

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**

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Good Afternoon, 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 and viewing 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, Tamisha P. Lambert, Deputy Public Assistance Officer, Jamila Haynes, CDBG-DR Chief Program Officer, Atiim Senthill, Executive Delivery Manager, 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 our last appearance before this august body, the Office of Disaster Recovery has been laser focused on executing contracts for our critical facilities and moving projects into construction. In collaboration with our federal partners, the ODR has made significant accomplishments in achieving its strategic objective of "Getting the Funds." This accomplishment substantially exceeded initial estimates of \$8 billion to now 24 billion dollars.

Esteemed Senators, the recovery is in full throttle. ODR and its partners are gearing up for the next nine years of very active construction. Right now, our primary goals are to "spend the funds" and "spend them correctly." To maintain the lower cost share levied by FEMA in February 2024, the territory must complete all fixed-cost projects by 2035. Meeting this stipulation is a tremendous undertaking for any state, much less a small group of islands in the Caribbean.

The Territory has completed over 1160 projects using traditional acquisition and construction methods, however the larger, more complex projects required a different approach. This need prompted the establishment of the Rebuild USVI initiative. To manage the Rebuild USVI initiative, the ODR established a Super Project Management Office (SPMO). This division is dedicated to moving 38 large scale projects to completion.

SPMO-managed projects account for \$16.4 billion of the recovery effort. So far, 34 of 38 projects are either under contract or in the contracting phase.

The ODR is tracking 87 projects in construction, with 33 more that are shovel ready. Construction activity is expected to begin to peak from 2027 into 2028, as many of our highest-priority projects are advancing steadily.

Early on, Governor Bryan identified several priority areas critical to the territory's recovery. These priorities were established based on the projects that affected the largest percentage of the community and the criticality of the services in the areas of Health & Hospitals, Schools, Power, Housing, and Infrastructure.

### **Health & Hospitals**

In the Health and Hospitals sectors, construction has begun on the former Charles Harwood Medical Complex, newly renamed Donna M. Christian Christensen, MD Health Center. ODR executed a contract with Consigli/Benton Joint Venture in April 2025, and a groundbreaking ceremony was held in December. The pouring of the new facility's foundation began this week, and completion is scheduled for the end of 2028.

In March 2026, ODR executed a contract with Suffolk Construction Company for the rebuild of the Governor Juan F. Luis Hospital and Medical Center. Demolition of the existing hospital is projected to begin before the end of 2026, with construction completion targeted for April 2031. Several enabling projects must be completed before demolition begins. The Roy L. Schneider Hospital on St. Thomas is in the solicitation phase. Proposals are due May 8, 2026.

The Morris deCastro Clinic was awarded to Consigli/Benton Joint Venture as part of the St. John mixed-sector bundle. Design optimization is ongoing, and construction is targeted to commence December 2026, with a projected finish in December 2028. The Myrah Keating Smith Community Health Center, also part of the St. John mixed-sector bundle, was awarded to Consigli/Benton Joint Venture in October 2025. Demolition is scheduled to start before the end of 2026.

On St. Thomas, a contract was executed in February 2026 for the first healthcare bundle with Suffolk Construction Company, which includes the Departments of Health and Human Services facilities. The Department of Health oversees the Old Mental Health Building, the John S. Moorehead Complex and a portion of the Knud Hansen Building. The demolition of the Old Mental Health Building is anticipated to begin in September of 2026, with the construction of the remaining projects in the bundle scheduled to start before the end of the year. Construction on the bundle is anticipated to be completed by summer 2029.

### **Schools**

The Arthur Richards PreK-8 School continues to make steady progress and is 80% completed to date. The project remains on target for construction completion and ready to welcome students for the 2026-2027 school year. The reconstruction of Charlotte Amalie High School (CAHS) and Bertha C. Boschulte School (BCB) was awarded to Consigli/Benton Joint Venture. A project launch ceremony was held on March 26 for BCB, and construction has already begun. CAHS held its groundbreaking on April 9, 2026 kicking off the construction phase. The target completion for both schools is summer 2030.

