

VIRGIN ISLANDS OFFICE OF DISASTER RECOVERY



# TESTIMONY

**Committee on  
Disaster Recovery,  
Infrastructure & Planning**  
36th Legislature of the Virgin  
Islands

**PRESENTED BY:**

**ADRIENNE L. WILLIAMS-OCTALIEN**

**DIRECTOR**

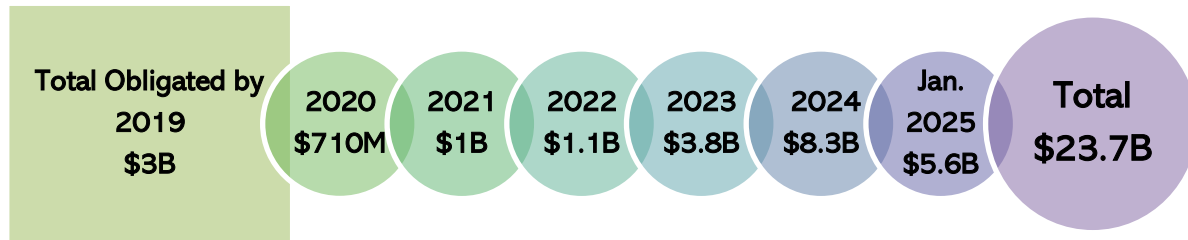
**February 20, 2025**

Good Morning, Honorable Senator Marise James, Chairwoman of the 36th Legislature's Committee on Disaster Recovery, Infrastructure and Planning, distinguished members of the committee, fellow testifiers and the listening audience. I am Adrienne L. Williams-Octalien, Director of the Virgin Islands Office of Disaster Recovery (ODR). I am accompanied by Artra Watlington-Francis, Deputy Director of Finance and Compliance, Malinda K. Vigilant-Messer, Territorial Public Assistance Officer, Graciela Rivera, Territorial Hazard Mitigation Officer, Jamila Haynes, Chief Program Officer and Tawana Nicholas, Assistant Executive Delivery Manager. It is my honor to present an update on the status of disaster recovery initiatives in the US Virgin Islands.

Since the establishment in February of 2019, ODR has remained vigilant in its quest to “*Build a Resilient Virgin Islands*,” focusing on accessing funds, expending funds, and ensuring regulatory compliance. Simply put, we get the funds, spend the funds, and spend them correctly.

In line with its first strategic priority of getting the funds, ODR has successfully increased anticipated overall obligations from \$8 billion to \$23.7 billion as of the end of January 2025. This is an increased value of over \$15 billion. When ODR began its oversight of the recovery in 2019, \$3.2 billion in funding was obligated. Over the past five (5) years, obligations have gradually increased, with over \$8 billion being obligated in 2024 alone and \$5 billion for the final critical projects funded as recently as January 2025.

## Total Obligations by Year



These disaster recovery funds are not immediately made available to the Territory, funds have been acquired through painstaking years of collaboration by ODR and its consultants, working tirelessly with federal partners, through very lengthy processes. To date, \$3.8 billion dollars of these funds have been expended, which is half of the original expected obligation amount of \$8 billion.

Recovery funding to respond to Hurricanes Irma and Maria is split amongst four major funding sources, FEMA's Public Assistance and Hazard Mitigation Grant Program (HMGP), the Department of Transportation's Federal Highway Emergency Relief Program (FHWA-ER) and the Housing and Urban Development (HUD) Community Development Block Grant Program – Disaster Recovery Program (CDBG-DR).

FEMA's Public Assistance Program is the principal source of funding for our recovery efforts with a total obligation of \$21.3 billion granted to rebuild critical infrastructure to include schools, hospitals, and utilities. \$3.2 billion of these funds have been expended to date. Initially, the Territory was required to match these funds at 10%. However, in February 2024, the Biden-Harris Administration granted a reduction in the local match requirement from 10% to as low as 2%, which made the monumental task of executing these projects more attainable. The

terms of this agreement required the territory to accept all Fixed Cost Offers (FCO) by September 30, 2024, which was achieved, and complete construction on all FCO projects by December 31, 2035 or projects will revert to a 95% federal cost share.

The ODR also oversees funding from FEMA's Hazard Mitigation Grant Program. To date, \$199.1 million has been received out of an expected \$1.4 billion and \$55.5 million has been expended. HMGP requires that monies are utilized to implement mitigation measures aimed at reducing the risk of loss of life and property that may result from future disasters. FEMA has approved 135 Hazard Mitigation projects, which do not have a match and are granted at 100% of the project cost.

