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Dowe-Led Port Authority Sees \$5.2 Million Profit, Airport Parking Revenue Surges 381 Percent

VIPA has outperformed financial expectations for FY 2025, turning a projected \$3.9 million loss into a \$5.2 million profit. Gains were driven by a \$6 million marine division surplus and a 381% surge in parking revenue at Cyril E. King Airport.

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The Dale A. Gregory Transportation Center (parking lot) at the Cyril E. King Airport in St. Thomas. By: VIPA

During Wednesday's meeting, members of the V.I. Port Authority Governing Board received good news about the authority's finances and discussed key infrastructure projects, including a contentious settlement with a contractor.

VIPA, lead by Executive Director Carlton Dowe, reported a \$5.2 million operating profit thus far in the fiscal year, significantly outperforming initial projections of a \$3.9 million loss. This also beats figures from FY 2024 by over \$2 million. The strong performance was due in large part to VIPA's marine division, which posted a \$6 million operating gain, offsetting the \$1.2 million operating loss experienced by the aviation division.

Notably, however, airport parking lot revenues have seen dramatic growth. Aviation parking fees have grown by 124% year on year, with \$740,000 collected in that category from the beginning of the fiscal year to March 31. Almost two thirds of that sum – \$481,000 – came from fees collected at the Cyril E. King airport. Driving that revenue growth is the Dale A. Gregory Transportation Center. Since the facility opened in April 2024, parking revenue at the Cyril E. King airport has surged 381%, said Ava Penn, VIPA's Director of Financial Affairs.

Cruise ship activity also showed positive momentum, with passenger numbers at the end of March increasing by 21% over last year's totals to just over 1.2 million. These passengers generated \$12.8 million in passenger charges, almost \$3 million more compared to the same period last year.

During the meeting, board members approved a settlement with Rumina Construction Services to resolve a long-standing dispute over a project begun in 2020 at the Cyril E. King Airport. A \$3.9 million contract was awarded to Rumina to rehabilitate and reconstruct the pavement near Gate 5, a job that was initially scheduled to be completed within 120 days.

Instead, it was 2023 when the work was finally deemed substantially completed, however VIPA says it found serious deficiencies. Rumina disagreed, refusing to take corrective action and threatening litigation over the funds withheld by VIPA. Of those funds, VIPA used over \$53,000 to remediate the deficiencies, leaving almost \$255,000 in retained funds remaining. The \$165,000 settlement avoids potential litigation and closes out the project. VIPA will keep the remainder of the money.

The board also heard status updates on ongoing and upcoming projects, including the demolition of the former Beachcomber Hotel, set to begin next month.