A progressive design-build contract was executed with Suffolk/CBNA Joint Venture in February 2025 for the St. Thomas Education Bundle, which includes the Yvonne Bowsky, Lockhart K-8, E. Benjamin Oliver, and Jane E. Tuitt Elementary Schools, Ivanna Eudora Kean High School, and the St. Thomas

Administrative Center. Schematic design reviews are in progress for these schools. Early works for demolition at E. Benjamin Oliver and Yvonne Bowsky is scheduled for summer 2026 and fall 2026, respectively. The anticipated completion for the St. Thomas Education Bundle is spring 2030.

The construction of the new St. Croix Central High School is under contract with Consigli/Benton Joint Venture. A groundbreaking ceremony was held on April 21, 2026 establishing the start of construction. The first phase of the project will commence with the demolition of the gymnasium and construction is expected to be completed by July 2030.

ODR executed a contract with MCN Build in January 2026 for the renovation and modernization of the St. Croix Educational Complex. A project launch ceremony is scheduled for May 8, 2026, and the renovation of Building 1 is expected to begin this summer. Construction completion is scheduled for December 2028.

A progressive-design build contract was executed with Suffolk/CBNA Joint Venture in February 2026 for the St. Croix Educational Bundle, which includes Pearl B. Larsen, Alexander Henderson, Alfredo Andrews, Claude O. Markoe schools, and the St. Croix Administrative Center. Project programming is underway, establishing the final concepts ahead of design efforts. Construction is expected to begin in the last quarter of 2027, with completion by Spring 2030.

Last but not least, the Julius E. Sprauve PreK–12 School was awarded to Consigli/Benton Joint Venture as part of the St. John mixed-sector bundle. The project is in the design phase, with construction expected to start in December 2026 and complete by December 2029.

## **Power**

ODR selected the RG Engineering/Javelin Gramercy Ventures Joint Venture (RG) as the progressive design-builder to design and replace the Virgin Islands Water & Power Authority's (WAPA) power plants in both districts. The contract is currently being executed.

RG will immediately begin with the procurement and installation of temporary generation at both plants, with priority given to Randolph Harley on St. Thomas, while concurrently advancing system studies, equipment sourcing, and design efforts to determine the most optimal long-term generation solutions for the territory.

Since our last testimony, WAPA has completed three major undergrounding projects - on the island of St. Croix, Queen Mary (Feeder 9B) and Hannah's Rest (Feeder 8B), and on the island of St. Thomas, Feeder 5A. To further advance the undergrounding initiative, WAPA has finalized contract negotiations for Feeder 1A (Queen Street) on St. Croix and Feeder 9A (Lindbergh Bay area) on St. Thomas. Both contractors have mobilized, with a projected completion date in the first quarter of 2027. For the island of St. John, Feeder 9E is anticipated to go before the WAPA Board in May for contractor selection, with projected completion by June 2027.

WAPA continues to advance its strategy to utilize composite poles for remaining above-ground installations where undergrounding is not feasible. To date, contractor Haugland VI has installed a total of 10,124 poles – including 5,006 on St. Croix, 3,407 on St. Thomas, and 1,711 on St. John, surpassing the original goal of 10,000 poles across the territory ahead of the 2026 target.

### **Horizontal Projects (Roads & Utilities)**

The SPMO is actively managing two contracts for the simultaneous installation of underground power cables, potable water and wastewater lines, and road restoration, consistent with the territory's "One-Dig" approach. The first contract is for the St. Croix Northcentral horizontal bundle, executed with the progressive design-builder Kiewit Infrastructure South Co. in November 2025. This bundle covers 28 square miles or 34% of the island of St. Croix. The project is currently in the early design stages, with construction anticipated to start December 2026 and a projected completion date of December 2032.

The second contract is for the St. Thomas East horizontal bundle, executed with the progressive design-builder Kiewit-Haugland Virgin Islands Joint Venture (KHVI) in December 2025. This bundle covers 17 square miles or 55% of the island of St. Thomas. This project is also in the early design stages, with construction anticipated to start in the first quarter of 2027.

The St. Croix Southwest and St. Thomas West Horizontal bundles were released in February 2026, and proposals are due on May 21, 2026.

