

Government Leases Approved for New Kia Dealership, Sand Castle On the Beach

Senate / **Published On September 07, 2023 06:37 AM /**

Janeke Simon **September 07, 2023**

Image not found or type unknown



A portion of the Sand Castle Hotel on St. Croix. By. SAND CASTLE ON THE BEACH

Two bills establishing lease agreements between the Government of the Virgin Islands and two separate entities were approved on Wednesday by the Senate Committee on Budget, Appropriations and Finance.

One lease was for Inter-Island Auto Group LLC, doing business as VIP Quick Lube. Pablo Padró, part of the company's management, explained that the business had grown significantly since opening up shop in 2014, and the proposed lease would facilitate their continued expansion.

He told lawmakers that the company recently received the opportunity to become a Kia vehicle dealership, and as such, would need to upgrade their facility to the manufacturer's design

standards. With the structures on the property currently serving as a warehouse building and a shed for maintenance, those upgrades would be significant. “We will make capital investments for improvement into the property – no less than \$500,000 – so that we can operate with the greatest efficiency and with a physical appearance pleasing to all,” Mr. Padró told senators. Renovations are expected to begin in mid-2024, if the lease is approved.

Mr. Padró also indicated his intention to support the government’s green energy policy by ensuring an adequate inventory of electric vehicles for sale to the public and government agencies. The expansion of services will also necessitate an expansion of the company’s workforce, currently at 6 employees. The addition of the dealership would “generate direct and indirect jobs,” as personnel will need to be trained on EV vehicles before any such models can be brought in. This training should be completed by November, Mr. Padró said.

A question from Senator Marvin Blyden about apprenticeship opportunities for young Virgin Islanders revealed that two of the company’s full-time employees came from part-time job opportunities organized with the Charlotte Amalie High School. Mr. Padró vowed to continue these kinds of programs, as his business continued to serve the needs of the community.

The agreement between GVI and VIP Quick Lube is for the lease of Parcel # 70 Submarine Base #6A, Southside Quarter, St. Thomas. The property of over 21,000 square feet will be used to operate a vehicle dealership, repair shop, retail shop, and for other related purposes. The annual lease cost of \$72,000 would be payable in monthly installments, and the 20-year initial agreement would have the option to renew for two consecutive 10-year periods.

The second proposed lease was for Sand Castle on the Beach, a hotel in Frederiksted, St. Croix. Chris Richardsdon provided testimony on the issue of the hotel’s encroachment onto government-owned land. He began by recounting how he first ended up staying at the property due to a “mixup in travel plans,” and ultimately ended up purchasing it outright with his co-owner.

Recent surveys of the property, he disclosed, revealed that a small portion of their structures – fencing and a stone wall – are actually situated on land owned by the territory. A previous one-year lease of the land was provided so that the hotel could access refinancing services from a local bank, but now they were on a month-to-month agreement. As Mr. Richardson explained, “the continued operation and success of Sand Castle hinges on the approval of a multi-year lease which would give Sand Castle the right to occupy the encroachment.” He noted that the encroachment has existed without notice or harm for over three decades, arguing that “it is clear that the value of approving this bill vastly outweighs any disadvantage to the government or the public.” He explained to Senator Samuel Carrion that the government property in question is more of a sandy road plot, currently overgrown with shrubs and trees.

Deputy Commissioner of the Department of Property & Procurement Vincent Richards, who was on hand to support the two proposed leases, said that the encroachment does not impede any sort of traffic. “If we had more time, I would explore either selling or transferring the small encroachment to the resort,” to make the land management process easier.

With both leases, Mr. Richards expressed confidence that “the properties will be returned to GVI at the end of the terms in an improved condition.” He argued that “if approved, these leases will assist these locally-owned businesses in expanding and improving their operations. They will also continue to contribute to the ongoing growth and long-term stability and expansion of the local VI economy.”

Committee members easily concurred with Senator Novelle Francis, who brought both bills to the floor of the committee, and acceded to his request for their approval of the agreements. Both leases were voted on favorably by committee members and will now advance to the next stage of the legislative process.

© Viconsortium 2025