



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 committee members, and the listening audience. I am Adrienne L. Williams-Octalien, Director of the Virgin Islands Office of Disaster Recovery (ODR). Joining me this afternoon are 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.

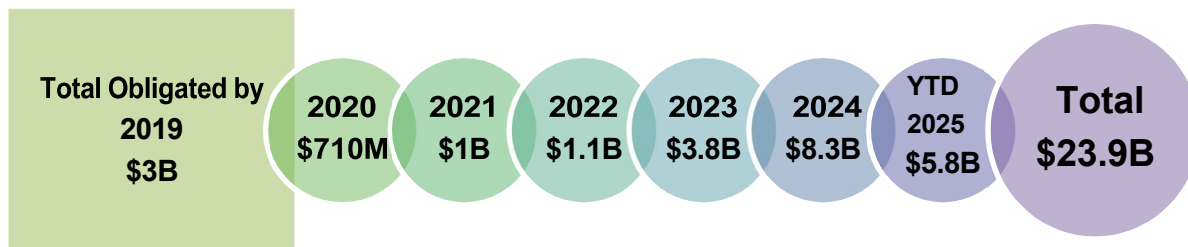
We are pleased to report that since our last testimony on February 20, 2025, several projects and initiatives have made significant progress. Namely ribbon cutting ceremonies were held for two highly anticipated park projects, the Vincent F. Mason Pool and the Reinholdt Jackson Sports Complex on St. Croix. In that period, we have expended over \$238.5 million to complete, initiate, and manage hundreds of projects. Additionally, twenty solicitations have been issued across various sectors of the recovery, including procurements for the undergrounding of water and power lines, hospital reconstruction in both districts, school projects on St. Croix, and home rehabilitation projects throughout the territory.

ODR is resolute in its mission to *“Build a Resilient Virgin Islands,”* and takes pride in supporting the mission to get the funds, spend the funds, and spend them correctly, but there is still more work to be done.

When the office was established in 2019, the recovery was expected to cost \$8 billion. After closely working with our federal partners, Witt O’Brien’s and other local stakeholders, the ODR increased obligations from \$8 billion to \$23.9 billion, with expenditures at \$3.8 billion as of the end of April 2025.

The ODR has consistently increased federal obligations since 2020. In 2024 alone, we received \$8.3 billion in obligations, which is more than the initial projection for the entire disaster. Securing funding was crucial to executing ODR's first strategic priority of “*getting the funds*” to move projects into construction.

Total Obligations by Year



The process of obtaining this funding is tedious. Funding is not obligated by simply asking for it. To access FEMA Public Assistance funds, the territory and its partners must navigate a complex 19-step process that requires providing copious amounts of information before any funding can be obligated. In turn, expending billions of dollars is just as challenging. Adhering to procurement and payment processing requirements requires patience and persistence.

The territory's federal funding in response to Hurricanes Irma and Maria is divided 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 (PA) is the primary funding source and has been granted \$21.4 billion. The allocated funding supports a total of 1,571 projects. As of April 2025, \$3.2 billion of these funds have been expended.

The ODR also administers funding from FEMA's Hazard Mitigation Grant Program (HMGP). To date, \$199.7 million has been received out of an expected \$1.4 billion and \$60 million has been expended. Funding from HMGP must be used for mitigation measures specifically designed to reduce the risk of loss of life and property resulting from future disasters. FEMA has approved 134 Hazard Mitigation projects, which are granted at 100% of the project cost.

The Department of Transportation's Federal Highway Emergency Relief Program (FHWA-ER), managed locally by the Department of Public Works, has obligated \$76.5 million of the \$80.5 million allocated for the territory to perform essential repairs on roads and bridges. The funding supports 18 projects impacting 91 locations territory-wide. Most of this work has been completed, with \$64.2 million spent to date.

