

Port Authority seeks partnership for development, maintenance of V.I. airports

By ANDREA MILAM St. John Correspondent 5 hrs ago



A young traveler enters the departure checkpoint at King Airport on St. Thomas.

ST. JOHN — Lacking the capital needed to modernize the territory's airports, the Virgin Islands Port Authority is turning to a public-private partnership to get the job done, officials announced at a series of meetings on all three islands.

After fielding responses to a request for qualifications issued by VIPA in December, the agency's governing board has narrowed down the field to four candidates that will now be presented with a request for proposals. Those candidates — daa International, Vantage Airport Group Ltd., Vinci Airports, and VIports Partners (a conglomerate made up of Aecon, Tikehau Star Infra, and Avports) — have experience managing airports around the world, from Dublin to New York's JFK airport, from Santo Domingo to Bermuda.

Dowe carefully explained that VIPA's public private partnership model does not involve privatization.

“Ownership of the airport will remain with the Port Authority, and by extension, the government of the Virgin Islands,” said Dowe at a public meeting Friday evening on St. John Friday. “The asset is not being turned over in terms of ownership of the airport. I want to make that abundantly clear. We are talking about having a company that would operate, manage, bring resources, and modernize the airport. The Port Authority will continue holding the FAA Airport Certification — that is not being transferred to a private entity. FAA entitled funds and grants will still come to the Port Authority.”

Similar meetings were held on St. Thomas and St. Croix.

According to Dowe, the approach is different from the modernization of San Juan’s Luis Muñoz Marín International Airport, in which the Puerto Rico Ports Authority transferred its Part 139 Airport Certification to leaseholder Aerostar Airport Holdings. The public private partnership model intended for the airports is already in operation at some VIPA sites, including Crown Bay, where the Port Authority owns the bulkhead and leases out the property to shipping companies like Crowley and Tropical Shipping, Dowe explained.

“They don’t own the property, but they operate there for an extended period of time,” said Dowe. “VIPA has not yet decided on the duration or investment required from the interested parties. The RFP is scheduled to be issued this month, with approval of the preferred proposer expected to happen at a February 2024 VIPA board meeting.

VIPA has involved several community partners and communications channels throughout the search for an airport modernization partner, Dowe said.

“Nobody can deny the level we’ve gone to make sure we keep this thing straight up in the public’s eyes,” said Dowe. “No holding back, no secrets, nothing. We will continue to be extremely and overly transparent from the beginning to the end of this process regardless of where it might lead us.”

VIPA officials have met with local partners including Gov. Albert Bryan Jr., who “fully supported” the public private partnership, said Dowe, along with members of the V.I. Legislature, V.I. Delegate to Congress Stacey Plaskett, and representatives from the USVI Economic

Development Authority; federal partners including the FAA, TSA, and Customs and Border Protection; all VIPA employees, management team, and aviation unions; and airline partners, aviation tenants, and local tourism and business groups.

"This project has nothing to do with trying to downsize or get rid of anyone," Dowe said. "This is bigger than that. It's about the livelihood, future, and growth of the Virgin Islands."

In addition to bringing modern amenities like jet bridges, admirals clubs, and restaurants to the King and Rohlsen airports, the leaseholder will be tasked with addressing facilities whose use has far outgrown expectations.

"When the King Airport was designed to accommodate more than 30 years into the future, that was for about 300,000 passengers," said Dowe. "Today, we are seeing 800,000 people passing through a footprint designed to accommodate 300,000. With that comes a series of challenges and headaches. It's not about if we want to do something; we've got to do something about it, because the experience travelers have will say a lot about whether they want to come here again."

"Under the public-private partnership, the entire airport would be leased from VIPA. The leaseholder would then become the landlord for all airport-based businesses. Income from these leases represents a major draw for companies that bid on the modernization partnership, according to Dowe.

"They make money based on renting out space and selling stuff at the airport," he said. "The private sector has the capacity to go after a lot of money that we can't go after. This is not their first rodeo, thus they have relationships established so they have the capacity to bring more airlift here."

There is not much room for the airport to expand outward, said Dowe, but the entire second floor of the St. Thomas airport is nearly empty following the Department of Planning and Natural Resources' move out of the second floor due to hurricanes Irma and Maria.

"There's only so much expansion we can do; part of our plan calls to go out just a little bit, but it'll be going up," he said. "We have preliminary

designs we've done over the years. Throughout this entire process, the Port Authority board still has to give authorization for anything."

To learn more about VIPA's public private partnership airport modernization project, visit www.vipaairportsp3.com.