The Department of Transportation's Federal Highway Emergency Relief Program (FHWA-ER), administered locally by the Department of Public Works, has obligated \$76.5 million out of the allocated \$80.5 million earmarked for the Territory to carry out much-needed repairs to roads and bridges. Majority of this work has been completed with \$64.2 million expended to date.

The Housing and Urban Development's Community Development Block Grant Program – Disaster Recovery Program (CDBG-DR), administered by the Virgin Islands Housing Finance Authority has access to \$1.9 billion received through its disaster recovery, mitigation and electric grid tranches.

There are also other disaster-related funds from various federal entities, including the Department of Health and Human Services, US Department of Agriculture, US Department of Education, and Department of Commerce, amounting to an estimated \$250 million made

available to the territory.

Now that we have secured the majority of obligated funding and a resolution for the match, the territory is positioned for the next phase of the recovery. However, we have to take a different approach to completing the territory's recovery portfolio. With a total reconstruction package estimated at more than \$23 billion, reconstruction cannot be conducted in a business-as usual fashion.

At the present pace of expenditure at approximately \$500 million per year, it will take another 20 years to complete the recovery. In order to meet the 2035 requirement and maintain the lower cost share, we must drastically increase the rate of expenditure to 2 billion dollars a year. A more efficient approach must be considered.

To accomplish this, we knew we needed to attract contractors that have proven strategies for housing, supply chain, and labor shortages, and ability to bond multi-million dollar projects. To this end, we traveled to New York, Washington, DC, and Chicago to meet with large Engineering, Procurement, & Construction contractors (EPCs) to discuss doing business in the Territory. What we found was interest, but not in the way the recovery is currently structured. To attract these Tier 1 contractors, we needed streamline processes, establish clear lines for decision-making, make timely payments, and utilize shared risk for procurement.

The project delivery methods such as Progressive Design Build (PDB) and Construction Manager at Risk (CMAR) are utilized for complex projects with design and/or construction challenges, where the contractor provides early input on design or constructability issues. During the preconstruction phase, the contractor provides input to ensure that the infrastructure

and building's design is aligned with the project budget and schedule. The construction phase with the final guaranteed maximum price (GMP) starts when the owner and contractor agree on the terms for project scope, schedule, and price.

To execute Rebuild USVI, the Office of Disaster Recovery has established and stood up the Super Project Management Office (PMO) with the support of CH2M Hill/Jacobs Solutions Inc. (Jacobs). The Super PMO also consists of dedicated personnel to streamline various functions and create a single point of contact for contractors while removing bottle necks.

Procurement of several bundle packages is well underway. To date, the Super PMO has:

- Executed a contract with Suffolk-CBNA Joint Venture for the St. Thomas Education Bundle which includes the Bowsky Elementary Addition, Lockhart K-8, Emanuel Benjamin Oliver Elementary, Jane E. Tuitt Elementary, Ivanna Eudora Kean High School and the St. Thomas Administrative Center.
- Awarded a contract to Consigli/Benton Joint Venture 1 for the rebuild of Charles Harwood Medical Complex now named Donna M. Christian-Christiansen Medical Complex.

Additionally,

- Proposal evaluations are currently in progress for the St. Croix (North-Central) horizontal bundle that includes power, water, wastewater, and road work.
- Evaluations are underway for the St. John vertical bundle which includes the rebuild of

the Morris F. deCastro Clinic, Myra Keating Smith Community Health Center, and Julius E. Sprauve PreK-12 School.

- The solicitation for the St. Thomas healthcare bundle, which includes the Old Mental Health Building, Queen Louise Home for the Aged, John S. Moorehead, and the Knud Hansen Departments of Health and Human Services buildings is scheduled for release in the first week of March 2025.
- The solicitation for the St. Croix education bundle, which includes Pearl B. Larsen, Alexander Henderson, Alfredo Andrews, and Claude O. Markoe Schools is scheduled to be advertised and released to the public by the end of March 2025.
- The solicitation for the reconstruction of Juan F. Luis Hospital on the island of St. Croix was solicited twice to the public in 2024. The first effort only received 1 bid while the second solicitation received no bids. Revisions to the RFP package are in progress to incorporate the recommendations from our Market Study in an attempt to garner interest. The re-solicitation of Juan F. Luis Hospital is scheduled for release by the end of March 2025. The solicitation of the Roy L. Schneider Hospital is scheduled for April 2025 and Herbert Grigg for the Aged will follow in June 2025.
- The horizontal bundle for St. Thomas is scheduled to be advertised and released to the public in May 2025 and the St. Croix horizontal (Southwest) bundle will follow in July 2025.

