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Abrupt Recess Called at VIPA Board Meeting Following Aggressive Exchange; Board Approves Payment Plan for Seaborne/Silver Airways, Other Items

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Linda Straker **January 20, 2022**

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A question raised by former senator and current V.I. Port Authority board member Celestino White about the eligibility of Leona Smith to serve on the VIPA board not only resulted in a heated debate, but also an abrupt recess.

Mr. White's contention, raised during the authority's first meeting for 2022, centered on the fact that Ms. Smith, who represents the private sector, was now employed in the public sector. Not clear about the legal position, VIPA legal counsel Catherine Hendry said she would have to seek further clarity. However, Mr. White and another board member had an aggressive exchange of

words that resulted in the abrupt recess which lasted for more than 15 minutes.

Before going into executive session, board members were told by Ms. Hendry that Ms. Smith is eligible to serve as a board member. She explained that Ms. Smith, who was absent from the meeting, was in full compliance with the law establishing the board, however she would not be able to receive compensation because of her public service position.

Other actions

During the meeting, chaired by Bryan administration Deputy Chief of Staff Kevin Rodriguez, members authorized and approved several agreements. The board's Finance Committee authorized VIPA Executive Director Carlton Dowe to allow Silver Airways LLC/Seaborne Airlines to settle arrears in the amount of \$474,639.20 by entering a 12- month payment plan starting February 20, 2022, through February 20, 2023.

Under the plan, there will be a down payment of \$250,000 on or before Jan. 20, 2022, and the remaining amount of \$199,296.79 will be paid in monthly payments of \$16,608.05 by the 20th of each month until arrears are paid.

The plan further provides for 50 percent of the late fees and interest to be deducted if full payment of the arrears is made on time within 12 months at 0 percent interest. If the tenant is late with its payment, a 1.5 percent late fee will be imposed.

The Property Committee approved a new lease for Caribbean Crafted LLC for 252 sq. ft. of air-conditioned space in the Cyril E. King Airport Terminal Mainland Baggage Claim area to provide Grab and Go Leatherback Brewing, Mutiny Island Vodka, and Tres Clavos products, merchandising sales, and brand marketing.

The lease term will be three years, with a two-year option at a rental rate of \$17,640 per annum. A 3.5 percent gross receipts fee on annual sales will be initiated on the first anniversary of the lease.

The board also approved a new lease for G&S Auto Rental to lease 30 parking spaces for a rental car operation, and 104 sq. ft. of office space at #1 Enighed Pond, St. John. No washing or repairs of vehicles will be allowed, and utilities will be the responsibility of the tenant. The rental rate will be \$32,760 per annum for the parking spaces and \$6,000 per annum for the office space. A 7 percent gross receipt fee on sales will be implemented on the first anniversary of the lease.

Members also approved a request to assign the agreement between VIPA and Avis Rent-a-Car at the Henry E. Rohlsen Airport and the Cyril E. King Airport to International Rental & Leasing Corporation of St. Thomas, VI. Avis is going out of business in the Virgin Islands.

Under the Projects & Operations Committee, a contract of \$393,277 was awarded to Above and Below Marine Services LLC to provide and install marine-grade rubber fenders along the Charlotte Amalie Harbor's waterfront apron to complete the final phase of this project. The funding source is PFA Funding Act No. 8454 or Bill No. 34-0036.

Other action taken at the board meeting was the approval of three change orders to the existing contract between VIPA and Rumina Construction for work currently being done to repair the commercial apron at the Cyril E. King Airport on St. Thomas. This project is expected to be completed in March 2022.

VIPA is an autonomous agency that owns and manages the two airports and the majority of the public seaports. It is also charged with maintaining the harbors in the territory. V.I. law stipulates

that VIPA must make its properties available to the public so that the populace may reap the benefits of these facilities.

VIPA derives its operating revenues from user fees and rental fees charges to users of its airport and marine facilities on St. Thomas, St. Croix, and St. John.

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