The Community Development Block Grant Program – Disaster Recovery (CDBG-DR) and MIT Programs, funded by the U.S. Department of Housing and Urban Development (HUD), is administered by the Virgin Islands Housing Finance Authority and managed by ODR. As a subrecipient, the ODR is responsible for providing pragmatic oversight, encompassing day-to-day operations and program management. CDBG-DR has access to \$1.9 billion received through its disaster recovery, mitigation, and electric grid tranches.

Lastly, other disaster-related funds from various federal entities, including the Department of Health and Human Services, the U.S. Department of Agriculture, the U.S. Department of Education, and the Department of Commerce, amounting to an estimated \$250 million have been made available to the territory, of that, \$158.4 has been expended.

Now that we have access to the majority of the funding, and a resolution for the match, we have been

laser-focused on moving our critical projects through solicitation and into construction. In order to maintain the lower cost share rate authorized in February 2024, FEMA mandates that projects must be completed by 2035. Therefore, it is imperative that we accelerate the pace of recovery and increase the rate of expenditure. This is no small feat! Managing a \$23 billion recovery, which is five times the territory's GDP, comes with its own unique set of challenges, adding to our existing challenges of being a group of islands with limited resources and a population of less than 100,000.

The mechanism to propel the territory through this next phase of recovery is the Rebuild USVI initiative. Recognizing the stakes, the Office of Disaster Recovery has established the SuperPMO with the support of Jacobs Engineering Inc. Staff and contractual support are in place and continue to streamline various functions by maintaining a single point of contact for contractors and stakeholders, while eliminating bottlenecks.

In our last appearance before this body, we reported on the status of the Rebuild USVI initiative and the SuperPMO's progress. Since then, the team has facilitated the release of four procurements for schools, hospitals, utility undergrounding and roadwork, overseen the execution and award of five contracts.

To expound, the SuperPMO has:

- Executed a contract in February 2025 with Suffolk-CBNA Joint Venture for the St. Thomas Education Bundle, which includes the Emanuel Benjamin Oliver Elementary, St. Thomas Administrative Center, Lockhart K-8, Ivanna Eudora Kean High School, Yvonne Milliner-Bowsky Elementary, and the Jane E. Tuitt Elementary. The designs are 20% complete and are expected to be completed in October 2026.
- Executed a contract with Consigli/Benton Joint Venture 1 to rebuild the Donna M. Christian-

Christiansen Medical Complex. A contract kick-off occurred on April 23, 2025, and substantial completion is expected in 2028.

- On April 23, 2025, the contract for the St. Croix North-Central horizontal bundle, which includes power, water, wastewater, and road work for northside road and other portions of the island, such as Mon Bijou, Strawberry, La Grande Princess, Catherine's Rest, and Tide Village was awarded to Persons Services Corp. We are currently in the contracting phase.
- The St. John mixed sector bundle was awarded on April 23 to Consigli/Benton Joint Venture 1, which covers the rebuild of the Morris F. deCastro Clinic, Myrah Keating Smith Community Health Center, and Julius E. Sprauve PreK-12 School. We are currently in the contracting phase of procurement.
- The St. Thomas healthcare bundle closed on April 28, 2025. This bundle encompasses the demolition of the Old Mental Health Building, new construction of the Queen Louise Home for the Aged, renovations to the John S. Moorehead Complex, and the demolition and rebuild of the Knud Hansen Departments of Health and Human Services buildings.

The SuperPMO is also providing project management support for several school projects.

- The first phase of demolition work at the Charlotte Amalie High School on St. Thomas continues. Contractor, Grade-All Heavy Equipment has demolished the first three buildings, and the design-build contractor, Consigli/Benton Joint Venture 1, is finalizing the 60% design package for the second phase of demolition and reconstruction.
- A contract was executed with Consigli/Benton Joint Venture 1 in May 2025 for the

demolition and reconstruction of St. Croix Central High School.

