Oral Testimony of Dr. Stephan Bitterwolf, PhD

Before the U.S. Virgin Islands Senate Committee of the Whole
August 4th, 2026

Good morning, Honorable Senators, Mr. President, and fellow Virgin Islanders.

My name is Dr. Stephan Bitterwolf. I grew up on Water Island, fell in love with our environments, became a PhD-level marine scientist, and returned home to lead efforts in the restoration of our devastated reefs. I stood before this legislature in June to urge caution regarding this lease decision. I stand before you today devastated that a vote on this lease is going forward without any substantial compromises from the developer. Your decision at the end of this session threatens another wave of aggressive gentrification for our territory.

The decision this legislature makes today will shape the future of Water Island and define whether the people of the USVI can trust their government to protect public assets. You are being asked to allow a newly formed development company to control over a third of Water Island's public lands for up to 101 years. You are being asked to approve this based not on a vetted, fully permitted project, but on a rushed, error-riddled master plan full of TBDs that relies on selling off public land without ***your*** approval, securing Coastal Zone Management approvals, and waiving federal regulatory hurdles.

> **I urge you directly today: REJECT the proposed lease reinstatement and amendment as it stands.**

Do not let yourselves be blinded by a dangling $440 million carrot. Any cool-headed, community-minded person can see that this lease is nothing more than a land grab designed for wealthy clientele at the expense of Virgin Islands families, children, and veterans.

Let us dismantle the myth that this development is doing us a favor:

1. The $440M "Investment" is Extracted from Public Land

The developers tout a $300M to $440M private investment. But make no mistake—this is debt-based capital that they plan to recoup by exercising an "Acquisition Option" to carve up and sell 55 acres of public USVI land into fee-simple luxury residential plots and condos without your oversight. They are not bringing wealth to us; they are extracting wealth from our public assets.

2. The Tax Revenue Illusion vs. EDC Exemptions

Proponents highlight millions in projected hotel occupancy, stamp, and property taxes. Yet, Section 6.5 of this very lease explicitly states that the developer's ability to build is contingent on receiving 20 years of EDC tax exemptions, Tax Increment Financing, and Hotel Development Program benefits. Why are we celebrating tax projections from a company that makes its entire proposal conditional on being exempt from those exact taxes? Worse yet, the base rent we do collect fails to even keep pace with standard 3.28% inflation. While the contract boasts $33.6 million in total rent on paper, inflation erodes its buying power so severely that over 101 years, the Territory will receive a real value of just $8.3 million in today's dollars. They pay virtually no taxes for two decades, while the rent they leave us with loses 75% of its value.

3. The Erasure of Veteran and Middle-Income Land

To resolve the government's legal obligation under Acts 6751 and 7321—which required 60 acres of land for the VI Housing Finance Authority and local veterans—Section 9.20 replaces that public footprint with just twenty 768-square-foot boxes on Tract K. Worse, if those units aren't sold within two years, the lease allows the developer to sell them on the open market or keep them for resort staff. That is not a community benefit; it is a loophole to privatize local housing mandates.

4. Imported Prefab Units vs. Local Trades

Where are the guaranteed high-wage trade jobs for local Virgin Islanders? The master plan relies on Volumetric Modular Construction manufactured in China (Guangdong CIMC). The major structural buildout is happening overseas, shipped in on barges, and installed locally. Where is the binding commitment to train our youth, build technical trades, or partner with local organizations like My Brother's Workshop?

5. Optics at Honeymoon Beach vs. Harbor Takeover

Removing Honeymoon Beach (Tract C) from the lease footprint was done for public relations optics. In exchange, the developer asks for non-exclusive access to our public dock (Landing Parcel/Tract E), a lease over our Submerged Lands, control over Druif Bay mooring fields, and the transformation of Flamingo Bay into a luxury deepwater marina.

6. Existing Services vs. Non-Binding Promises

We are told the resort will bring emergency medical facilities and utilities. Water Island already has a dedicated, community-run emergency response organization—WISAR—that gets patients to the hospital within 20 minutes. Local residents rely on clean, free rain cisterns. The resort's planned microgrid and reverse osmosis plants are built to power their commercial operations. The "option" for residents to connect is completely non-binding, unpriced, and unenforceable in court.

7. A $3 Million Performance Bond is a Joke

For a project claiming a $440M scope, a $3 million performance bond—which scales down to $1 million upon completion—will not even cover the cost of environmental remediation if this newly formed LLC goes bankrupt mid-construction. If they fail, the USVI public will be left holding the bill for a broken shoreline.

Conclusion

The narrative that approving this lease reinstatement is our "only option" is a dangerous illusion. The original lease was terminated in 2025. There has been no open, competitive RFP put out to the broader market. We are being told to panic and sign simply because the Department of Property and Procurement spent a year negotiating behind closed doors with a single developer, bringing you an error-riddled proposal full of TBDs and expecting this legislature to rubber-stamp it.

Let us call this what it is: DPP has abandoned its mandate as defenders of our public lands, choosing instead to act as facilitators for private, offshore wealth. When the executive branch and agency officials become so dazzled by a $440 million carrot that they are willing to surrender public acres and waive regulatory protections, it falls entirely on you, *this legislature*, to stand as the firewall for the people of the Virgin Islands.

If this closed-door, rushed deal represents the standard for local governance, then we need immediate structural reform—starting with legislative support for citizen review panels that randomly select everyday USVI residents to evaluate future DPP land proposals before they ever reach this floor. Agency officials must be reminded who they were sworn to serve.

Leave the insecurities outside these legislative doors. Stand up against gentrification, exclusion, and land giveaways. Terminate this lease arrangement once and for all. Issue a proper, open RFP, and demand a development partner who respects USVI law, protects our reefs and waters, and invests directly in the education and future of our people.

Thank you.