

Selective Enforcement”: Senators Criticize Procurement Over High Rent in WSTA Lease Proposal

Lawmakers voted to hold a 20-year lease agreement for WSTA Radio, objecting to the \$30K annual rent and \$90K transfer clause. Senators said the Department of Property and Procurement applies stricter terms to some while allowing favorable deals for others

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Peter Ottley. By. V.I. LEGISLATURE.

A new lease agreement between the Government of the Virgin Islands and PEO Productions, LLC d/b/a WSTA Radio for several portions of property in the Sub Base area of St. Thomas was held in the Committee on Budget, Appropriations, and Finance on Friday. Lawmakers argued that the rental fee for the property was too high.

Details of Bill 36-0089 were provided by Department of Property & Procurement Assistant Commissioner Vincent Richard. The twenty-year lease comes at an annual rental cost of \$30,000, payable in monthly installments of \$2,500. Additionally, Mr. Richard explained that “in the event PEO assigns or transfers this lease agreement to another entity, the assignee shall pay the Department of Property and Procurement an annual rent of \$90,000.”

“The property that the lessee is on is a very valuable piece of property. There's going to be significant investments around and in the Sub-Base area,” Mr. Richards explained. He stated that the GVI has “been supportive of this organization, has made a lot of concessions to this organization, and will continue to.” If the local family that owns WSTA decides to sell the business, DPP wants to ensure it receives “fair value for the asset.”

WSTA Radio houses the local communication network site for the Federal Emergency Management Agency, and can broadcast during prolonged weather emergencies and power outages. Peter Ottley, WSTA’s president, told lawmakers that he simply wants to continue providing services to the public through on-air programming. According to Mr. Ottley, “the regular rent is actually \$1,098 or something like that.”

“I respect the contribution you do on behalf of our community,” said Senator Marvin Blyden. He, too, thought that the clauses relating to rent should be amended. “We cannot negotiate, but at the same time we can facilitate and assist.”

“I’m a little concerned because I see leases coming before here for peanuts, and now you have WSTA \$2,500 a month,” Senator Ray Fonseca observed.

“That was my protest,” said Mr. Ottely. “It’s not that we can’t do it, but I say, if you do it, push it back six years,” he pleaded, explaining that the business is going through a “transition” and is paying off exorbitant bills. “They insist that’s what they want,” he said of the Department of Property and Procurement.

“You need to tear up that lease you have and ask them to renegotiate,” demanded Senator Dwayne DeGraff. “\$30,000 a year? You gotta be insane. I don’t think we should move this lease forward. We should hold it in committee,” he added.

Senator Kurt Vialet was equally worried by the clause that would triple the rent if the business is ever sold. “It’s very strange to see that clause in there when it has not been used before.” He accused DPP of being selective. “I wish you would put the same protection for all the lease agreements that come here.” Vialet said that the department would often claim inability to act when asked by the Legislature. “But now all of a sudden they’re the greatest protection... Let we make a little change to the 99-year lease. Oh, no. Can’t do it. Don’t touch it,” he vented, referencing the recent [long-term lease granted](#) for the establishment of a museum, while holding the “homegrown radio station” “with a gun to the head.”

Despite Mr. Richard’s response that the Department continues to extend goodwill to WSTA and that “tens of thousands of dollars” have been invested in the property by the federal government, lawmakers unanimously voted to hold the bill in the committee, presumably in the hopes that the radio station will ultimately be allowed to pay the government less in rent.