Additionally, solicitations for:

- The St. Croix Education Bundle for the demolition and rebuild of Pearl B. Larsen, Alexander Henderson, Alfredo Andrews, and Claude O. Markoe Schools was released on March 27, 2025, and proposals are due on June 5, 2025.
- The reconstruction of the Governors Juan F. Luis and Roy L. Schneider Hospitals was advertised in March 27, 2025, and proposals are due June 20, 2025.
- The St. Thomas East horizontal bundle, which includes underground utilities and road work in Estates Anna's Retreat, old and new Tutu, Smith Bay, Nazareth, Turpentine Run, Bovoni, and Frenchman's Bay was released on May 15, 2025 and bids are due July 10, 2025.

The SuperPMO expects to release solicitations for:

- The Edith Williams Alternative Academy on St. Thomas and St. Croix Educational Complex in July 2025 and;
- The prudent replacement of power generation at WAPA's Richmond Power Plant on St. Croix and Randolph Harley Power Plant on St. Thomas in June 2025.
- The St. Croix Southwest Horizontal bundle in July 2025. The areas include Estates Smithfield, Concordia, Campo Rico, Whim, Williams Delight, Mount Pleasant, and Clifton Hill.
- A territorial fire station demo and rebuild bundle for Renceliar Gibbs (Cotton Valley) on St. Croix, Cruz Bay Fire Station on St. John, and Estate Fortuna and Tutu Fire Stations on St. Thomas is expected to be released in July 2025.

Furthermore, the Super PMO is making headway to address some of the current challenges of today's market and how projects are managed. Focusing on securing workforce housing, as well as preparing Warehousing as a Service for Rebuild USVI projects. To provide context, according to the RAND Corporation, projects funded by FEMA's Public Assistance program are expected to require about *\$1 billion in material purchases, with \$444 million explicitly designated for school projects*. Therefore, securing adequate warehousing for the next phase of recovery is essential.

Outside of the Super PMO, there are 474 other key projects left to be completed. Looking ahead, the Virgin Islands Water and Power Authority has commenced several undergrounding projects, including Feeder 5A – Crown Bay on St. Thomas and Feeder 9B - Queen Mary Highway and 8B - Hannah's Rest on St. Croix. All three projects are slated for completion by April 2026.

In addition, WAPA is currently soliciting public bids for the undergrounding of Feeder 9A on St. Thomas, with a submission deadline of May 30, 2025. Bids are also being solicited for Feeder 1A-Queen Street on St. Croix, with proposals due by June 11, 2025.

Renewable energy projects are also moving forward. ODR celebrated a major milestone with the University of the Virgin Islands Research and Technology Park on May 5, 2025 as they broke ground on its Solar Farm and Teaching Array project on St. Croix. The new ground-mounted solar farm replaces a previous rooftop array damaged during the storms. The replacement is funded through a FEMA Public Assistance Grant. The one-acre, 423kW, state-of-the-art, WAPA-interactive solar farm is supported by FEMA and is expected to be complete in August 2025.

Additionally, other project updates provided in February and updated as of May 2025 are:

- In April, the Virgin Islands Port Authority opened the Dale A. Gregory Transportation Center

at the Cyril E. King Airport in St. Thomas. Providing 320 parking spaces, elevators, and accessibility features for residents and visitors.

- The contract for the restoration of the Sion Farm Great House has been completed, and work has started. The project is expected to be done before the end of the year.
- The Charles W. Turnbull Regional Library is still on track for completion in August 2025.
- Both the Enid Baa and Athalie Petersen libraries are expected to be done before the end of 2025.
- The Virgin Islands Street Addressing Initiative is making steady progress. Mapping and addressing are complete on St. John and will begin on St. Croix and St. Thomas this summer. The installation of highway signs is also complete on St. John and St. Thomas. The Lieutenant Governor's Office encourages residents on St. Thomas and St. Croix to contact them, as there are still roads to be named. Lastly, new illuminated highway signs will be installed in June on St. Croix, and residential sign work is expected to begin before the end of the year on St. Croix and St. Thomas.
- After receiving additional approvals from FEMA, design work for the Emile Henderson Fire Station is expected to resume and be completed by the end of the year by Springline Architects.
- The Charles Seales Fire Station, contracted with Persons for \$5.9 million, is currently 25% completed with an expected completion date of summer 2026.
- The Waste Management Authority Convenience Centers remain on the path to construction. Continental Construction & Engineering was selected to complete the sites on St. Croix, which includes Estate Concordia, Cotton Valley, and Mon Bijou and is in the contracting phase.

