



TESTIMONY

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

PRESENTED BY:

ADRIENNE L. WILLIAMS-OCTALIEN

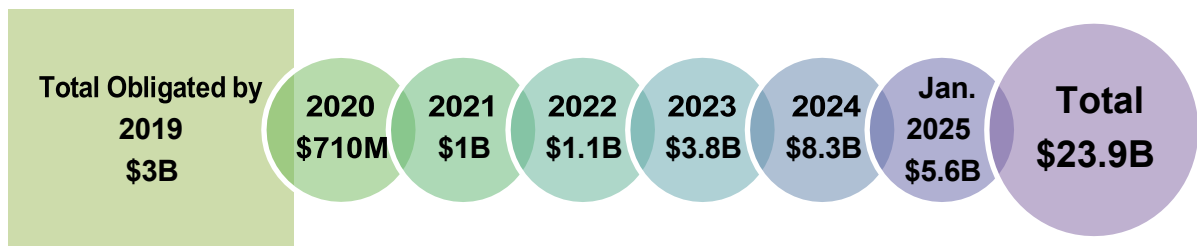
DIRECTOR

September 12, 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 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, Jamila Haynes, Chief Program Officer, and Tawana Nicholas, Assistant Executive Delivery Manager. It is my privilege to present an update on the status of disaster recovery initiatives in the US Virgin Islands.

Since its establishment in February of 2019, ODR has not lost sight of its mission to “*Build a Resilient Virgin Islands.*” All actions and focus have been put on *getting the funds, spending the funds, and spending them correctly.*

In 2018, it was expected that the recovery would cost \$8 billion. However, with hard work and the support of our stakeholders, the ODR has successfully increased the funding available to the territory from \$8 billion to \$23.9 billion. This additional \$16 billion will facilitate the reconstruction of our schools, hospitals, housing, roads, and infrastructure to industry standards, making our islands more resilient.



It is important to reiterate that these disaster recovery funds are not sitting in a bank account. Funds are drawn down as work is completed. To date, \$4.1 billion of these funds has been expended, which is half of the original expected obligation of \$8 billion.

Senators, ODR can now check the box for “Get the Funds.” As the territory is positioned and ready to execute the next phase of the recovery, the focus now is on accelerating the expenditure of funds. However, we recognized that a different approach to completing the territory’s recovery portfolio was necessary. In order to maintain the lower cost share agreed upon with FEMA in February 2024, the territory must complete all fixed cost projects by 2035. This need gave birth to the Rebuild USVI initiative.

Rebuild USVI, calls for the bundling of projects and the establishment of a Super Project Management Office (SPMO) to dedicate focus to larger, more complex projects. Understanding our capacity challenges, ODR solicited and executed a contract for staff augmentation with CH2M Hill/Jacobs Solutions Inc. (Jacobs). Additionally, we needed to attract contractors with proven strategies for addressing workforce housing, supply chain, and labor shortages, as well as the capacity to bond multi-million-dollar projects. To achieve this, we met with top Engineering, Procurement, & Construction (EPC) contractors in New York, Washington, D.C., and Chicago to explore potential partnerships. Although we encountered interest, it became clear that the current recovery structure needed improvement. Contractors were looking for streamlined processes, clear decision-making channels, timely payments, and shared risk procurement models.

The project acquisition strategies chosen to execute this “can’t fail program” focuses on packaging similar scopes of work into project bundles coupled with using one of two delivery methods - Progressive Design Build (PDB) and Construction Manager at Risk (CMAR). These

aforementioned delivery methods are ideally suited for intricate, complex and high-risk projects, which describes all of the projects overseen by the SPMO. Both methods lead to improved risk mitigation, cost control and forces collaboration, which is critical to a successful project outcome when multiple stakeholders are involved. PDB and CMAR focuses on teamwork, risk control, and cost management. This allows for the expedited completion of projects where construction and procurement of materials can start before the design is 100% complete.

Projects are broken into a preconstruction and construction phase. 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. Early work packages are created and executed to advance the project.

