



Department of Property & Procurement

Government of the United States Virgin Islands

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June 2, 2021

AMENDMENT #2 RFP-027-T-2021 (P) Lease and Development of Parcel No.
100-1 Estate Nazareth Red Hook Quarter on St. Thomas, US Virgin Islands

INSERT: *Questions and Answers*

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

BIDDERS MUST ACKNOWLEDGE RECEIPT OF THIS AMENDMENT WITH THEIR
BID PROPOSAL.

Questions and Answers:

Question 1: Submerged Land and dock: Will the rent or fee for this portion of the property be included in the rent to be submitted in response to the RFP?

Response: No. All submerged land leases are negotiated with DPNR separately.

Question 2: CZM Permit: Is the lease subject to approval of a CZM permit?

Response: Yes, all regulatory local and federal permits to include CZM permitting is required.

Question 3: Will rent begin subsequent to CZM approval?

Response: This is subject to lease negotiations.

Question 4: Would the approval required by the Governor and the Legislature of the Virgin Islands also include CZM approval for development and proposed improvements?

Response: No. These are separate processes conducted independently by the Administration and the Legislature, and the CZM Board.

Question 5: The RFP states that the land portion of the property consists of approximately 0.29 acres. The map provided in the RFP includes two apparent boundaries, the “Edge of Tamron” and the “Edge of Mangrove.” Do you know the total acreage of the land that can be developed?

Response: This is currently unknown based on shoreline changes attributed to nature. Respondents are free to take their own measurements to determine the acreage to be developed.

Question 6: Can the existing improvements, including the buildings and excluding the dock, be demolished?

Response: Yes, the developer is free to demolish the existing structure.

Question 7: The RFP does not appear to have a section indicating how or where the financial portions of the offer are to be submitted. Can or should the offer include the following, and in what format?

- a. Base or initial lease term;
- b. Annual base rent;
- c. Number of options and option terms requested to renew or extend the lease;

- d. Construction period rent (is this after CZM approval?);
- e. Amount of Insurance to be carried; see response below

Response: The RFP section **J. CONTENTS OF PROPOSAL** has been amended to include:

10. Economic Return to the Government

Proposals should include a minimum base monthly rental rate, with or without a Percentage Rent proposal and a percentage annual rental increase. After selecting a Respondent for Exclusive Negotiations, the GVI intends to negotiate a base rent based on the underlying land value. A higher base rent may be justified by specific locational advantages provided by this lease opportunity, such as proximity to market (or source) that adds value for a proposed business opportunity. The Government will consider, but is not obligated to accept, proposals for rent credits for major capital improvements to its facilities.

a. Base Rent

b. Annual Rental Increase

c. Permitting & Construction Rent

d. Renewal Options

11. GVI Lease Application

Please refer to GVI Lease Template regarding insurance requirements. For clarification, a minimum of 80% of the development's value must be covered by insurance, as well as no less than \$1 million dollars for general liability insurance, and a minimum of \$1 million of environmental insurance for applicable operations.