



**Virgin Islands Legislature
Committee on Budget, Appropriations, and Finance
Honorable Senator Novelle E. Francis, Chairperson
Wednesday, August 12, 2026**

**Testimony of
Darryl A. Smalls, P.E.
Executive Director
Territorial Hospital Redevelopment Team
Virgin Islands Government Hospital and Health Facilities Corporation**

Good morning Honorable Senator Novelle E. Francis, Chairman of the Committee on Budget, Appropriations and Finance, of the 36th Legislature and other Honorable Senators of the Committee, other Honorable Senators of the 36th Legislature, Senate Staff, fellow hospital testifiers, and the listening and viewing audience. My name is Darryl A. Smalls, Executive Director of Facilities & Capital Development for the Territorial Hospital Redevelopment Team (THRT).

As the Executive Director of the THRT, on behalf of Chief Executive Officer Darlene A. Baptiste, my Team and I have continued to manage and oversee the planning, programmatic design, final design, bidding, project management, construction, procurement and close out for the redevelopment of our Territorial Health Facilities to include the Juan F. Luis Hospital (JFLH), the Roy L. Schneider Hospital (RLSH), the Charlotte Kimelman Cancer Institute (CKCI), and the Myrah Keating Smith Community Health Center (MKSCHC). Equally important, we have been actively engaged in several enabling projects that are essential to the redevelopment of the four facilities.

I thank you for this opportunity to join Chief Executive Officer, Darlene A. Baptiste, and the Executive Leadership Team of the Governor Juan F. Luis Hospital as a part of their Fiscal Year 27 Budget Presentation to share testimony this morning as it pertains specifically to the status of the reconstruction of JFLH and the various enabling projects which are essential to the eventual demolition and reconstruction. These projects include Cassava Gardens, 5-Acre Development, and Interim Dialysis.

With respect to the Governor Juan F. Luis Hospital (JFLH), through the Office of Disaster Recovery and as a part of the "project bundling," Suffolk has been contracted as the Construction Management at Risk or CMAR. The CMAR Construction Delivery Method has been forwarded, consistent with other major Healthcare project solicitations in the Territory. The THRT along with the Leadership of JFLH and the Architect of Record, FLAD, and Suffolk have been actively engaged in rightsizing, or Optimization efforts, for the new Governor Juan F. Luis Hospital. This effort has become necessary with the onboarding of Suffolk, as the previously completed programming and design efforts which culminated with final design plans and specifications more

than two years ago, must undergo redesign. With the various challenges currently being experienced in the Territory with respect to labor, housing, shipping, and global market conditions, the estimated costs to realistically construct the hospital as previously designed have changed. Regardless of the final decisions that will be derived through these collaborative efforts, there can be no compromising on the quality, code requirements and most importantly, the ability to deliver quality healthcare in a resilient facility to the residents of St. Croix.

One silver lining to report despite ongoing challenges, is that last week Wednesday, August 5, 2026, we finally received the Finding of No Significant Impacts, or FONSI, which I must admit was a long, arduous process that commenced in early 2025. This FONSI now paves the way for the first phase consisting of the demolition and then the subsequent phase, the reconstruction of JFLH. Following the selection of a demolition contractor and the completion of all pre-requisite requirements, we anticipate the demolition to commence by the first quarter of 2027. To facilitate the demolition phase of JFLH, there were several projects that needed to be undertaken, some which have since been completed while others are in the process of being completed. The remaining enabling projects include the completion of the Cassava Gardens relocation, 5-Acre Development, and the Interim Dialysis that are all in varying stages.

1. Cassava Gardens Building - This project, which is 95% completed, entails the build-out of an existing structure to provide an off-site administrative facility that will house all non-clinical operations of the Governor Juan F. Luis Hospital. In addition to the consolidation of administrative personnel, this site will also provide much-needed storage for all medical, non-medical and food supplies in a central location in a safe and environmentally conducive space. The remaining work includes the procurement of the Furniture, Fixtures

and Equipment (FFE), completion of permanent WAPA electrical service, the installation of the locks and security system, along with the completion of project closeout activities.

