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V.I. Port Authority Breaks Car Rental Monopoly at Cyril E. King Airport

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Avis, Budget and Hertz at the Cyril E. King Airport in St. Thomas. By. ERNICE GILBERT, V.I. CONSORTIUM

A break in the car rental quasi-monopoly at the Cyril E. King airport is coming soon, after the Virgin Islands Port Authority approved the renegotiation of leases for the existing three rental desks to clear the way for the addition of two new vehicle rental concessions.

At a board meeting on Wednesday , VIPA board members discussed the length of the proposed leases, the space allocation given to each agency, and the location of the new rental desks. The board considered seven-year leases for the existing concessions, with a seven-year renewal option for the Budget, Hertz and Avis car rental agencies. The new leases would be non-exclusive,

meaning that the two new proposed concessionaires, Centerline Car Rental and Premium Car Rental, would be cleared to operate, with desks proposed at Gate 11.

This would allay board members' concerns about the near monopoly currently being enjoyed. Two of the existing agency franchises are owned by a company controlled by one individual, while the third franchise is owned by a company belonging to the brother of the first person.

The generous seven-year lease terms were proposed based on a previous commitment the three companies made to contribute towards local matching funds for a grant obtained to build a parking garage. Collectively, they contributed approximately \$3.8 million between 2013 and 2023, and had sought reassurances that they would be able to benefit from the new transportation center upon completion.

Board members outlined major concerns about the 173 allocated parking spaces for the three existing car rental tenants, especially as all of them were proposed for the first floor of the parking garage. "I think that there is room for the Port Authority to be more open to allocating spaces to deal with people with disabilities," said board member Joseph Boschulte, commissioner of the Department of Tourism. Other board members also expressed concern that the allocation of the parking spaces may run afoul of accessibility requirements mandated by the Americans with Disabilities Act.

Preston Byer, VIPA's director of engineering, clarified that the design of the new parking garage had allocated the ground floor solely for taxi and rental car operations, with public access starting from the second floor. Despite this, some board members still emphasized the need for ADA-compliant spaces and fair public access on the first floor. A committee meeting was requested to further discuss the issue of parking space allocation.

When it came to the new concessionaires, the board was reminded that they approved the new leases on January 18. There was still no firm date for when Centerline Car Rental and Premium Car Rental will begin operations at the airport, but further discussions are expected with both entities on July 28.

The discussion ended with a motion that passed to authorize the executive director to negotiate and enter into a new non-exclusive concession agreement for three car rental concessionaires – Budget, Hertz, and Avis – at the airport for a seven-year term with a seven-year option. Attorney General Ariel Smith was the only board member present who voted no on the motion.