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*The mission of VIDOL is to administer a system of effective programs and services designed to develop, protect, and maintain a viable workforce.*

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**GARY MOLLOY**

COMMISSIONER

DECEMBER 13, 2023

## **Virgin Islands Department of Labor Testimony**

### **Committee of the Whole**

**December 13, 2023**

Good Morning, Honorable Senate President Novelle E. Francis Jr., Chairperson of the Committee of the Whole, Vice Chair Senator Marvin A. Blyden, distinguished Senators, and the viewing and listening audience. I am Gary Molloy, Commissioner of the Virgin Islands Department of Labor (VIDOL). I am here today with Assistant Commissioner and Legal Counsel Nesha Christian-Hendrickson and Assistant Commissioner Jean Forde.

Thank you for inviting the Virgin Islands Department of Labor to provide crucial testimony on BR23-0872 An Act appropriating \$2,500,000 for the purchase of Plot Nos. 53A, 53B, 54A & 54B Kronprindsens Gade, Crown Prince Quarter, Charlotte Amalie, St. Thomas, Virgin Islands, by and between the Government of the Virgin Islands, acting through the Department of Property and Procurement, and Conroy H. Watt and Kenneth I. Sweeney.

The proposed initiative seeks legislative approval for the appropriation of \$2,500,000 to acquire the fee simple title to the property from Conroy H. Watt and Kenneth I. Sweeney. The property has been home to the Virgin Islands Department of Labor (VIDOL) on St. Thomas for the past 35 years, accommodating over sixty employees and serving as a centralized hub for all divisions and units. It is conveniently located in downtown St. Thomas and many of our customers walk to our location to access our services.

The property owners have provided notice of their intent to sell, extending the right of first refusal to the Government of the Virgin Islands until December 30, 2023. The sale price is \$2,500,000, which VIDOL successfully negotiated down from the original price of \$2,800,000. Failure to secure the property will compel VIDOL to seek alternative office spaces, potentially dispersing our various divisions to multiple locations, and diminishing the convenience of services for our customers.

The property houses crucial divisions, including the Bureau of Labor Statistics, Hearing and Appeals, Labor Relations, OSHA, Unemployment Insurance, Workers' Compensation, Workforce Development, Youth and Apprenticeship, and EQUUS (partner). Consolidating these divisions under one roof enhances operational efficiency and provides a one-stop location for customer convenience.

The Property, built in 1984, has withstood major hurricanes and is well-maintained, offering 16,307 square feet of office space on a 21,261-square-foot tract of land. The unique opportunity to purchase this property will significantly reduce VIDOL's rental costs, currently exceeding \$20,000 per month for the last 39 years, amounting to over \$9.3 million—a substantial financial burden on the Government.

Three appraisal reports and structural evaluations, commissioned in accordance with 31 V. I.C. § 231a(a), support the purchase price of \$2,500,000. The appraisals support the asking price, and the owners have agreed to the Government's offer, providing a chance to secure a stable, long-term facility to meet the Department's needs. VIDOL made several attempts to find other

locations, but it was determined that there were no other suitable locations that could accommodate all staff members while servicing all our customers that may have barriers related to travel.

The urgency of this matter is underscored by the eagerness of the owners, Mr. Watt and Mr. Sweeney, to resolve this agreement and to close this purchase within 90 days. Therefore, being on the agenda for the Senate Committee meeting today is vital to facilitate a prompt vote for inclusion on the Session Agenda slated for Tuesday, December 19, 2023.

Support in expediting the legislative approval process will allow the Government of the Virgin Islands to acquire a valuable asset, reduce rental costs, and ensure a stable and permanent location for the essential operations of the Virgin Islands Department of Labor. I would like to thank the VIDOL team, all my colleagues, and fellow agencies for their support and efforts. I stand ready to answer any questions you may have.