During our last appearance before this body in May 2025, we outlined that the goal for Rebuild USVI is to have all critical projects under contract by the end of 2025. SPMO managed projects account for \$13.7 billion of the recovery effort. So far, 25 of the 34 projects are either under contract or in the contracting phase.

Toward this end, ODR/PFA has executed:

- A contract 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, and the selective demolition for the St. Thomas Administrative Center is expected to begin in November. The demolition and construction are scheduled to commence in the first quarter of 2026 for Lockhart K-8 and E. Benjamin Oliver Elementary schools.

- A contract with Consigli/Benton Joint Venture 1 in April 2025 for the rebuild of the Charles Harwood Medical Complex, renamed the Donna M. Christian-Christiansen Medical Complex. Design optimization is in progress, and construction is scheduled to start in December of this year, with completion by the end of 2029.

Additionally, ODR is in contract negotiations for:

- The St. Croix Northcentral horizontal bundle with Kiewit Infrastructure South Co. for power, water, wastewater, and road work. This bundle covers 28 square miles or 34% of the island of St. Croix. Construction is anticipated to start in 2026, and the completion date is 2032.
- The St. John mixed sector bundle includes the rebuild of the Morris F. deCastro Clinic, Myrah Keating Smith Community Health Center, and Julius E. Sprauve PreK-12 School with Consigli Benton Joint Venture 1. The construction of all three facilities is scheduled to start next year, with Morris deCastro starting first in the beginning of the second quarter. This bundle is scheduled to be completed by the end of 2031, with Myrah Keating Smith and Morris DeCastro Clinic completion in 2027 and 2028, respectively.
- The St. Thomas healthcare bundle with Suffolk Construction Company, 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. The demolition of the Old Mental Health Building is scheduled for the beginning of next year, with the construction of the remaining projects in the bundle scheduled to start towards the end of 2026. The bundle is expected to be completed in 2029.

Contracts are being drafted for the recent awards to Suffolk CBNA Joint Venture for the St. Croix education bundle, which includes Pearl B. Larsen, Alexander Henderson, Alfredo Andrews, and Claude O. Markoe Schools. We anticipate construction to start in the last quarter of 2026 with completion in 2030.

The Governor Juan F. Luis Hospital and Medical Center (JFL) and the Roy L. Schneider Hospital at Schneider Regional Medical Center (RLS), has been awarded to Clark/MCN USVI, A Joint Venture. The contract is currently being drafted. We anticipate demolition of JFL to start in the beginning of 2026, followed by its rebuild and completion by the end of 2030. RLS construction is expected to start in the beginning of 2027, followed by the demolition of the existing hospital and the completion of the project in 2032.

Bid evaluations are in progress for the St. Thomas East horizontal bundle. Similar to the scope for St. Croix's horizontal bundle, it includes power, water, wastewater, and road work. This bundle covers 17 square miles or 55% of the island of St. Thomas. We anticipate a project duration of six years with completion in 2032.

The 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 closed on September 5, 2025 and is now in the evaluation phase.

Several solicitations are due to close this month including:

- The Edith Williams Alternative Academy on St. Thomas and St. Croix Educational Complex on September 30, 2025.
- The prudent replacement of power generation at WAPA's Richmond Power Plant on St. Croix and the Randolph Harley Power Plant on St. Thomas on September 24, 2025.

In addition to the multi-billion dollar capital investment program of the Super PMO, the ODR is also very focused on completing the repairs of homes damaged by the 2017 storms. Despite the many challenges, the Envision Tomorrow Program continues to make steady progress. To date, the program has completed 72 homes. There are 104 homes under construction, and 78 additional homes awarded to contractors are pending mobilization. In fiscal year 2025, several key milestones were achieved. The rental program was re-launched and a contractor pool was established to expedite the solicitation process. Additionally, the program held applicant information sessions to assist with documentation requirements, helping to move applications into the solicitation phase. Three solicitations were published during this period: one for the homeowner program, containing 40 homes, and two for the rental program, totaling 24 homes.

