



Campaign to Preserve and Restore Historic Properties

Goal:

To restore damaged, vacant and predominantly historic homes to attractive and productive properties that can fulfill their true potential. The first major steps lie in:

- Reintroduction and passage of *“The Virgin Islands Historic Properties Preservation and Rehabilitation Act of 2011” (29-0027)*
- Passage of an amendment to the Antiquities Act that allows public/private partnerships as an option for rehabilitation and restoration.

The Challenges:

The bills above are aimed, first and foremost, at preserving approximately 200 hurricane-damaged, uninhabitable and very fragile historic properties from further deterioration, many dating back hundreds of years to the time of the original Dutch settlers in the 1700’s. Second, their intent is to spark rehabilitation and eventually allow them to realize their highest and best use.

Most lie within the first ring of early residences surrounding the downtowns of Charlotte Amalie, Christiansted and Fredericksted. A significant number are owned by older, largely local “families of substance” and have been in the family for generations. As well, a substantial percentage is now owned by the territorial government due to unpaid taxes, while still others are in protracted probate proceedings.

While well intended, current historic preservation ordinances are very stringent – to the point that they have discouraged current owners and prospective investors from attempting rehabilitation since the cost of compliance does not provide any opportunity to recapture their investment. The bills under consideration seek a better balance and create more options for redevelopment of these blighted areas, such as public/private partnerships.

The first major hurdle is passage of the bill by the VI legislature’s Rules Committee. As background, the USVI has a 15-member, unicameral legislature that acts as both the territorial and local government structure for the three islands. There are no city councils or mayors. The islands only elected officials are the Governor, Lieutenant Governor, 15 Senators and the Delegate to Congress.

The Potential: While the majority would be best kept as single family residences, a number of the larger properties are entirely suitable for conversion to multi-family or perhaps group homes, while some nearer the commercial center have the potential to be repurposed for residential/commercial mixed use.

In the minds of many Virgin Islanders, this is the most important and significant package of pro-community and pro-housing legislation in decades.

The Key Messages:

The most compelling arguments for passage of this legislation are:

- **Threat to Public Safety.** These crumbling and uninhabitable properties have become havens for drug users, squatters and the homeless – with the attendant and predictable rise in crime, drug

use, disease and squalor. As such they constitute a serious threat to public safety, especially for those productive, law-abiding citizens living in adjacent neighborhoods. These derelict properties also lower the value and attractiveness of their homes and adversely affect their overall quality of life.

- **Loss of Tax Revenue:** Those properties currently owned by the VI government are contributing nothing to the tax rolls at a time when the government is facing major fiscal challenges. Meanwhile, those still privately owned are being taxed as “vacant land” since they are uninhabitable. That tax rate is so low that owners have shown little or no interest and have no incentive to do anything with them.

The proposed legislation has a compliance feature that would allow fines to be levied against the owners for failure to preserve these historic properties. With penalties set at the proper level, the cost of enforcing compliance would be self-funding.

- **Legal Liability & Risk Management:** These decaying properties represent a significant potential legal liability to both the absentee owners and the Virgin Islands government. Therefore, it would seem altogether prudent for the government to divest itself of these ticking time bombs by adopting measures that would put them back on the tax tolls.
- **Lost Opportunity for Community & Historic Preservation.** Some of these properties are the earliest homes ever built in the Virgin Islands. Once gone, they will be gone forever – and with them a major and irretrievable part of the heritage, history and unique architectural flavor of the Virgin Islands. These two pieces of legislation provide the opportunity for creativity and entrepreneurship in sparking their preservation, including options such as public-private partnerships.
- **Jobs:** Rehabilitating and restoring these properties will require work by engineers, architects, designer, contractors and skilled tradesmen. The actual restoration would generate sales of not only construction materials, but other “ripple” or spin-off economic activity in such areas as transportation, trucking, office supplies, utilities, food and restaurant sales and so forth. Economists generally agree that each dollar in wages cycles through the economy between four and six times.

What must be done?

Based on the methods used to obtain passage of other significant legislation and overcome legislative inertia, success rests largely on the ability to generate (and demonstrate) overwhelming public support. This means educating the public and the Senators on the above messages. To do this will require not only an intensive public information campaign, but an intense lobbying effort and must be based on a body of incontrovertible research that clearly demonstrates both the impact of the problem and the potential benefits.

Research

To be sure the campaign is on solid footing and can amply underscore the key messages outlined above will require the compilation of clear and inarguable documentation. The following types of hard data would be the most compelling evidence in the “court of public opinion”.

A. Revenue Impact Estimates: Compiling the estimated tax revenue impact would require researching and documenting the following information

- Defining the specific geographic areas in which the majority of these properties are located, e.g. by street, estate, geo-pin parameters, etc.
- From the public records:
 - Calculate the total number and square footage or acreage of the target properties
 - Identify government-owned properties (Department of Property & Procurement).
 - Calculate the current tax revenue being produced by the privately owned properties
 - Estimate the revenue potential if these properties were being taxed as are relatively comparable habitable dwellings.

