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V.I. Government Spends More Than \$9 Million Annually in Rent; Property and Procurement Taking Steps to Change That

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Dept. of Labor on St. Croix. In 2015, Labor officials revealed to the Senate that the department's St. Croix arm was locked into a 20-year lease with the owner of the facility for \$322,000 annually. By. ERNICE GILBERT/VI CONSORTIUM

The Government of the Virgin Islands spends upwards \$9 million annually for the vast number of buildings it rents across the territory. The figure is staggering, but over the years, administration after administration, instead of building government-owned facilities that could house a variety of government offices, have instead chosen to utilize buildings belonging to private owners — at the expense of taxpayers.

Take for example the Dept. of Labor on St. Croix. D.O.L. officials in 2015 [revealed to the Senate](#) that the department's St. Croix arm was locked into a 20-year lease with the owner for \$322,000 annually.

But according to Property and Procurement Commissioner Anthony Thomas, who started the job last year, this current administration is working on reducing the annual cost. The commissioner revealed the figure to the Consortium during an interview Tuesday night where he spoke about the myriad of positive changes coming to P&P that would first ascertain that every last cent of the billions of federal dollars slated to be spent in the territory will indeed be exhausted. This will be accomplished, he said, because the administration through P&P is putting in place the right set of levers for accountability and training. And Governor Albert Bryan's vision of a government that is up to date with 21st century norms — i.e., the digitization of many of the government's operations — will also signal to the federal government that the territory is serious about accountability, and has the capacity to manage the vast sums already allocated to be spent here.

"Right now we're spending in excess of \$9 million a year in rent," Mr. Anthony said. He said that while the number of private facilities being rented by the government went up following Hurricanes Irma and Maria, there was never any funding in place to repair or tear down and rebuild government facilities that had done their time.

"Whatever the reason is, there was no dedicated funding but we're beginning to change that and the Legislature, the administration — we're all working together to find solutions because the truth is most of the mechanical things we have, it has a lifecycle, and this is procurement, right? It has a lifecycle. So when you build it, there has to be a plan to tear it down and build something new. But this thinking, it's a paradigm shift in the way we operate the government. We have to come to a place where we understand that whatever is new comes old and it has to be rebuilt. So you have to put provisions in place to do that. It wasn't done for whatever the reason is, but we're working to rectify that, and this transformational change that we're going through, we're going to make it possible to be followed. We're working to reduce that cost tremendously."

P&P is currently working on expanding the amount of details relative to contracts and other public information provided. Currently, anyone can go to the P&P website and see contracts. "Our new structure that we're doing is going to show the ability for vendors when a contract is coming in the next year. Not only that contracts have been executed, but what is coming up. We're also going to be able to start showcasing our properties. So you will be able to come online and see the government's properties. We're going to be able to do so many different things using technology. And what is so amazing is that in the 21st century, when you work with manual processes it is a more expensive proposition. So to transition into a digitized system reduces cost, and we need to find ways to reduce cost. So we're on the right track and I believe that the people are going to be very satisfied," Mr. Thomas said.

The commissioner spoke about partnering with entrepreneurs — both seasoned and budding — to help them start business operations in the territory that would see both the business and government benefiting. Specifically, Mr. Thomas was referring to the government's major — but mostly unknown — business of leasing property to individuals to start or expand businesses.

"We're looking for young, enthusiastic entrepreneurs" — and those not so young — with great business ideas and business plans "that need a partner, and we the people of the Virgin Islands are willing to partner with you," Mr. Thomas said, referring to P&P's leasing program. He said the government leases property to businesspeople to develop their businesses and business models. "And it works very well, and you'd be surprised of some of the businesses that actually lease

from the government," he said.

There will be more stories from the interview, which can be viewed [here](#).

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