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## Port Authority Surpasses Expectations With \$5.3M Profit, Approves Security and Runway Upgrades

With a \$7M gain from its marine division and a smaller-than-expected \$2.3M aviation loss, VIPA posted \$5.3M in profits. Officials flagged an 8% cargo decline and discussed tariff impacts as the board advanced airport maintenance and security projects.

USVI Ports HUB / **Published On August 21, 2025 05:39 AM /**

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Three American Airline jets at the Cyril E. King Airport on Feb. 2, 2021. The USVI has seen strong travel demand during the pandemic, say tourism officials. By. ERNICE GILBERT, V.I. CONSORTIUM.

The Virgin Islands Port Authority reported continued strong financial results for the first half of 2025, with its June 30 financial report showing an operating profit of \$5.3 million, well above

both last year's performance and this year's projections.

During Tuesday's meeting of VIPA's Governing Board, Chief Financial Officer Ava Penn presented the agency's financial update, which is calculated on an accrual basis. She noted that the \$5.3 million profit compared favorably with the \$816,000 operating profit recorded during the same period last year. It also far exceeded expectations, as VIPA officials had projected an overall loss of \$1.1 million for the period.

Breaking down the results by division, Ms. Penn reported that the aviation sector ended the period with an operating loss of \$2.3 million. While in the red, the division still performed significantly better than forecast, which had anticipated a much larger loss of \$6.6 million. The marine sector once again proved to be the strongest performer, posting an operating gain of \$7 million, beating expectations by \$3.7 million.

Board member Derek Gabriel, who also serves as Commissioner of the Department of Public Works, highlighted an 8 percent decline in cargo revenues. Ms. Penn attributed the shortfall to a reduction in calls, though marine division officials said they could not point to a single clear cause. VIPA Executive Director Carlton Dowe suggested that broader economic conditions may be a factor. "So goes overall the economy, so goes the cargo movement," he said. "It's not just one item that's driving any of this." He added that he expects the slowdown to be temporary, especially as several large projects are set to begin across the territory.

Ms. Penn also noted that an upcoming change in VIPA's tariffs may be influencing cargo revenues. Mr. Gabriel indicated that a more detailed discussion on the matter would be taken up in executive session.

In addition to the financial report, board members approved several infrastructure and maintenance projects. These included the installation of new security fencing around the site of the former Beachcomber Hotel, which is currently being demolished. VIPA Director of Engineering Preston Byer explained that the existing fencing is severely damaged, leaving the property vulnerable. The board approved up to \$89,000 for contractors DCM Corporation to install a new perimeter fence, which Mr. Byer described as critical for operational security.

The board also approved two contracts for runway and taxiway maintenance. At Cyril E. King Airport, a \$460,740.75 contract was awarded to Highland Airfield Services for rubber removal and cleaning services. For Henry E. Rohlsen Airport, a \$995,728.51 contract was awarded to Virgin Islands Paving for rubber removal and restriping.