In addition to launching the Super PMO in 2024, the ODR now has programmatic oversight of

the CDBG-DR through a subrecipient agreement with the Virgin Islands Housing Finance Authority (VIHFA).

The CDBG-DR program allocated funds for a number of housing initiatives. The Envision Tomorrow program was allocated funds to rebuild severely storm-damaged homes and rental properties and has taken significant strides forward in 2024. The program follows a structured process to assist eligible applicants in rebuilding and repairing their homes. It begins with an Intake and Eligibility Review, where applicants' qualifications are assessed based on income, documentation, and program requirements. Once eligibility is confirmed, a damage inspection and environmental assessment are conducted to determine the necessary repairs and ensure compliance with housing regulations. The program also requires income recertification to confirm that applicants continue to meet Low-to-Moderate Income (LMI) thresholds throughout the process. After these initial assessments, homes are grouped into bid solicitations, where contractors submit bids, and contracts are awarded to those meeting procurement standards. Before construction begins, site readiness activities are completed, which may involve relocating applicants and securing permits.

Despite this structured approach, the program faces significant challenges that cause delays and complications. One of the primary issues is the responsiveness of applicants, as many fail to provide required documents, stalling the approval process. Additionally, permitting delays prevents timely project initiation. Relocation difficulties also pose a challenge, as applicants in need of temporary housing often struggle to find accommodations due to limited housing availability. The environmental review process further complicates timelines, as delayed testing results impact project scheduling. Furthermore, rising construction costs make it difficult to



remain within budget while ensuring necessary repairs and rebuilds are completed.

Another critical issue is the need for additional social services, which the program does not currently provide. Many applicants require financial assistance, transportation services, and household essentials that fall outside the program's scope. Some cases also involve legal disputes or family conflicts, requiring mediation services to resolve ownership or occupancy issues before construction can proceed.

Since prioritizing 100 homes for construction, 43 have been completed, and 101 are in active construction. There are 68 homes under construction on St. Croix, 31 on St. Thomas and 2 on St. John. Local contractors have played a key role in advancing the program, with 100 projects awarded and plans for an additional solicitation for 55 homes by March 2025.

The application period for this program is closed, however if any applicants are interested in confirming their current status or require additional information, please call us at 1-866-520-1310 or email [envisioninfo@usvipfa.com](mailto:envisioninfo@usvipfa.com).

Beyond EnVision Tomorrow, CDBG-DR has allocated \$260 million to public housing initiatives, including new construction and rehabilitation efforts.

Major projects include:

- The completed Walter IM Hodge Revitalization Project which now boasts 248 units of affordable housing in Frederiksted. To date, 212 units are occupied.
- Lovenlund Phase 2 includes the rehabilitation of 96 LIHTC rental units and the

installation of an alternative energy plant. The financial closing was completed in December 2024, and contractors are preparing to begin work in early 2025.

- The Donoe Redevelopment Project is scheduled to restart with a new general contractor, J. Benton Construction. Financial closing is anticipated in the third quarter of 2025, with construction resuming shortly thereafter.
- D. Hamilton Jackson Terrace a 106-unit rehabilitation project leveraging LIHTC, CDBG-DR, and FEMA funding. Financial closing occurred in January 2025, with groundbreaking scheduled for March of this year.

Additionally, \$15 million has been allocated to VIHFA for emergency housing projects, and \$18.6 million dedicated to first-time homebuyer construction initiatives in Mount Pleasant on St. Croix and Fortuna on St. Thomas.

In June 2024, ODR successfully launched the Own-a-Lot, Build-a-Home Program, another key accomplishment. The program expands homeownership opportunities by providing gap financing for first-time homebuyers. Banco Popular and USDA Rural Development have executed Memorandums of Understanding to participate in the program. To date, four applications have been received for assistance.

Over the course of the recovery significant progress has been made in rebuilding and strengthening our infrastructure. To date, over 1,000 of 1,900 projects have been successfully completed. Currently, 57 are shovel-ready with 85 projects under construction. Several of our priority projects have been making significant progress.