## **Housing**

A healthy housing stock and access to affordable homes are vital for enhancing Virgin Islanders' quality of life. In November 2023, the ODR was designated as a sub-recipient for the territory's CDBG-DR funds. As such, our office continues to handle the daily management of the federally funded CDBG-DR program.

ODR remains focused on completing repairs to residential homes damaged by the 2017 storms. The EnVIsion Tomorrow Program continues to advance those efforts, despite ongoing challenges. To date, the program has completed 87 homes; 122 homes are in construction, and 24 additional homes have been awarded to contractors pending mobilization. The program is maintaining momentum, driving significant residential construction, which presents ongoing coordination and scheduling challenges. Many homes require tailored construction solutions, adding complexity to delivery. Progress is also impacted by permitting, environmental review requirements, and the complexity of finding homes and relocating applicants particularly our elderly.

Additionally, contractor capacity and material availability continue to impact the pace of work. Despite these factors, the program remains focused on maintaining momentum and delivering safe, resilient

housing to affected residents.

ODR continues to support contractors through ongoing training and targeted technical assistance. Contractors receive individualized technical support to address issues related to payment processing, construction management, and project scoping.

The D. Hamilton Jackson Terrace Revitalization Project on St. Croix is steadily progressing towards completion. It includes the rehabilitation of 106 residential units and a community center. It will mark the territory's second participation in HUD's Rental Assistance Demonstration (RAD) Program. Construction is currently 77% complete, with a ribbon-cutting ceremony expected in December 2026.

The Donoe Redevelopment Project represents the first phase of replacement housing for residents displaced by the loss of the Estate Tutu Apartments in St. Thomas. The development will create a new residential community at the former Estate Donoe site, consisting of 84 units across 14 buildings, as well as a community center.

The project is progressing toward a targeted completion date of June 2027 and is currently 37% complete. Building turnover will occur in phases, beginning with Buildings 1–6 in mid-2026 at an estimated rate of one building per month, with the remaining buildings expected to be completed in 2027.

Lovnlund Apartments Phase II is a 96-unit rental community in St. Thomas, originally developed as affordable housing through the LIHTC program, the property reached the end of its initial 15-year compliance period in 2021, placing a portion of the territory's affordable housing inventory at risk. In response, the Jackson Development (JDC) team secured CDBG-DR funding to acquire, rehabilitate, and preserve the units as affordable rentals.

A notice to proceed was issued on April 7, 2026, marking the start of a 15-month rehabilitation of both the units and common areas. Completion is projected for June 2027.

The Office of Disaster Recovery is overseeing project management for the rehabilitation and preservation of Lovenlund Phase II, while the Virgin Islands Housing Finance Authority is responsible for implementing the homeownership conversion initiative for the Calabash Boom, Bellevue, and Lovenlund Phase I communities.

The Own a Lot, Build a Home Program provides CDBG-DR funding to assist first-time homeowners in constructing a single-family residence on their existing property. Currently, five applications are in the pipeline: four through Banco Popular and one through USDA Rural Development. Environmental clearances have been secured for four of the five properties. To date, three applicants have reached financial close with Banco Popular and have received Notices to Proceed for construction.

The team has recently re-engaged with potential applicants through various outreach efforts, including appearances on local radio programs, participation in the St. Croix Board of Realtors Fair Housing Expo on April 11, 2026, participation in VIHFA Homebuyer Education classes, and targeted social media advertising.

ODR is currently awaiting approval of the CDBG-DR substantial amendment to the Action Plan. This amendment will expand the program to assist first time homebuyers who have already begun partial construction on their homes.

Congruently, federal disaster recovery funding from FEMA is financing the Tutu North Senior Housing project, a new five-story development consisting of sixty (60) residential units for senior citizens residing on St. Thomas. The construction contract was awarded to J. Benton Construction and is scheduled to begin June 30, 2026, with an expected completion date of August 30, 2028.

