

COMMITTEE ON BUDGET, APPROPRIATIONS
AND FINANCE

09/28/2023-REPORTED OUT TO THE FLOOR

09/06/2023-REPORTED OUT TO THE COMMITTEE ON RULES AND JUDICIARY

BILL NO. 35-0067

Thirty-Fifth Legislature of the Virgin Islands

April 4, 2023

An Act approving and the lease agreement between the Government of the Virgin Islands, acting through its Commissioner of the Department of Property and Procurement, and Inter Island Auto Group, LLC d/b/a VIP Quick Lube for Improved Parcel No. 70 Submarine Base, No. 6A Southside Quarter, St. Thomas, Virgin Islands, to be used as a new and used car dealership, repair shop, importer of goods, retail shops, store, and for other related purposes

PROPOSED BY: Senator Novelle E. Francis, Jr.

1 **WHEREAS**, on November 17, 2022, Managing Member, Pablo H. Padro, executed the
2 lease agreement between the Government of the Virgin Islands and Inter Island Auto Group,
3 LLC d/b/a VIP Quick Lube; and

4 **WHEREAS**, on December 1, 2022, the Commissioner of the Department of Property
5 and Procurement executed the lease agreement between the Government of the Virgin Islands
6 and Inter Island Auto Group, LLC d/b/a VIP Quick Lube; and

7 **WHEREAS**, on January 28, 2023, the Governor of the Virgin Islands approved the lease
8 agreement between the Government of the Virgin Islands and the Inter Island Auto Group, LLC
9 d/b/a VIP Quick Lube; and

10 **WHEREAS**, Inter Islands Auto Group, LLC d/b/a VIP Quick Lube will be leasing
11 Improved Parcel No. 70 Submarine Base, No. 6A Southside Quarter, St. Thomas, Virgin

1 Islands, consisting of approximately 21,462.45 U.S. square feet or .4927 U.S. acres of land,
2 more or less, with a mixed material structure consisting of approximately 7,920 U.S. square
3 feet, to operate a new and used car dealership, repair shops, importer of goods, retail shops,
4 store, and for other related purposes; for an initial rental term of 20 years, with an option to
5 renew for two consecutive 10-year terms, at an annual rent of \$72,000, commencing on the
6 forty-ninth month of the lease, payable in monthly installments of \$6,000;

7 **WHEREAS**, for months one through twenty-four, Inter Island Auto Group, LLC d/b/a
8 VIP Quick Lube will pay a monthly rent of \$3,000 and for months twenty-five through forty-
9 eight, Inter Island Auto Group, LLC d/b/a VIP Quick Lube will pay a monthly rent of \$4,000;
10 and

11 **WHEREAS**, title 31 Virgin Islands Code, chapter 21, section 205, subsection (c)
12 provides that in addition to the Governor's approval of any lease, the Legislature of the Virgin
13 Islands must approve all leases exceeding a term of one year; Now, Therefore,

14 *Be it enacted by the Legislature of the Virgin Islands:*

15 **SECTION 1.** Pursuant to title 31 Virgin Islands Code, section 205, subsection (c), the
16 Legislature of the Virgin Islands approves the lease agreement between the Government of the
17 Virgin Islands, acting through its Commissioner of the Virgin Islands Department of Property
18 and Procurement, and Inter Island Auto Group, LLC d/b/a VIP Quick Lube for Improved Parcel
19 No. 70 Submarine Base, No. 6A Southside Quarter, St. Thomas, Virgin Islands, consisting of
20 approximately 21,462.45 U.S. square feet or .4927 U.S. acres of land, more or less, with a
21 mixed material structure consisting of approximately 7,920 U.S. square feet, as shown on
22 O.L.G. File No. D3-420-T91, to operate a new and used car dealership, repair shop, importer
23 of goods, retail shops, store, and for other related purposes. The initial term of the lease
24 agreement is for 20 years, with an option to renew for two consecutive 10-year terms. Months
25 one through forty-eight of the lease agreement will be the construction period and Inter Islands

1 Auto Group, LLC d/b/a VIP Quick Lube will pay \$3,000 per month rent during months one
2 through twenty-four and \$4,000 per month rent for months twenty-five through forty-eight.
3 From month forty-nine, Inter Island Auto Group, LLC d/b/a VIP Quick Lube will pay an annual
4 rent of \$72,000, payable in monthly installments of \$6,000. Rent will be adjusted based on the
5 Consumer Price Index and as specifically provided in article 3.03 of the lease agreement, but
6 no adjustment will be more than three percent over any preceding year.

7 **BILL SUMMARY**

8 This bill approves the lease between the Government of the Virgin Islands and Inter
9 Island Auto Group, LLC d/b/a VIP Quick Lube.

10 **DRAFTER'S NOTE**

11 As noted in the lease agreement and in the December 8, 2022, letter from the Solicitor
12 General of the Government of the Virgin Islands to the Governor of the Virgin Islands,
13 Improved Parcel No. 70 Submarine Base, No. 6A Southside Quarter, St. Thomas, Virgin
14 Islands, is zoned W-2 (Waterfront – Industrial). However, the uses permitted under the lease
15 agreement, the operation of a new and used car dealership, repair shop, importer of goods, retail
16 shops, store, and for other related purposes, are not permitted uses under the W-2 zoning
17 designation. The W-2 zoning designation as it pertains to automobiles, only permits the
18 following: parking lots – commercial, storage (live) fleet parking, and wrecking yards,
19 (storage). Accordingly, to comply with 28 V.I.C, § 224(a), that is to permit the desired uses as
20 per the lease agreement, the property either must be rezoned or be granted a use variance in
21 accordance with 28 V.I.C. § 238 or 28 V.I. C. § 238a, respectively.

22 **BR23-0343/March 29, 2023/SLR**