Estate Bournefield, Smith Bay-Margaritaville, and Red Hook on St. Thomas, and Susannaberg on St. John are all moving through the environmental process.

- Construction of the new Charlotte Kimelman Cancer Institute commenced in March 2024 and is now 48% complete. The \$51.8 million project is on target for substantial completion in November 2025.
- The Department of Human Services (DHS), Queen Louise Home for the Aged on St. Thomas has two projects. The first is a temporary repair project aimed at stabilizing the facility until the permanent replacement is constructed. The contract has been awarded to Custom Builders and is expected to begin in the second quarter of 2025. Conceptual designs are in progress, and the land has been acquired in Sugar Estate for the new state-of-the-art adult care facility.
- The Head Start reconstruction projects at Bolongo Bay, Lindbergh Bay, and Minetta Mitchell on St. Thomas, as well as Anna's Hope and Concordia on St. Croix, are forging ahead. All sites are expected to be completed by August 2025, except for Bolongo Bay, which is projected for November 2025.
- The Arthur Richards PreK-8 School project continues to make steady progress. The contractor, MCN Build, is more than 50% complete and is on target for substantial completion in the summer of 2026.

Executing and completing recovery projects continues to play a key role in providing necessary revenue to the territory's economy. Over \$441M in expenditure is expected in FY 2025. Year to date, \$288.5 million has been expended, generating \$14.1 million in GRT.

To keep projects on schedule and maintain timely payments, the ODR utilizes the Line of Credit

(LOC) of \$100 million to support recovery projects and advance the recovery. ODR has utilized \$156.2 million of the LOC to advance projects through various phases, and as of today, \$100.7 million has been repaid from federal reimbursement, which leaves \$45.3 million of the \$100 million cap available. The LOC has enabled us to provide advance funding to support the release of checks when FEMA's release of funds is delayed, ensure timely contractor and vendor payments, and advance payments to architectural and engineering contractors to expedite recovery projects.

In 2019, the Envision Tomorrow Program was allocated funds to restore damaged homes and rental properties. To date, 57 homes have been restored, and 107 are in active construction. There are 68 homes under construction on St. Croix, 36 on St. Thomas, and three on St. John. The program is also pushing even more projects through the pipeline. There are 50 homes pending mobilization, and 41 pending bid evaluation.

This is undeniable progress, seeing that in February 2024, there were only 30 homes completed, and only nine were under construction. Now, nearly 45% of eligible residential home projects have been completed, mobilized, awarded, or solicited, reflecting substantial progress toward the anticipated 2027 substantial completion date. The homeowner program has touched 225 families, with just 270 eligible homes remaining.

The Rental Rehabilitation and Reconstruction Program (RRRP) held a relaunch in March of this year. As of May 2025, 80% of participating landlords have been contacted with updates and guidance on next steps – an important milestone in re-engaging applicants and ensuring program momentum. Procurement for the first group of applications will begin in June, with anticipated construction start dates by August 2025. These efforts are laying the groundwork for tangible housing restoration across the Virgin Islands.

Despite implementing policies and procedures to offset and, in some cases, overcome roadblocks to construction, some challenges persist. Program staff must still contend with applicants who have difficulty providing the required documentation. Delays in the permit and environmental review process impede construction and complicate project schedules. As construction costs continue to rise and tariff uncertainties impact material costs, making it difficult to keep projects within budget. The program team also recognizes applicants' need for social support services such as financial, legal, and transportation assistance, essential home furnishings, and other needs outside the program's scope.

