

logo not found or type unknown

VIPA's Bond Limit Increased to \$500 Million as Dowe Pushes Seaport Upgrades to Meet Cruise Sector Growth

Lawmakers approved raising VIPA's bond limit from \$100M to \$500M, allowing flexibility for seaport upgrades. VIPA ED Carlton Dowe noted the need to modernize infrastructure to support the growing cruise sector while ensuring responsible borrowing.

Development / **Published On March 19, 2025 05:35 AM /**

Nelcia Charlemagne **March 19, 2025**

Image not found or type unknown



Royal Caribbean's Icon of the Seas and the Celebrity Apex docked at Crown Bay, St. Croix on Jan. 31, 2024. By. ERNICE GILBERT, V.I. CONSORTIUM

On Tuesday, the Committee on Budget, Appropriations, and Finance approved a request from the V.I. Port Authority to increase its bond limit from \$100 million to \$500 million as VIPA prepares

to undertake additional capital improvements on the marine side of its operations.

Details of the requests are outlined in Bill 36-0038, introduced in the Legislature by Senate President Milton Potter. “This amendment is crucial for the continued development and maintenance of the territory's vital port infrastructure,” Mr. Potter told his fellow lawmakers. “The current bonding cap of \$100 million was established in 1988 and has remained unchanged for 37 years despite specific economic growth and infrastructure needs,” he added. Therefore, “the outdated limitation severely restricts VIPA’s ability to fund crucial projects.”

Unlike on the aviation side, where VIPA has access to significant financial support from the federal government, the marine side of the authority’s operations is generally funded through “marine tariffs,” according to the testimony of VIPA Executive Director Carlton Dowe. Bonds, therefore, are used to “fund major capital projects.” With a rapidly growing cruise sector, VIPA is increasingly prioritizing seaport improvements to keep up with industry demands.



V.I. Port Authority Executive Director Carlton Dowe (Credit: V.I. Legislature)

“VIPA is requesting an increase in our bonding capacity. However, this does not imply that we will issue bonds up to the maximum limit,” said Mr. Dowe. “VIPA only issues debt that it can afford to repay.” He assured lawmakers that before any additional, or higher value bonds can be issued, the authority must comply with the requirements of its bond ordinance. Among them is a requirement for VIPA to possess “sufficient revenues to pay existing and future debt.”

“This amendment will provide the authority with increased financial flexibility to address our future needs,” explained Mr. Dowe. With no immediate plans to issue bonds up to the full \$500 million limit, the VIPA executive director — [who is currently in the process of modernizing the territory's two airports](#) — explained that the request is essentially a preemptive measure given the trajectory of infrastructural needs. Currently, VIPA is using \$23 million from its \$100 million capacity. However as it stands, “VIPA’s short-term financial needs may exceed our bonding capacity,” he testified.

The request for a five-fold increase in VIPA's bonding capacity gave pause to more than one lawmaker. “Why is it [that] we can't go with a tiered format where we graduate what you're requesting instead of just going from \$100 million to \$500 million?” Senator Hubert Frederick asked.

“The fact is if we can't afford to pay for 500 million, we'll never get there,” Mr. Dowe replied. He informed Mr. Frederick that the \$23 million figure referenced earlier is a result of VIPA repaying bond debts. “We’re just asking for the flexibility so two years from now we won't run back here and tell you where we want another \$50 million.”

“What it does is show to the bond market, where VIPA would be selling these bonds, that it has the capability and the ability to go to that limit if it needs to,” clarified VIPA’s financial advisor Larry Belinsky to a skeptical Senator Marise James.

“It's not like a line of credit you get from a bank. What we're doing is establishing boundaries in which we can operate,” Mr. Dowe again emphasized, this time to Senator Clifford Joseph.

Ultimately satisfied that the Port Authority does not intend to issue bonds outside of its payment means, lawmakers voted favorably on Bill 35-0038, set to be vetted once more in an upcoming meeting of the Committee on Rules and Judiciary.