

The Virgin Islands Consortium

Gov't to Open Bidding For Hotel on the Cay In 2021 As Current Owner Owes \$350,000 In Lease Payments

Business / **Published On September 08, 2019 10:54 AM /**

Ernice Gilbert **September 08, 2019**



ST. CROIX -- The current lessee of Hotel on the Cay owes over 8 years of lease payments to the Government of the Virgin Islands. Under the current agreement, the G.V.I. only charges the lessee \$3,500 a month for the pristine, 5-acre property, sitting by itself with beautiful, oceanfront views of Christiansted, according to government officials.

During a Committee on Finance budget hearing on Friday, Dept. of Property and Procurement officials revealed that the lessee was woefully behind in payments, and the government had decided not to renew a lease set to expire in December 2020.

At \$3,500 a month, being behind by \$350,000 translates to exactly 100 months. Divide that by 12 and the result is 8 years and three months in past due lease payments owed to the government.

Property and Procurement Commissioner, Anthony Thomas, told lawmakers that while the government had taken the lessee to court in the past, this administration sees opportunity through another route: forgoing a court battle to instead open the property to potential investors in 2021 -- right after the lease expires in December 2020.

"That's one of the most lucrative properties on St. Croix," said Senator Kurt Vialet, chairman of the Finance Committee who during the hearing encouraged P&P to take action. "...They owe us more than \$300,000 and they charge substantial monies for their timeshare units."

The government's plan "is to seek more lucrative opportunities for the property for the people of the Virgin Islands," Mr. Thomas said. He clarified that the property, once the lease expires, will be back out in the market.

"There's a lot of interest in that property and we need to lease that property to somebody that's going to develop it," Mr. Vialet added. "Redevelop the hotel, add rooms, etc. It's prime property. We have to make sure that come December (2020), we're very aggressive in putting that property out and making sure that we're able to develop Hotel on the Cay the way that it should be developed."

New positions at P&P

During a line of questioning from Senator Janelle Sarauw, it was revealed that additional positions were created within P&P, and an existing one filled. P&P added vendor maintenance, creative director, and a chief deputy commissioner of procurement. P&P also filled an existing position called chief coordinator of special services, with Kimberly Rodriquez, the wife of the Bryan administration's deputy chief of staff, Kevin Rodriquez, filling the position. The job's original description assigned the employee to Government House. "But I have since restructured that job to be a person that helps to coordinate for the commissioner's office within the department as a whole," Mr. Thomas said.

Ms. Sarauw pounced: "This is a problem. You're really politicking today and you should because you work for the administration. But we cannot have the wife of the deputy chief of staff reporting to Government House but being paid from your budget.... Let's call a spade a spade here this afternoon. And it might sound personal but it's really not; it's poor governance."

Outstanding rent payments

Property and Procurement officials revealed that the government was owed roughly \$1.25 million in rent: \$900,000 in the St. Thomas-St. John District and \$366,000 in the St. Croix District, with the St. Croix arrears including the Hotel on the Cay debt.

"You know why the government don't have any money? We don't collect," Ms. Sarauw said. "The same thing with the EDA program. We give loans to 'tout moun ansanm ak bagay,'" she added, which means to "everybody and things" in Creole (Haitian, St. Lucian and Dominican Creole). "And then they just owe the government of the Virgin Islands..."

We have to start taking action; take people to court."

Mr. Thomas in his response said P&P has sent out notices to cure to all operations that owe the government. "We've also sent out eviction notices," he made known.

"The issue we have is, regardless to how much money a person owes, you can't walk in court and kick them out without going through a process. So what we did to start the process, we sent them a letter to cure. We gave them a certain date for them to come in and make payment. Once that date was missed, they were sent eviction notices to take the next step. Now once that date is passed, then we're now able to go into the court and make recommendations for these individuals to be removed," the commissioner said.

P&P said it manages 162 business and commercial leases with annual revenue of \$3,254,013.84.

The department is seeking a 2020 budget appropriation of \$11,605,096, which it said includes an operating budget from the general fund of \$3,605,096 for personnel, fringe benefits, and operating expenses. The department's 2020 miscellaneous appropriation request is \$8,000,000 for insurance brokerage services and insurance coverage for property against windstorm, flood, earthquake, "and all other perils."

Feature image of Hotel on the Cay courtesy [Love-Croix](#).