Additionally, applicants in need of temporary housing are unable to find affordable accommodations due to the territory's limited housing stock. To address this need, the ODR recently developed and announced its "Calling All Landlords" campaign to encourage vacation rental owners to register their property's availability via the ODR website at www.usviodr.com/calling-all-landlords.

CDBG-DR also made an investment of \$260 million for other housing initiatives, including new construction and rehabilitation efforts. Major projects include:

- Renovations to Lovenlund Phase 2, which covers the rehabilitation of 96 Low Income Housing Tax Credit (LIHTC) rental units and the installation of an alternative energy plant. Jackson Development Company is expected to begin work in October 2025 with an estimated 18-month timeline for completion. The developer on this project is staggering construction work, starting with Bellevue and Calabash Boom, two other homeownership conversion properties on St. John. Those projects are funded by CBDG-MIT and managed by VIHFA.
- The financial closing for the Donoe Redevelopment Project occurred today, which will allow for the restart of construction. The project scope remains unchanged with the continued new construction of 84 affordable rental units funded by \$80.7 million in CDBG-DR funds and

\$44.3 million from other funding sources.

- In March of this year, the Virgin Islands Housing Authority broke ground on the 106-unit D. Hamilton Jackson Terrace revitalization project. CDBG-DR has granted \$47.2 million to support the completion of this project in December 2026.
- The Own-a-Lot, Build-a-Home Program successfully launched in June 2024 to enhance homeownership opportunities by providing gap financing for first-time homebuyers now has five active applications. The program anticipates providing conditional commitments to approved applicants this month, with closings and construction beginning during the third quarter of FY 2025. The program continues to accept referrals for funding and will participate in VIHFA's upcoming Housing Month Expo on June 14 on St. Croix and June 24 on St. Thomas.

To date, over 1,112 of 1,600 projects have been completed. Currently, 45 are shovel-ready and 86 are under construction. There are only 218 projects that have not started.

We continue to press forward with our mission to restore and rebuild our territory. There is no doubt that the difficulty quotient has increased with the impact of policy changes of federal funders creating long, protracted reviews that cause significant delays to eligibility decisions and approvals for funding of payments. To quote the proverbial "when it rains it pours", we are burdened by the increased construction costs due to tariffs, lack of competition and other market conditions. It has been said that this is a "contractors' market" where contractors are being extremely selective on the work that they pursue and some mainland contractors have reported that they have commitments spanning two years out and will not be pursuing new work until that time. This results in most programs receiving an average of two or fewer major contractor bids, limiting the selection pool for solicitations and driving

higher bid prices.

We are adjusting and must remain adaptable to thrive in today's ever-changing market and establishing a partnership model environment driven by timelines and deliverables. Strong collaboration with all stakeholders is critical since the focus on completing projects on time and on budget is the ultimate goal. The ODR remains determined and resolute in ensuring that all critical projects are under contract by 2026.

Honorable Senators, thank you for allowing us 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 our office's initiatives. With your support and cooperation, the ODR is confident that we can meet our goals of compliantly and effectively expending obligated funding. FEMA has recognized the quality of the work performed under this disaster by granting the Territory the VAYGo Closeout Benefit (VCB), for maintaining an error rate of less than 1.5 percent for two consecutive testing cycles. This benefit simplifies project closeout for large projects. We would like to thank the Public Assistance Team and Ernst & Young (EY) for their support in ensuring compliance with programmatic regulations that has garnered the territory this distinction as we continuously work to *spend the funds correctly*.

This is a once in a century opportunity with an unprecedented amount of funds to transform the Virgin Islands into truly resilient community for generations to come. I would like to thank, TEAM ODR, for your 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.