Methods:

- Carefully demarcate and define the historic districts that encompass the majority of the target properties.
- Engage a firm experienced in evaluating historic properties, appraisal or urban planning to conduct a review of public records to document the ownership, total square footage and current tax revenues generated by each target property.
- Using the data generated above, on a per-square-foot basis or other unbiased method, compare current property taxes being paid by similar nearby properties that are undamaged and from that extrapolate the revenue loss represented by the target properties.

B. Threat to Public Safety, Community and Quality of Life Impact:

With the assistance of law enforcement, document the nature and volume of calls generated in the areas to estimate the adverse economic impact in terms of the resources that must be devoted to them.

Methods:

- Request the Virgin Islands Police provide documentation of the number and nature of calls and cases generated by these properties or areas and in adjacent neighborhoods.

C. Potential for Economic Impact:

Rehabilitating and restoring these properties will require work by engineers, architects, designer, contractors and skilled tradesmen. The actual restoration would generate sales of not only construction materials, but other “ripple” or spin-off spending in such areas as transportation, trucking, office supplies, utilities, food and restaurant sales and so forth. Most economists agree that each dollar in wages cycles six times through the economy.

Experienced and knowledgeable real estate brokers and appraisers familiar with these areas have identified three primary potential uses for these properties:

- Rehabilitation and restoration as traditional single family residences
- Conversion of appropriate structures to multi-family or group home use
- Conversion to commercial and residential mixed use such as bed & breakfasts or homes above small neighborhood retail shops.

What is the overall highest and best use of these properties? For the majority it would appear to be affordable workforce housing. The exteriors of most structures could be saved and the still-standing walls of collapsed buildings would be incorporated into new structures per current preservation laws.

The overwhelming consensus goal is that the original streetscape must be recaptured, i.e. no modern facades, replacement steel and glass structures or other architectural anomalies that would ruin the “look and feel” of these historic areas.

Method:

- Research availability of grants and loan guarantees from both government and private sources such as historic preservation groups and foundations in the U.S. for restoring or repurposing these historic properties.
- Request assistance in identifying potential sources from the VI Housing and Housing Finance Authorities, Small Business Administration, House Delegate Donna Christiansen’s office, etc.

Target Publics

A. USVI Legislature

- Unexpectedly, the original sponsor reintroduced these measures in early May 2012, expressing the opinion the best chance for passage lay in seeking passage before the November elections that will bring certainty of new faces in the legislature.
- The biggest initial hurdle, as it was in 2011, is getting it voted out of the Rules Committee.
- Passage by the Rules Committee is vitally important for another reason: 7 of the 15 Senators serve on that Committee. Of the 15, 4 or 5 have pledged their support once they reach the floor. That leaves convincing only 3 or 4 more to achieve a majority. The Governor has signaled his intent and strong desire to sign the legislation.
- Assessment: As with most political bodies, a demonstration of overwhelming public sentiment for passage is the most powerful motivator.

Elected & Appointed Officials

- Support and endorsement of the Governor and Lieutenant Governor are essential and have been assured.
- The cooperation and endorsement of top appointed officials must also be sought. For example: the Departments of Health, Human Services, Labor, Police, Property & Procurement, the Real Estate Commission and the Economic Development, Housing and Housing Finance Authorities

B. Allied Groups:

A number of groups are already committed and allied with the effort since the 2011 attempt. More are being contacted and recruited by REALTOR® volunteer leaders.

- Adjacent neighborhoods. The homeowners see the restoration of these areas as a major factor in reducing crime in their neighborhoods and overwhelmingly support this initiative.
- Virgin Islands Historical Society
- St. Thomas and St. Croix Chambers of Commerce
- St. Thomas Rotary and other civic clubs
- Reform Church of St. Thomas
- St. Croix Foundation

- Clear Blue Sky (a non-profit organization for the mentally handicapped who sees the opportunity to establish a group home in the historic areas.)
- Center for Eastern Caribbean Research, University of the Virgin Islands
- Virgin Island Human Resource Center, which for some time has wanted to relocate to a historic district

C. Territorial Association and Local Island Boards of REALTORS®

- The REALTOR® organization was a strong supporter of this legislation in its last iteration.
- Given the legislation’s potential for positive impact on the housing market and economy in general, the Territorial Association of REALTORS® will assume a leadership role in organizing this initiative, assisted by the leaders of its three local Boards.

