:**

Design of a Proposed Community Park at VIPA-owned property at Enighed Pond, Cruz Bay, St. John

### **Project Details:**

VIPA is designing a multi-purpose facility for community gatherings and cultural events on St. John

### **Design Contractor:**

Moffatt & Nichol

### **Cost:**

**Approximately \$400,000 – design only**

Funded primarily by the U.S. Virgin Islands Legislature St. John Capital Improvement Fund [Act No. 8473 \(Supplemental Budget\)](#)



Fish Market at Victor Sewer Marine Facility

# Cruz Bay, St. John

## Project:

Design and build a fish market in Cruz Bay at the Victor Sewer Marine Facility. Enighed Pond, Cruz Bay, St. John

## Design Contractor:

Moffatt & Nichol

**Status:** Design phase

## Cost:

**Approximately \$920,000 – design & build**

Funded primarily by the U.S. Virgin Islands Legislature St. John Capital Improvement Fund [Act No. 8515](#)





# Partnering with Royal Caribbean

- **October 2022:** VIPA and Royal Caribbean Group ratified an addendum to the existing 10-year Piers Usage Agreement between VIPA and Royal Caribbean Group that was executed in June 2016.
- The revised agreement includes an increase in the rate of the per passenger port fees paid to berth at the cruise ports on St. Thomas and St. Croix.
- There are **72** scheduled cruise calls to St. Croix and a projected growth of 180% in cruise visitor arrivals in comparison to the 50,000 passengers that visited St. Croix in 2019.
- VIPA and Royal Caribbean Group also signed an extension of the existing MOU between VIPA and RCG for the development of the Crown Bay District on St. Thomas, to include the construction of a third cruise ship pier on St. Thomas in the Crown Bay port.





Increased Cruise Calls to St. Croix

# Partnering with Royal Caribbean







**aviation**

**U.S. Virgin Islands**

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## Public Private Partnership (P3)

# VIPA Airports P3 Project

- VIPA is moving forward with its plans to pursue a public/private partnership (P3) arrangement with a private airport investor, operator, and terminal developer to modernize and upgrade the Henry E. Rohlsen Airport (STX) on St. Croix and the Cyril E. King Airport (STT) on St. Thomas.
- **The VIPA Airports P3 Project is NOT a privatization project.** Under the public private partnership, the Virgin Islands Port Authority will continue to own the airports and will continue to be the holder of the airports' operation certificates.
- Request for Qualifications issued on December 29, 2022, seeking airport operators, developers, and infrastructure investors for the project.
- Expect to issue Request for Proposals in May 2023.



Daily congestion at the territory's airports negatively impacts travelers' experience at our airports and the USVI's tourism product.



# VIPA Airports P3 Project

## STT HISTORICAL OPERATING INFORMATION

Fiscal Year (Oct 1 – Sept 30)	Operations	Deplaned Passengers	Enplaned Passengers	Total Passengers	Cargo (lbs.)
2022	22,391	760,772	766,328	1,527,100	16,964,169
2021	24,124	677,933	681,201	1,359,134	15,941,891
2020	19,140	407,737	407,521	815,258	14,542,354
2019	23,485	602,067	604,266	1,206,333	16,176,823
2018	18,949	370,262	375,938	746,200	12,355,768
2017	24,248	736,251	741,884	1,478,135	12,271,957
2016	25,732	753,762	756,714	1,510,476	14,005,129

Source: VIPA Internal Management Reports

# VIPA Airports P3 Project

## STX HISTORICAL OPERATING INFORMATION

Fiscal Year (Oct 1 – Sept 30)	Operations	Deplaned Passengers	Enplaned Passengers	Total Passengers	Cargo (lbs.)
2022	9,619	207,074	208,855	415,929	128,446
2021	10,663	194,939	199,890	394,829	211,510
2020	10,493	138,850	139,595	278,445	2,371,742
2019	13,186	230,881	229,193	460,074	2,657,038
2018	11,440	199,399	196,967	396,366	2,565,471
2017	12,558	213,318	214,736	428,054	2,514,000
2016	11,525	211,467	216,194	427,661	2,008,132

Source: VIPA Internal Management Reports



## Example of Existing VIPA Public/Private Partnership (P3)

# VIPA & Standard Aviation

- Standard Aviation FBO opened a 28,000 square feet terminal at the Cyril E. King Airport in 2019
- Includes a 24,000 sq. ft. aircraft hangar that can accommodate jets up to a Gulfstream G550.
- Largest free-span building in the Caribbean.
- The four-year build was made possible by a public/private partnership between the Virgin Islands Port Authority and Standard Aviation.
- Standard Aviation also built a new maintenance facility for VIPA on land owned by VIPA adjacent to the King Airport.
- The land this facility is built on at the airport remains owned by the Virgin Islands Port Authority.



## Example of Existing VIPA Public/Private Partnership (P3)

# VIPA & Standard Aviation

- Standard Aviation also constructed the Robert O'Connor Maintenance Building on St. Thomas as part of the public private partnership agreement.
- The facility houses VIPA's maintenance department for the St. Thomas/St. John district and replaced a dilapidated facility that once sat on the King Airport's apron.





Cyril E. King Airport (STT)

# Parking & Transportation Center

- VIPA is building a multi-level parking garage that will provide space for taxis, rental car operations over 550 parking spaces.
- **Project Cost & Funding: \$29.1 million** funded primarily via a \$20 million U.S. Economic Development Administration grant (federal). Remainder funded by VIPA operations budget and car rental facility fees.
- **Contractor:** AT Construction
- **Expected completion:** Half of open by end of summer 2023; full completion by second quarter of 2024.

Groundbreaking May 26, 2021



February 2023



23

08 Mar 2023

# Board of Governors

**(1) Mr. Willard A. John**

St. Croix  
Chairman of the Board

**(2) The Honorable Derek Gabriel**

Commissioner of the Department of Public Works  
Board Vice-Chairman

**(3) Mr. Kevin Rodriguez**

Chairman of the USVI Economic Development Authority Board  
Board Secretary

**(4) The Honorable Carol Thomas-Jacobs**

Acting Attorney General of the U.S. Virgin Islands

**(5) The Honorable Joseph B. Boschulte**

Commissioner of the U.S. Virgin Islands Department of Tourism

**(6) Mr. Lionel Jacobs**

St. Croix Representative

**(7) Ms. Leona A. Smith**

St. John Representative

**(8) Mr. Celestino A. White Sr.**

St. Thomas Representative

**(9) Vacant**

St. Thomas Representative



## Gateways to the U.S. Virgin Islands and its Economy

[www.viport.com](http://www.viport.com)

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