## **Human Services**

As noted earlier in the testimony, a contract for the St. Thomas healthcare bundle was executed with Suffolk Construction Company in February 2026, which includes facilities for the Departments of Health and Human Services. The Department of Human Services facilities include the Knud Hansen Building and the Queen Louise Home for the Aged on St. Thomas. Construction on the Knud Hansen Building is expected to commence in December 2026 and end in June 2029. The Queen Louise Home for the Aged is in the initial design phase, and construction is projected to begin in March 2027, with completion in the summer of 2029. The facility repairs to the temporary Queen Louise Home for the Aged by Custom Builders commenced in April 2026 with a target completion date of February 2027.

The contract for the Herbert Grigg Home for the Aged on St. Croix was executed with J. Benton Construction, LLC. The design is underway, and construction is anticipated to start in February 2027 and finish by February 2029.

Reconstruction efforts for Head Start facilities in Bolongo Bay, Lindbergh Bay, and Minetta Mitchell on St. Thomas, along with Anna's Hope and Concordia on St. Croix, are nearing completion. These highly anticipated projects are expected to be finished by May 2026, with Bolongo Bay's completion closely following in June 2026.

## **Public Buildings**

Construction on the Charles "Tappy" Seales Fire Station restarted this month after receiving FEMA's approval for additional funding and scoping. Due to the delay in the review process with FEMA, construction was halted for 12 months. With work now underway, the anticipated completion date for this project is summer 2027.

In January 2026, a contract was executed with Persons Services Corp. for the Territorial Fire Station Bundle, which includes the Renceliar Gibbs (Cotton Valley) Fire Station on St. Croix, the Estate Fortuna and George P. Scott Fire Stations on St. Thomas, and the Cruz Bay Fire Station on St. John. Construction of the Fortuna Fire Station and the Renceliar Gibbs Fire Station is projected to begin in August 2026 and September 2026, respectively. The George P. Scott Fire Station is scheduled to begin construction October 2026 and the Cruz Bay Fire Station is schedule to begin construction in December 2026. Both have a projected completion date of December 2027.

The Department of Sports, Parks, and Recreation continues to make great progress on its many disaster recovery projects. On St. Croix, the construction contract for the Estate Profit Community Center renovations was executed on April 17, 2026, and is scheduled for completion in April 2027.

The DC Canegata Phase II construction is pending contract execution. Once executed, work will commence shortly after, the expected date is in June 2026. On St. Thomas, the Lionel “Smut” Richards Ballpark is currently in the solicitation phase. Construction is expected to commence on this project in the summer of 2026. The Ezra Fredericks Ballpark and Winston Wells Bleachers/Concession Stand projects are both pending Coastal Zone Management (CZM) approvals before the solicitation phase can commence. Construction for these projects is anticipated to start at the end of this year.

The Office of the Lieutenant Governor (LGO) is focused on completing its last two FEMA-funded disaster recovery projects. On St. Croix, the historic Sion Farm Great House project is currently under construction with an anticipated completion date in fall 2026. On St. Thomas, the historic Lieutenant Governor’s main office building is expected to be in the solicitation phase in May 2026.

The LGO is also utilizing CDBG-DR funding to execute the Street Addressing Initiative, which is in the process of upgrading the Virgin Islands' address system to meet national standards.

The Virgin Islands Territorial Emergency Management Agency (VITEMA) will eventually begin using the data in directing first responders to assist with 911 calls. The installation of street signs on St. John began in December 2025. In 2026, the LGO is also expecting to complete the street addressing grids for St. Thomas, St. Croix, Water Island, and all outlying addressable cays in the territory.

The Department of Planning and Natural Resources continues to make strong progress toward completing its three remaining library projects: the Athalie M. Petersen Library on St. Croix and the Charles W. Turnbull Library and Enid M. Baa Public Library and Archives on St. Thomas. The Athalie M. Petersen Library is projected for completion by August 31, 2026, the Charles W. Turnbull Library by September 20, 2026, and the Enid M. Baa Library by June 16, 2026.

Additionally, the St. John DPNR Office Building has gained momentum and is expected to be completed by December 31, 2026, providing DPNR staff on St. John with a brand new facility.

As recovery projects progress through the construction phases, revenue to the territory will increase, driven by the realization of Gross Receipts (GRT) and other taxes on project-related expenditures. ODR tracks the realization of GRT on its projects as a vital aspect of revenue generation for the Territory.

