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VIHFA Secures Lease for Historic Frederiksted Senate Building for CDBG-DR Program Administration

Historic Senate building in Frederiksted set for a new chapter under VIHFA's stewardship

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The former Fritz Lawaetz Legislature in Frederiksted. By. ERNICE GILBERT, V.I. CONSORTIUM

Two leases which are expected to support economic development in the territory were approved by the Senator Committee on Budget, Appropriations and Finance on Tuesday.

Lawmakers considered the V.I. Housing Finance Authority's request to lease the former Legislative building complex in Frederiksted. VIHFA plans to renovate the two existing buildings on the .63-acre property in order to consolidate its operations and administer critical programs like

the expenditure of Community Development Block Grant Disaster Relief (CDBG - DR) funds.

The proposed 15-year lease with two optional 5-year renewals at a peppercorn rate of \$12 annually would allow the agency to invest an estimated \$2 million in required renovations without the burden of high rental and administrative costs.

VIHFA Chief Financial Officer Valdez Shelford told lawmakers that the funding is already secured for the renovations, which will include a full replacement of the HVAC system, replacement of windows, and electrical system upgrades. Construction Manager Jason Brown estimated that the work would take between six to eight months to complete, once environmental testing has concluded.

Ultimately, the hope is that VIHFA could eventually make the property its permanent home on St. Croix. "We are awaiting a response from Department of Property and Procurement about acquiring this property through a land swap," Ms. Shelford said, an idea lawmakers expressed support for.

Lawmakers were similarly supportive of the proposed lease for St. Thomas-based Pro Mar Services Inc., a marine construction and survey company. The requested lease of an almost 30,000 square foot waterfront parcel at Submarine Base #6 in Charlotte Amalie would run for an initial term of 10 years, with two 5-year renewal options, at a cost of \$24,000 annually.

Company president Jean Patrick Vivot testified that Pro Mar plans to invest approximately \$250,000 at the site to install retaining walls preventing coastal erosion, construct a small office building, and remediate debris on the property.

Senators questioned details of Pro Mar's work, workforce development efforts, and timeline for improvements. Vivot emphasized the company employs 15-20 mostly local workers, providing marine industry training. Pro Mar is active in the territory, performing dredging, dock construction, and other marine projects for entities like the National Park Service and St. Croix's south shore refinery. Senators expressed support for the local business enhancing the "blue economy" through this lease agreement.

During the discussion, lawmakers questioned Vincent Richards, the Department of Property and Procurement's assistant commissioner, about how the terms of its leases were decided upon. Pointing out that VIHFA, which receives significant funding from federal sources, would be paying such a nominal amount in rent, Committee chair Senator Donna Frett-Gregory asked that the department revisit its lease with the Taxicab Commission, which is apparently being charged 100 times as much as VIHFA.

"We could figure out how to support the taxicab commission or reduce the amount ASAP, I am definitely prepared to do that. If we're going to have VIHFA paying \$12 a year, then Taxicab commission can pay \$12 a year," said Frett-Gregory.

At the end of Tuesday's session, both leases were approved unanimously by committee members. The agreements will now advance to the Committee on Rules & Judiciary for further vetting.