D. Voters

Based on experience with previous initiatives, the cultivation of demonstrable public support is a key element in obtaining legislative approval. Below is a snapshot of the essential Virgin Islands demographics

- Demographic Snapshot: (2010 Census)
 - 106,400 total residents
 - 40,650 households
 - 26,600 families
- Cultural Diversity:
 - Black or Afro-Caribbean: 79.7%
 - White: 7.1%
 - Asian: 0.8%
 - Mixed or Other: 12.4%
- Distribution: According to the 2010 Census, rounded total populations are: St. Thomas 51,600, St. Croix 50,600, and St. John 4,200, a two percent population decline from the 2000 Census. By contrast, the World Bank estimated the 2010 population at 109,775.
- Registered Voters: Official number not available. However, slightly over 30,000 voters participated in the 2010 gubernatorial election. Party affiliation is overwhelmingly Democratic.

Basic Campaign Elements:

A. Paid Advertising:

With the unanticipated early reintroduction of the legislation the timeframe for action is now extremely compressed. Allowing sufficient time for writing and production, this means conducting an intense two to three week campaign to build public support. Therefore, these major outlets and media channels would be used:

- **VI Daily News:** One or two full page ads recognizing the groups, businesses and prominent individuals that have endorsed the legislation. This would have a definite impact on the legislators.
- **Innovative Cable TV:** Package of 30 sec. Run of Show (ROS) spots to build awareness and support and educate the public on the key messages.

Networks included in the package:

USVI Ch 2 (CBS)	ESPN	TNT
BET	HLN	USA
Bravo	Lifetime	Weather
CNN	TBS	
Discovery	Tempo	

*R.O.S. (Run of Show) rates: insertion at various times of day on variety of channels, but no guaranteed times or channels.

- **Radio:** A package of 30 second ads that target the largest voter demographics.
- **Electronic:**
 - A special informational website would be activated for the campaign
 - Face Book advertising targeted at its VI customers.
 - Possible production of educational You Tube videos if time permits
 - E-mail: Publish e-mail addresses for legislators

B. Publicity, Promotion and Awareness: Primary goal will be to educate the public on the issue and to create a sense of urgency among the public and the proponents.

- VITAR Call to Action encouraging members to contact their Senator and show support.
- Seek endorsement from VI Daily News editorial board
- Periodic news releases
- Request Daily News and local news outlets run a series of features on the blighted historic areas
- Appearances by advocates on local cable TV and radio stations

C. Lobbying: VITAR will coordinate the lobbying of individual Senators with the other collation groups and itself wil lobby the individual legislators.

D. Community Outreach

As stated earlier, the accelerated reintroduction of this legislation has VITAR scrambling to recruit its allies and to organize and launch an effective campaign.

Since May 1 VITAR leaders have made literally dozens of calls and held dozens of conversations to reassemble the original coalition and to obtain commitments from previous supporters. These calls and contacts continue to be made even as this grant proposal is being written.

- Allied organizations are being encouraged to promote the initiative among their constituencies with Calls to Action and other public demonstrations of support.
- Time permitting, businesses and homes near the blighted areas would be provided window and yard posters supporting the legislation.

Estimated Budget:

This budget is for the intensive short-term campaign that must be conducted to ensure passage by the Rules Committee, with the hope that its effects will carry over to the floor vote.

VITAR would oversee and administer the expenditures in accordance with its normal fiscal and accounting policies. Any unused funds would be returned to the NAR Issues Mobilization Fund.

Virgin Islands Historic Properties Preservation Bill - CAMPAIGN BUDGET

A. Property Research: Public Records and Tax Revenue Professional research study by USVI urban planning consultant, Dr. Wanda Mills-Bocachica (<i>see attached credentials</i>). Includes identifying, photographing and researching public records on approx. 225 target properties in St. Thomas and St. Croix historic areas. Calculate tax revenue loss based on highest and best use. Study will be the primary documentation for public hearing(s).	\$25,000
Crime and Police Response Statistics for target areas: USVI Police Department will be asked to provide finished report.	N/A

B. Public Opinion Poll: Baseline survey to test awareness, key messages and general public support:		\$4,500	
	Estimated Research Costs:		\$29,500
C. Paid Advertising: (Predicated on 15 day campaign)			
VI Daily News - 1 full page ads featuring community groups, neighbors, businesses and prominent individuals favoring passage of the bill.		\$ 1,360	
Ad preparation: NAR Campaign Services	No charge	\$ -	
Cable TV: 15 30-sec. Run of Show spots X 15 days X \$13 ea.		\$ 2,925	
Production: NAR Campaign Services	No charge	\$ -	
Radio: 15 30sec. Spots X 15 days = 225 @ \$8-\$10		\$2,250	
Production: NAR Campaign Services	No charge	\$ -	
Social media: Face Book ads targeted to VI customers - 2weeks	Not to exceed	\$ 1,500	
	Estimated Media		\$ 8,035
D. Collateral Materials:			
Informational Web Site: Local design, maintenance, updating		\$1,100	
Posters: Window posters & signs to be displayed in adjacent businesses and neighborhoods		\$ 400	
Hearing Materials - binders, charts, blow-up aerials		\$ 750	
			\$ 2,250
F. Campaign Administration, Coordination:			
Part-time administrative support: 30hrs @ \$25		\$ 750	
Travel:			
a. Inter-island: fly in Crucians for testimony, coordinational meetings: 10 STT-STX seaplane roundtrips @ \$175		\$ 1,750	
b. Travel subsidy: VITAR cost-share to have "virtual" VITAR CEO onsite to coordinate testimony, materials -- 3 days lodging, meals, pro-rated airfare, rental car or taxis		\$1,200	
Miscellaneous: entertainment expense - Senators & coalition allies; office supplies; photocopies		\$ 800	
	Estimated Administrative:		\$ 4,500
	Total Estimated Expense:		<u>\$ 44,285</u>