In conjunction with the Office of Management and Budget, ODR anticipates spending \$643.5 million on disaster recovery projects in FY 2026. This will result in \$139.2 million in revenue, \$78.5 million in gross receipts, \$48.97 million in withholding and \$11.69 million in excise taxes. To date over \$217 million dollars have been expended in FY 2026 and another \$88 million dollars is in various stages of payment processing.

## **Workforce**

Construction labor availability in the USVI remains constrained by a small local labor pool and increased competition from mainland markets. The ODR anticipates a minimum of 5,500 skilled trades personnel to successfully support the rebuild projects to deliver against our projected timelines. All prime contractors awarded projects were made aware of the USVI's labor constraints and were scrutinized on their ability to force generate deployable skilled workers to the USVI cost effectively for the duration of their projects. The ability to force generate capacity from neighboring islands, as done in the past, is no longer possible due to the unavailability of the H2B Worker VISA.

Strengthening the local construction workforce continues to be important in the territory. The ODR is engaging with local institutions on workforce development programs focused on vocational training, apprenticeships, and prime contractor partnerships as we see this as a critical pathway to building sustainable local capacity. Prime contractors have also held a number of industry outreach events to inform local contractors of available opportunities.

## **Workforce Housing**

Workforce housing is also a persistent and structural challenge in the U.S. Virgin Islands, driven by limited developable land compounded by limited available housing inventory to date. This challenge has and continues to be a top priority for the ODR, where at peak (August 2028), it is anticipated that the territory will accommodate approximately 5,500 additional personnel. The ODR is continuing to explore options with local and international temporary housing solution providers that have operated successfully in austere conditions, having provided similar solutions to those that are required to successfully support the USVI, without negatively impacting the tourism industry and the local housing market.

The ODR, with support from Jacobs, is currently exploring numerous approaches for temporary workforce housing solutions that can be sustainable for 10 years or more and adhere to international worker welfare requirements, meet environmental standards, and do not negatively impact undisturbed land or marine life. The SPMO team continues to work closely with prime contractors to increase partnering with local housing solution providers who are familiar with doing business in the territory. Our solutions, anticipating future demands, include the construction of new International Standard Worker Compounds, refurbishing of existing worker compounds, refurbishing existing vacant hotels which require investment, and a marine-based solution.

### **Challenges**

The ODR continues to navigate shifts in market conditions that exacerbate known challenges. Most recently, rising fuel costs and an unpredictable political climate have intensified market shifts. Issues such as rising construction costs, a limited labor and professional support workforce, a shortage of workforce housing, and supply chain disruptions are perpetual. Additionally, unpredictable federal policy changes and the lingering federal shutdown are impacting FEMA operations, bringing an already slow review-and-approval process to a screeching halt. Tariff fallout and supply shortages compound this slowdown, further increasing construction costs.

Inflation exerts an outsized impact on the USVI recovery projects due to the territory's heavy dependence on fuel and construction materials. Since 2017, we have experienced numerous major global supply chain disruptions (of most recent the Iran conflict), rising shipping costs, and fuel price volatility which are outside of our control and has increased projected costs and prices by 5% to 25% across the portfolio. This is significant and does not account for inflationary figures included in the recovery's initial assumptions.

It is highly likely the USVI will continue to experience cost growth across all areas of the recovery from labor rates, materials, and logistics, which will require the ODR to make strategic decisions to deliver projects on time and on budget.

Navigating these issues can be daunting. Nevertheless, the ODR remains unwavering in its focus and is committed to fostering new ideas and engaging with stakeholders to develop innovative solutions.

Madam Chair, we thank you and the members of this body for the opportunity to present testimony regarding the status of the recovery. With your support, the ODR is confident in its ability to meet our objectives of compliant and efficient utilization of obligated funding.

I also wish to express my gratitude to TEAM ODR that give their all day in and day out, and I applaud them for their unwavering dedication and pursuit of the vision, “Building a Resilient Virgin Islands.”

My team and I remain available to address any questions you may have.