

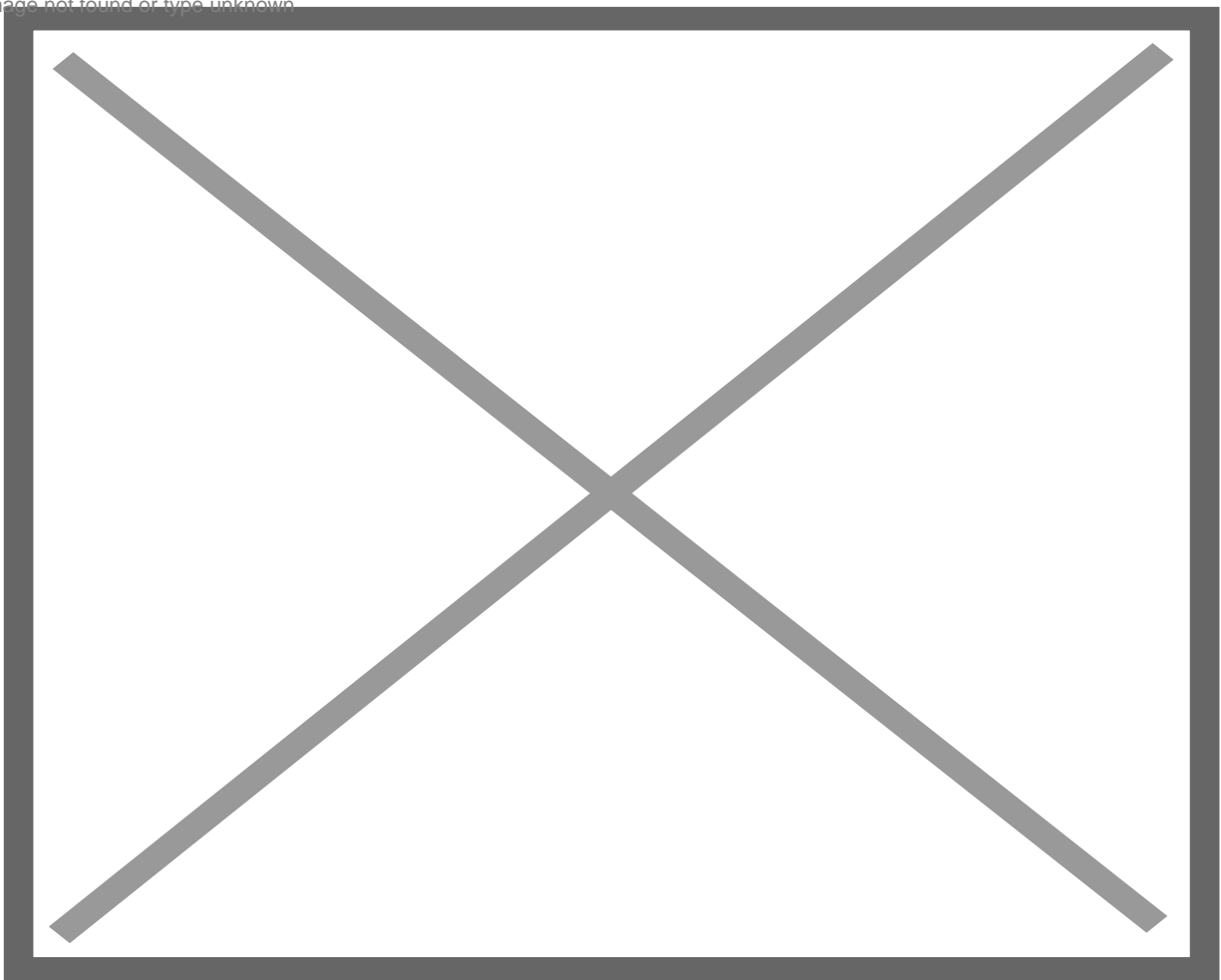
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Bill to Expand Maritime Transshipment Footprint in St. Thomas Moves Forward. The Measure Would Also Greatly Bolster Dept. of Education's Maintenance Fund.

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The Committee on Finance on Thursday a bill that would allow the V.I. Port Authority to acquire former Addelita Cancryn School land and pay a percentage of the profits from its development into the Department of Education's School Maintenance Fund.

Bill No. 34-0074 is a multi-faceted proposal that would allow the Virgin Islands to become a prime transshipment center for the Caribbean while also generating a funding source to the D.O.E. for the maintenance of school campuses, the measure states.

The Senator Donna Frett-Gregory-sponsored measure outlines that in exchange for the property, "the Virgin Islands Port Authority shall pay to the Government of the Virgin Islands 50 percent of the net income derived from the commercial use of the Cancryn Campus," which will then be transferred to D.O.E.

According to the bill, the Dept. of Property and Procurement controls the 13.74 acres of the land. The school building on the land has since been condemned after sustaining damage from Hurricanes Irma and Maria in 2017.

The property is located adjacent to the Crown Bay Sandfill public wharf which is the main marine cargo shipping port in St. Thomas. Proponents argued that the Port Authority's acquisition of the land would allow for expansion and support of the marine cargo shipping port.

Port Authority Executive Director, Carlton Dowe, stated, "According to the 2020 U.S. Bureau of Census Report, the Caribbean ranks as number 8 in the top 10 U.S. trading partners, having received over 47 billion tons of cargo shipments in 2020 alone." He said the report provided "strong indication that cargo transshipment is a critical component of the Virgin Islands economy."

Section 3 of the bill states, "The Virgin Islands Port Authority shall construct a warehouse on the former Cancryn Campus, capable of both dry storage and storage for the school lunch program, consisting of no less than 25,000 square feet and shall include a reasonable parking area, for use by the Department of Education. The construction must be completed no later than eighteen months after the effective date of this Act."

The bill was supported by the Department of Education, Department of Property and Procurement and VIPA.

Mr. Dowe shared two objections to the bill during his testimony. He said the rate of 50 percent net profit to the Dept. of Education should remain at said percentage, as the original bill called for the percentage to climb to 55 percent after twelve years and 60 percent after 17 years. This concern was addressed by amendment 34-287, which calls for a renegotiation after 15 years, though the remittance must never go below 50 percent.

Mr. Dowe also said that it was not possible to develop and construct a warehouse in the 18-month timeline outlined in the bill.

D.O.E. Commissioner Racquel Berry-Benjamin's only request was to increase the square footage of the D.O.E. warehouse from 25,000 to 35,000.

The bill states that the payments would begin 25 months after V.I.P.A. receives the property, which would allow the authority "to recapture the initial capital used to prepare the property for operations before commencing payments."

Mr. Dowe said a similar expansion of marine footprint on St. Croix is "also envisioned," and that VIPA has been working on receiving grants to secure \$40 million for the modernization and redevelopment of the Alfred "Bomba" Allick Containerport.