Potential Funding and Resources:

A. Campaign

- **NAR**
 - Issues Mobilization Grant to fund campaign to get legislation to floor of legislature
 - Governmental Affairs rep on-site to assist and advise during testimony
- **NAR Campaign Services** – prepare TV, radio & print ads, Face Book, etc.
- **VITAR** –
 - In-kind volunteer and staff resources to oversee campaign, conduct lobbying, recruit support, coordinate testimony, media relations.
 - Cost sharing for VITAR CEO to be on-site for hearings.
 - CEO draft public opinion poll questions
 - Early round of RPAC donations to ensure access to key Senators

B. Community Resources: Allied organizations will be asked to commit volunteer and staff resources as well as to fund their own portions of the initiative.

Background Information

Overview of the Virgin Islands Economy:

Except for the distilleries on St. Croix and a few smaller industrial firms, the U.S. Virgin Islands' tourism and service sectors account for 80% of the GDP and employment, primarily in the cruise ship, retail and hotel and vacation industries that serve over 2.2 million cruise ship passengers and vacation visitors a year. The workforce statistical snapshots below amply illustrate the need for the additional jobs that would be by the restoration projects.

- **Workforce:** Total of 43,220 (2009) with 69.3% or 29,940 working in food service, hospitality, groundskeeping, retail, clerical or basic transportation industries at a median hourly wage of \$10.98. Unemployment rate ranges from 7.5% to 9.5% depending on the island with an August 2010 average of 8.2% overall.
- **Incomes:** The majority of total workforce is engaged in wage-hour employment in service industries at a median hourly wage of \$10.98—approximately \$22,838 annually.
- **Housing Availability:** The Median Sale Prices show that housing costs are clearly out of reach of the wage hourly workers who make up the majority of the Islands' workforce. For example, the median sold price of a single family residence on St. Thomas in March 2012 was \$405,500, while the average sold price was \$688, 425.
- **Employment:** The Virgin Islands March 2012 unemployment rate was 9.0%. The labor force experienced continuing contraction as he fallout of budgetary trimming in the service providing sectors. Due in part to the closing of the Hovenssa refinery, St. Croix's rate moved to 10.3%, up 0.6% compared to the prior period.

The unemployment rate continues to range around nine percent as economic activity in the local and global market impact the Virgin Islands and reflects the continued slow pace of the recovery. The workforce has shrunk by approximately -633, with the employed number down -1.7 percent compared to March 2011. (Source: USVI Department of Labor)

Average Annual Unemployment Rates:

2006	6.1	2009	7.6
2007	5.9	2010	8.1
2008	5.9	2011	9.1

Historic Properties Survey to be administered and compiled by:

Dr. Wanda Mills-Bocachica, AIA

Arizona State University

Master of Environmental Planning · Environmental Planning · Tempe, Arizona

- **Graduate Teaching Assistant_ Site Planning Studio**

University of Puerto Rico, Rio Piedras Campus

Class of 1995 · Master of Planning · Community Development ·

Revitalization of el Barrio San Anton Pinones Bicycle Trail · San Juan, Puerto Rico

- **Estructura Urbana:** Urban intervention in "el Barrio San Anton"

Rutgers University - College Avenue Campus

Class of 2003 · Ph.D. Urban Planning & Policy Development

Communicative Planning · Community Building · New Brunswick, New Jersey

Interdisciplinary Studies in Urban Planning encompassing Humanities Fields

- **PhD dissertation**

"Identity, Power and Place at the Margins: Negotiating Difference in "El Barrio San Anton"

The Ohio State University

Class of 1983 · Architecture · Columbus, Ohio

- **Junior Design Studio School of Architecture CMU**

Design Proposal for a New Skibo Student Union on the Carnegie Mellon Campus, Pittsburgh, PA

Synthesis Development Consultants, LLC

Principal · Jul 2007 to present

Architecture, Historic Preservation, Heritage Tourism Projects,

Environmental Planning, Community Building