2. 5-Acre Development – This project, which is approximately 60% completed, will include parking for more than 200 vehicles and a 10,000 SQFT structure to support the operations of the JFL North. The structure will include space for Material Management, “ready service storage,” Maintenance, Medical Records and Medical Waste handling operations, including interim storage. The 5-Acre plot, currently situated to the east of JFL North, will include a two-lane roadway that will form a connection to the main roadway (formally known as Pepper Tree Road, or the Claude A. Benjamin Memorial Drive). Construction continues to progress across the entire site. Recent activities include completion of the main building slab and will soon commence with the paving of the roadways within the next two weeks along with the creation of ADA parking to access the Emergency Room. The project is currently anticipated to achieve substantial completion by October 2026.

3. Interim Dialysis Facility – This project, which is 40% completed, will enable the relocation of the current out-patient dialysis operations from trailers into a hardened facility. During last year’s August Budget Hearing, I presented that this project would commence by September 2025; however, we officially received the obligation from FEMA in January 2026 for the required funding to commence with this project. The notice to proceed was issued in March 2026 with a contracted completion by December 2026. The relocation of the current dialysis operations is critically important to the demolition of JFLH as the

trailers presently reside within the demolition zone. We have been working closely with both the selected contractor for the demolition/construction phases of the new JFLH and the contractor selected for the interim dialysis facility to ensure a timely and safe transition.

As we continue to transition from interim projects to permanent projects, we undoubtedly continue to experience challenges unique to the Territory which include the global supply markets, the limited workforce within the Territory for both skilled and un-skilled labor, housing, and the unstable pricing resulting from the imposition of tariffs. Disruptions and shortages in steel, aluminum, wood building materials, microchips, and plastic raw materials (to name a few) are all prevalent in today's driven marketplace and are not unique to any singular company, material, or channel. These disruptions and shortages are generally caused by the increasing demands and consolidations in the entire supply chain. These issues are generally outside the scope of control on any vendor and/or supplier. Of equal concern, we have also noted that there has been a decrease in local contractor participation.

To address the concerns from the aspects of long lead items and volatile market conditions, under serious consideration is for the "Owner Acquisition" of major components and systems to ensure standardization of material, equipment and systems. This approach will be beneficial to the Territory both in the immediate and in the long term. Specifically with respect to the standardization of systems such as generators and mechanical systems, which upon start-up, will aid with the maintenance and training of hospital personnel who will be tasked to maintain and ensure the operational reliability of these major systems for many years to come.

While these challenges can appear to be daunting, the THRT continues to collaborate with the Office of Disaster Recovery, FLAD, Suffolk and our Federal and regulatory partners to ensure

that we remain transparent with our (TBOD), the Leadership of the Governor Juan F. Luis Hospital, the hard-working staff of JFLH and equally important, our St. Croix community.

The THRT, Territorial Board, and Executive Leadership Teams from JFLH and SRMC continue to strive for optimization and to establish unified standards so that medical and clinical programs remain consistent at all facilities. This is vitally important for the sustainability, resiliency, operability, and maintenance of these major investments. Once completed, our facilities will be state-of-the-art healthcare facilities for the people of the Virgin Islands.

As I conclude my brief project update, I want to thank this body for your continued support for the office of the Territorial Hospital Redevelopment Team in both the St. Croix and the St. Thomas/St. John Districts. To my Team, I want to publicly thank each of you for your continued dedication, commitment, and most importantly, your tireless efforts to this mission we have embarked upon. Thank You!

This concludes my update on the status of the rebuilding efforts specific to the Governor Juan F. Luis and the various enabling projects which will facilitate the eventual demolition of the existing JFLH. I will remain available to answer questions at the appropriate time. At this time, I would like to return the presentation to Chief Executive Officer Darlene A. Baptiste.