We are pleased to report that Phase I of the Charlotte Amalie High School (CAHS) demolition project on St. Thomas is underway. The demolition contractor, Grade-All Heavy Equipment, mobilized onsite in the first week in February. In addition, the design-build contract for the rebuild of the school was awarded to Consigli/Benton Joint Venture, who is currently working on the designs for the second phase of demolition and reconstruction.

The Arthur Richards PreK-8 School continues to make steady progress and is nearing the 50% completion mark. The project is on target for substantial construction completion in the summer of 2026.

Construction of the new Charlotte Kimelman Cancer Institute commenced in March 2024 and is now 48% complete. The \$51.8 million project awarded to J. Benton Construction is currently on target for substantial completion in November 2025.

The Queen Louise facility on St. Thomas has two projects. The first, a \$1 million temporary repair project, aims to stabilize the facility until a permanent replacement is built. The contract has been awarded to Custom Builders and is expected to begin in early 2025. Meanwhile, DHS acquired land in Sugar Estate for a new state-of-the-art adult care facility, with conceptual designs in progress.

The Head Start reconstruction projects for Bolongo Bay, Lindbergh Bay, Minetta Mitchell on St. Thomas, and Anna's Hope and Concordia on St. Croix are progressing. The St. John Cruz Bay facility was completed in the last quarter of 2024 with a ribbon cutting ceremony held in November 2024. All other Headstarts are expected to be completed by August 2025 with the exception of Bolongo Bay projected for November 2025.

Looking ahead, the Virgin Islands can expect ground breakings for several WAPA undergrounding projects this year, to include Feeder 5A on St. Thomas and Queen Mary Highway and Hannah's Rest on St. Croix. Queen Mary Highway and Hannah's Rest are scheduled to break ground April of 2025 with a completion date of April 2026. Feeder 9A on St. Thomas is pending a CZM determination.

WAPA continues its plan to leverage composite poles for the remaining above-ground installations that cannot be undergrounded. Thus far, WAPA has installed 8,926 poles with 4,303 on St. Croix, 2,912 on St. Thomas and 1,711 installed on St. John. Completion of the installation of approximately 10,000 poles territory-wide is expected for later this year.

A ribbon cutting for the CDBG-DR \$86 million generator project was held in January of this year providing more reliable and efficient electrical service for the St. Thomas/St. John district through the installation of 4 new Wartsila generators.

The Territory is also set to see critical improvements to its solid waste infrastructure through allocated CDBG-DR funding of \$21 million. The Waste Management Authority's plans to construct and operate convenience centers throughout the territory are underway. A contractor was selected for the St. Croix centers. The sites include Estate Concordia, Cotton Valley and Mon Bijou on St. Croix, Estate Bournefield, Smith Bay-Margaritaville, and Red Hook on St. Thomas, and Susannaberg on St. John. The St. John site also includes a clean-up and upgrade of the existing transfer station.

FEMA approved the prudent replacement of the Richmond Power Generation Plant in the amount of \$661 million. The Super PMO is working with WAPA to complete the necessary

studies that will inform the selection of the best thermal generation options to be implemented for the project. An RFP will then be prepared to solicit proposals for the agreed upon solution which will be managed by the Super PMO.

As part of the continued efforts to rebuild and enhance critical infrastructure across the Territory, the Virgin Islands Port Authority is making significant progress on the Dale A. Gregory Transportation Center at the Cyril E. King Airport in St. Thomas. Phase II of the project is expected to be completed in April 2025.

The Department of Sports, Parks, and Recreation has made significant progress in completing 35 of its 56 disaster-related recovery projects. In 2024, the department completed ten (10) projects throughout the Territory to include the Kirwan Terrace Ballpark, Cruz Bay Tennis & Orville Brown Basketball Courts, Doris Hodge Tennis Center, Alvin McBean Complex, and Joseph Aubain Ballpark in the St. Thomas/St. John district, as well as the Rudy Krieger Complex, Cramer's Park Pavilions, Marley Beach Rehabilitation, and the Frederiksted Town and Waterfront Lighting on St. Croix. Since the beginning of this year, DSPR has completed construction on the Emile Griffith Ballpark (excluding the lights) and the Nadir Basketball Court on St. Thomas. On St. Croix, the repairs to the DC Canegata Small Field and Courts were also completed. The department is currently tracking the completion of the Reinholdt Jackson Complex project by the end of March 2025 and the Vincent Mason Pool by April 2025. DSPR anticipates the start of construction on at least five projects this year to include the Ezra Fredericks Ballpark, Lionel "Smut" Richards Ballpark, and the Oppenheimer Beach Repairs in the St. Thomas/St. John district, as well as the Estate Profit and DC Canegata Community Centers on St. Croix.

