

Honorable Senators,

Re: Objection to the Revised Water Island Development Company (WIDC) Lease

We respectfully urge you to vote against approval of the Revised Water Island Development Company (WIDC) Lease unless substantial changes are made to protect the public's ownership and long-term interests in Water Island.

While many residents support the redevelopment of the long-abandoned hotel property, this lease extends far beyond that objective. It commits approximately 180 acres of public land for a term of **99 years**, yet fails to include even the most basic protections that should accompany the transfer of such valuable public assets.

1. No Reversion of Undeveloped Public Lands

The lease contains no meaningful provision requiring undeveloped portions of the leased property to automatically revert to the Government if they are never approved for development or never utilized for the purposes represented to the Legislature.

Without a mandatory reversion clause, WIDC could retain control of vast areas of public land for generations without ever completing the promised development. Once leased, these lands could remain unavailable to the people of the Virgin Islands for nearly a century despite producing no public benefit.

Every acre included in the lease should either be developed for its approved public purpose within a defined period or automatically revert to Government ownership.

2. Inadequate Financial Security

The lease does not require a performance bond sufficient to protect the Government and the public if the project is delayed, abandoned, or only partially completed.

A project of this magnitude requires substantial financial assurances. The Government should not risk having hundreds of acres of public land tied up while unfinished structures deteriorate or promised improvements never materialize.

At a minimum, the lease should require:

- A performance bond sufficient to guarantee completion of the approved development.
- A restoration bond ensuring that partially completed improvements are removed and the property restored if the project fails.
- Financial security that remains in effect until all required construction has been completed and accepted.

Without these protections, the **public** bears the financial risk while the developer controls the land.

3. Violation of the Statutory Housing Set-Asides

The Revised Lease also improperly includes lands that the Legislature previously directed be reserved for public housing purposes.

Virgin Islands law requires that lands be set aside for transfer to the Virgin Islands Housing Finance Authority to provide housing opportunities for moderate-income families and includes a statutory set-aside benefiting veterans.

Those legislative mandates represent deliberate public policy decisions made by a prior Legislature. They should not be nullified through a long-term lease to a private developer.

Offering a limited number of condominiums for future purchase is not equivalent to preserving publicly owned land specifically dedicated by law for affordable housing and veterans. Once these lands are incorporated into a 99-year lease, the statutory purpose is effectively defeated.

By approving provisions that appear to conflict with existing statutes and prior legislative directives, the Senators are *inadvertently inviting litigation over the validity and enforceability of the lease itself*.

Conclusion

This decision will affect Water Island for nearly a century. Once these public lands are leased, future Legislatures and future generations will have little ability to correct mistakes made today.

The issue before you is not whether the hotel should be rebuilt. Most residents support responsible redevelopment of the hotel site.

The question is whether the Government should lease approximately 146 additional acres of public land for 99 years without requiring unused lands to revert to the public, without adequate financial protections if the project fails, and while including lands that Virgin Islands law has already dedicated to moderate-income housing and veterans.

We respectfully ask that you reject the Revised Lease unless it is amended to:

1. **Require automatic reversion** of all leased lands not timely approved and developed for their authorized public purpose.
2. **Require meaningful performance and restoration bonds** that fully protect the Government and taxpayers.
3. **Remove all lands** designated by statute for the Virgin Islands Housing Finance Authority and the veterans' housing set-aside and land that is non-development.

As Senators you have the authority and the responsibility to ensure that public lands remain protected for the benefit of the people of the Virgin Islands—not just today, but for generations to come.

Vote “NO” on August 4th, 2026.

Respectfully,

Joanne and Bob Bohr

Chuck and Linda Gidley

Elizabeth McConnell

Dr. Stephan Bitterwolf

Capt. Jan Robinson

Jule S. Northup and Frederick Northup

Julia Rhode

Katie Eyre