



# VIRGIN ISLANDS PORT AUTHORITY

St. CROIX • St. THOMAS • St. JOHN      UNITED STATES VIRGIN ISLANDS  
GATEWAYS TO THE U.S. VIRGIN ISLANDS' ECONOMY

## NEWS RELEASE

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### **VIPA'S BOARD APPROVED FISCAL YEAR 2020 BUDGET**

The Virgin Islands Port Authority's Board of Governors approved its Fiscal Year 2020 budget that includes funding for several key capital improvement projects for the U.S. Virgin Islands' air and seaports. The \$175.3 million FY 2020 budget was approved during the executive session of today's board meeting and is a 47% increase from the \$108.3 million budget approved for FY 2019. It anticipates operating expenses (excluding depreciation) of \$56.7 million, a debt service cost of \$4.6 million, property transfers of - \$382,000 and capital expenditures of \$114 million. The outlays are funded via \$62.7 million from current revenues via operating fees and charges, \$121,000 from renewal and replacement reserves, \$6.6 million from passenger facility charges, \$300,000 from car rental facility charges, \$83.3 million from capital grants, \$8.8 million from cash on hand, \$500,000 from Public Finance Authority grants, \$7.6 million from debt-funded marine revenue bonds and other revenue sources.

The FY 2020 budget has an intensive capital improvement program that includes funding for major port infrastructure developments including the expansion of the CEKA General Aviation Apron and building a third taxiway bridge; repairs to the apron at gate five of the CEKA Terminal; construction of a multi-level, 700-space Parking Garage and Transportation Center at CEKA; the expansion of the HERA Terminal's domestic waiting area; building a new U.S. Customs and Border Protection Facility in Red Hook; new restrooms at the Loredon Boynes Dock in St. John; performing major dredging in Crown Bay and the Charlotte Amalie Harbor; and other port development projects. VIPA has also funded the dredging of the Schooner Bay Channel in Gallows Bay, pending the approval of VIPA's permit by the U.S. Army Corps of Engineers.

VIPA projects an increase in aviation revenues for its upcoming fiscal year due to increased aviation rates that went into effect in January 2019. The budget reflects an estimate of 840,000 visitors to the territory in FY 2020 via the airports. Although VIPA recently increased pilotage, dockage and wharfage fees, the agency anticipates a 3% reduction in marine revenues in FY 2020 due to a decrease in cruise passengers territory-wide. VIPA expects to receive about 1.8 million cruise passengers in FY 2019. However, based on published cruise schedules, VIPA only expects about 1.4 million cruise

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passengers in FY 2020. VIPA's operating expenses will increase by 27% as a result of negotiated salary increases for administrative and unionized support personnel; increased maintenance costs largely attributed to issues related to the CEKA and HERA terminals; and increases in materials, supplies and utility costs associated with the hurricane-damage restoration of its port facilities. According to VIPA's enabling statute, the Authority is expected to be self-sustaining and does not receive an annual allotment from the Government of the Virgin Islands. The agency generates revenues by charging fees for the use of its facilities and services provided. VIPA's fiscal year begins October 1 and ends September 30.

The Board also awarded AT Construction, LLC a \$12,176,244 contract to build a new cargo terminal at the Gordon A. Finch Molasses Pier at Krause Lagoon St. Croix, and a \$9,622,711 contract to build a new roll-on/roll-off ramp at this facility. The contracts were awarded via a competitive bidding process. Both projects are funded via the BUILD Grant program (Better Utilizing Investments to Leverage Development or BUILD Transportation Discretionary Grant program). This is the first time that this federal funding was received in this region. The BUILD Grant was formerly the TIGER Grant program (Transportation Investment Generating Economic Recovery Grant program).

VIPA's Board also took the following actions at today's meeting:

- Authorized staff to extend BDO USA, LLP's contract for audit services for two years to include audit services for FY 2019 and FY 2020 at a cost of \$230,300 per year.
- Approved a negotiated settlement agreement with Limetree Bay Terminals, LLC in the amount of \$1.05 million for accrued demurrage and security charges associated with equipment stored at the Gordon A. Finch Molasses Pier.
- Authorized the Executive Director to negotiate and enter into a three-month contract with Hanson Professional Services, Inc. to provide airport operations management services as required by the Federal Aviation Administration to obtain CFR Part 139 compliance at CEKA and provide training for the HERA staff.
- Approved a three-year lease for Activities Information Center, Inc. at the UVF Terminal to conduct marketing and advertising via digital medium at a rate of \$9,000 per annum.
- Approved the renewal of DHL's lease for space at the former HERA Airpark for non-exclusive cargo and warehousing activities to conduct express courier services at a rate of \$31,704.33 per annum.
- Approved a three-year lease for Priority RoRo Services for 36,000 square feet of land at the Wilfred "Bomba" Allick Port and Transshipment Center to stage trailers and other equipment at a rate of \$30,600 per year.
- Awarded a five-year extension of the maintenance contract with G4S in the amount of \$682,777.86 for both the CEKA and HERA's access control system.

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- Approved Task Order #16 for VIPA's marine consultant, Moffat and Nichol, in the amount not to exceed \$185,000 to develop construction documents, technical specifications and a cost estimate relating to Total Fuel Farm's shoreline stabilization design.
- Awarded a contract not to exceed \$192,798 to Quantum Vision Construction, LLC to repair the access road at the Wilfred "Bomba" Allick Port and Transshipment Center (Containerport) on St. Croix.
- Approved Lemartec Task Order #76 in the amount of \$253,649 to provide all labor and materials for the interior finishes of the HERA Air Traffic Control Tower.
- Approved Lemartec Change Order #010 in the amount of \$188,250 to replace all the corroded internal roof gutters and downspouts at the CEKA Terminal. This project was not included in the original scope of work in Lemartec's contract.
- Awarded a \$135,00 contract to SSVI Expert and Excavation and Builders, LLC to cut and clean the north gutter of the CEKA runway. The contract includes the removal and legal disposal of all vegetation and the installation of a weed barrier.
- Approved the expenditure of \$420,015 to Subbase Dry Dock to overhaul the Claude Berry II Pilot Boat that services vessels in the St. Croix district.
- Authorized the Executive Director to continue negotiations to acquire the former Addelita Cancryn Junior High School property on St. Thomas.

In addition to approving the agency's FY 2020 budget, the board also took the following actions in executive session:

- Voted to make it mandatory that VIPA's legal counsel be present during the Board's executive sessions.
- Voted for VIPA's Board to retain its own legal counsel.
- Approved the Airport Operations Manager position.
- Approved the title change of the FY 2020 budgeted position of Airport Operations Technician to Airport Operations Officer
- Approved the revised VIPA Donated Leave Program.
- Tabled the Budget Rent-a-Car lease assignment.

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*The Virgin Islands Port Authority (VIPA) is an autonomous, self-sustaining government agency established in 1969 as the owner and manager of the United States Virgin Island's airports and seaports. VIPA owns and manages 14 seaports, two airports, and surrounding properties. It is a critical arm of the USVI's economy that facilitates travel and commerce and fosters tourism and economic growth via its port activities. VIPA's mandate is to develop and maintain the ports of the USVI to accommodate the current and future demands of our users, and to provide safe port facilities. Follow us on [Facebook](#) or [Twitter](#).*