This year is projected to be a transformative year for the Department of Planning and Natural Resources, with the anticipated completion of many notable projects. In the St. Thomas/St. John district, the Charles W. Turnbull Regional Library and the DPNR Office Building projects are expected to be completed by August 2025. The Enid Baa Library is anticipated to be completed by November 2025. In the St. Croix district, construction on the Athalie M. Petersen Library project is expected to restart by March of this year and completed by the end of the year.

The Office of the Lieutenant Governor (LGO) is diligently working to complete the remainder of its disaster recovery projects. The construction contract for the Sion Farm Great House project on St. Croix is expected to commence at the end of February.

The Virgin Islands Street Addressing Initiative is underway as the mapping of St. John complete, and highway and residential signage installation are set to begin in March 2025. Data collection and validation continue for St. Thomas, St. Croix, and Water Island which involves community outreach.

Design work to demolish and rebuild 4 fire stations is in progress with the architectural firm, Jaredian Design Group. The designs and final scope for the Renceliar I. Gibbs Fire Station (Cotton Valley) on St. Croix are 70% completed. Construction is anticipated to start by February 2026. The designs and final scopes for the reconstruction of the remaining three fire stations, (Estate Fortuna, Tutu, and Cruz Bay Fire Stations) are expected to be completed in summer 2025. Design work for the repairs on the Emile Henderson and Herbert Canegata (Richmond) Fire stations is still in progress with the architectural firm, Springline Architects.

They are expected to be completed before the end of the year. Charles Seales Fire Station, contracted with Persons for \$5.9 million, is currently 21% completed with an expected completion date of June 2026.

Executing and completing recovery projects continue to play a key role in providing necessary revenue to the Territory's economy. For Fiscal Year 2024, recovery projects expenditures generated over \$17.7M in gross receipt taxes (GRT) as a result of \$355.4M of expenditures.

Over \$441M in expenditure is expected in FY 2025. YTD, \$144.4 million has been expended generating \$7.2M in GRT.

To augment the pace of recovery, the ODR utilizes the Line of Credit (LOC) of \$100 million to support recovery projects to provide timely payments and funding to vendors for various projects. ODR has utilized \$93.1 million of the LOC to advance projects through various phases, and as of today, \$73.5 million has been repaid from federal reimbursement which leaves \$80.5 million of the \$100 million cap available. The LOC has allowed us to get the Envision program in motion and support payments to architectural and engineering contractors to advance recovery projects.

Honorable Senators, as we move forward with our mission to restore and rebuild our Territory, we are faced with a shift in the market conditions that has created a series of new challenges that demand our attention and resources. The well documented challenges of increased construction costs, insufficient pool of project laborers and professional support staff, lack of workforce

housing and supply chain constraints are more prevalent than ever. These challenges have now been met with increased project activity on the mainland, resulting in significantly more work than contractor capacity. This makes it increasingly more difficult to engage new contractors to the Territory.

In this supply-constrained market, contractors no longer engage in programs without clear partnership models, which has quickly become standard across major projects. It is not atypical in this environment for programs to receive an average of 2 or less major contractor bids, limiting the selection pool for solicitations and driving higher bid prices.

And if this is not enough, the risk of deobligation of recovery dollars due to the federal administration shift in policy, undermines the confidence of stakeholders that funding will remain available to carry out recovery efforts. Additionally, changes in regulatory frameworks, including higher tariffs increases cost and diminishes purchasing power.

Despite these challenges, ODR will continue to develop strategies to overcome these seemingly insurmountable roadblocks. We will continue to develop partnerships with housing providers, accelerate the initiative to implement a technical college to train new workers in support of the recovery and lobby for H-1B visa waivers to increase the workforce. Our focus will remain on the goal to ensure that our critical projects are all under contract within the next year.

Honorable Senators, thank you for allowing us the opportunity to provide testimony on the



status of the recovery. We appreciate your time and attention and look forward to working with this body as we advance the trajectory of recovery. With your support and cooperation, the ODR is confident that we can meet our goals to compliantly and effectively expend obligated funding. I also want to take the opportunity to thank TEAM ODR for their continuous commitment and drive towards the vision of *“Building a Resilient Virgin Islands”*. My team and I will remain available for any questions that you may have.