

## LEASE AGREEMENTS, THE V.I. TIMESHARE ACT AND OTHERS MOVED FORWARD

**Date :** November 20, 2019

St. Thomas- Members of the Committee on Finance chaired by Sen. Kurt Vialet, convened in a meeting at the Capitol Building on Tuesday and voted favorably for bills relating to lease agreements, the St. Thomas Capital Improvement Fund, and the Virgin Islands Timeshare Act. However, senators voted to hold in committee at the call of the Chair bills regarding the Virgin Islands Government Prompt Payment Act and the appropriation of funds to the Department of Human Services. All approved items will be forwarded to the Committee on Rules and Judiciary for further consideration.

The two lease agreements are Bill No.

33-0208- An Act approving the Lease Agreement between the Government of the Virgin Islands and Panyard People, Inc. for Parcel No. 92 Remainder Submarine Base, No. 6 Southside Quarter, St. Thomas, Virgin Islands; and Bill No.

33-0212- An Act approving the Lease Agreement between the Government of the Virgin Islands and Universal Concrete, LLC for Parcel No. 149B Submarine Base, No. 6 Southside Quarter, St. Thomas, U.S. Virgin Islands. "Currently, the concrete business is a monopoly on St. Thomas. The lease agreement establishes competition. Secondly, the Panyard People Inc. is a non-profit organization that strives toward preserving our culture and heritage through Steel Pan music," said Sen. Vialet, Sponsor of Bill No-33-0208.

The rent payable under both leases is slated for annual adjustments, including any renewal term in accordance with the increase of Consumer Price Index as established by the U.S. Department of Labor, Bureau of Labor Statistics; according to Vincent Richards, Deputy Commissioner of Property & Printing Department of Property and Procurement (DPP) who testified on behalf of DPP Commissioner Anthony Thomas. Furthermore, Richards noted that the annual rent for Panyard People, Inc. totals \$1200 with monthly installments of \$100 per month for ten years. The purpose of the lease agreement is to repurpose the property to a facility used to educate and train

the youths on Steep Pan. The annual rent for Universal Concrete, LLC totals \$72,000 or \$6,000 per month for twenty years. Operating a concrete company, a concrete plant, and storage units are some of the potential uses of the property.

Additionally, senators also considered Bill No. 33-0218-An Act amending Title 28 of the Virgin Islands Code by adding a new chapter 36 creating the Virgin Islands Timeshare Act. Sponsor of the bill, Sen. Violet said, "This bill addresses a long-standing problem in the Territory as it pertains to Timeshare. There are 27,000 owners of timeshare units in which property tax invoices should be disseminated. Presently, there is a large default of timeshare owners who have not been paying their taxes to the Government of the Virgin Islands (GVI)." George Dudley, Esq. Partner of Dudley Newman Feurzeig, LLP representing the American Resort Development Association added that the bill provides a mechanism by which defaulted timeshare developers, unit owners, and management are removed; while abandoned timeshare units are placed back on the market. Moreover, Ann Cecile O'Neill, Esq. District Counsel for the Department of Department of Licensing and Consumer Affairs recommended that the bill requires amendments because it does not provide for the regulation of the Timeshare Industry by GVI.

Although the above measures were approved, policymakers voted to hold in committee: Bill No. 33-0096- An Act repealing Title 33, chapter 115, subchapter IV of the Virgin Islands Code and replacing it with a new subchapter IV creating the Virgin Islands Government Prompt Payment Act. The measure seeks to provide details for timely payment for non-construction services, outline details and guidelines for mandatory interest for late-payments and establishes a public bid disclosure procedure. Sponsor of the bill, Sen. Allison DeGazon indicated that the bill repeals the existing generic payment process and replaces it with a comprehensive method." However, Jenifer O'Neal, Director of the Office of Management and Budget mentioned that she does not support the measure due to the lack of penalties for Departments in violation which should include deducting interest paid from the funds appropriated for the Department's fiscal year operating expenses.

Comparatively,  
senators voted to hold in committee: Bill No. 33-0209- An Act appropriating funds from the Senior Citizens Center Revolving Fund to the Department of Human Services for the general upkeep of senior centers throughout the Territory since the funds were not available to do so. On the contrary, policymakers voted and approved: Bill No. 33-0093- An Act amending Title 33, chapter 111 of the Virgin Islands Code by adding a new section 3057a establishing the St. Thomas Capital Improvement Fund. **###**