The program continues to face several challenges that are inherent when navigating the construction of 100 homes simultaneously. These challenges impact timelines and program effectiveness. Many homes require unique, tailored solutions to address issues resulting from years of deferred maintenance and poor workmanship, which complicates and delays the construction process. Securing permits from the Department of Planning and Natural Resources (DPNR) can be time-consuming, further delaying mobilization. In addition, relocating applicants and preparing homes for construction requires significant coordination and resources. Delays in completing required environmental reviews also slow progress. Contractor capacity is extremely challenging, and the availability of resources and materials creates additional hurdles in keeping projects on schedule. Despite these obstacles, the program remains committed to advancing recovery efforts and delivering safe, sanitary, and resilient housing to impacted residents.

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' income and program requirements are assessed. Once eligibility is confirmed, a damage inspection and environmental assessment are conducted to determine the necessary repairs and ensure compliance with housing regulations. Homes are grouped into bid solicitations, 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.

Construction Managers are responsible for inspections, project management, and payment validation to ensure that projects are completed according to the scope, building codes, and program regulations.

Since the start of recovery, we have made significant strides in rebuilding and strengthening our infrastructure. To date, 1,114 of the 1,600 projects are complete. Currently, 50 projects are shovel-ready, with 83 projects under construction. Several of our top priority projects are steadily making progress.

Phase I of the Charlotte Amalie High School (CAHS) demolition project on St. Thomas was completed by Grade-All Heavy Equipment in May 2025. The design-build for the reconstruction of the school, awarded to Consigli/Benton Joint Venture, continues to progress with 90% designs for the second phase of demolition and reconstruction anticipated to be completed by the end of September 2025. Following FEMA environmental approvals, VIDE anticipates breaking ground for construction by 4th Quarter 2025.

The Arthur Richards PreK-8 School continues to make steady progress and is 63% complete to date. The project remains on target for substantial construction completion in the summer of 2026.

The contract for Design-build services for St. Croix Central High School was executed in May 2025 with Consigli-Benton Joint Venture 1. The design is in progress with construction scheduled to start in Q1 of 2026.

Construction of the new Charlotte Kimelman Cancer Institute began in March 2024 and is now 90% finished. The \$51.8 million project awarded to J. Benton Construction remains on target for substantial completion in November 2025.

Reconstruction projects for Head Start facilities in Bolongo Bay, Lindbergh Bay, and Minetta Mitchell on St. Thomas, as well as Anna's Hope and Concordia on St. Croix, are moving forward toward completion. These projects are projected to be substantially completed by October 2025, apart from Bolongo Bay which is projected for January 2026.

Looking ahead, several WAPA projects are expected to advance. Three undergrounding projects moved through the design and solicitation phases, two on St. Croix and one on St. Thomas. Of these, construction has commenced on Queen Mary (Feeder 9B), Hannah's Rest (Feeder 8B) on St. Croix, and Feeder 5A (portions of Charlotte Amalie) on St. Thomas. All three projects are currently 65% complete. Additionally, we are in the process of finalizing contract negotiations for Feeder 1A (Queen Street) on St. Croix and Feeder 9A (Lindbergh Bay area) on St. Thomas. We also anticipate breaking ground on St. John with Feeder 9E and soliciting Feeder 8E in 2026.

WAPA continues to move forward with its plan to use composite poles for the remaining above-ground installations that cannot be undergrounded. Currently, contractor Haugland VI has installed

a total of 8,926 poles - 4,303 on St. Croix, 2,912 on St. Thomas, and 1,711 on St. John. The goal is to complete the installation of approximately 10,000 poles across the territory by the end of 2026.

Recovery projects continue to play a key role in providing necessary revenue to the territory's economy. ODR tracks the realization of Gross Receipt Taxes (GRT) on its projects as a vital aspect of revenue generation. Over \$441 million in expenditures resulting in \$22 million in GRT was projected in FY 2025. To date, we are tracking favorably to meet our projections.

In conjunction with the Office of Management and Budget, ODR anticipates that \$643.5 million will be spent 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.

Honorable Senators, as we advance our mission to increase federal funding expenditures to restore and rebuild our territory expeditiously, we continue to face shifts in market conditions that have introduced a series of new challenges requiring our attention and resources. The well-documented issues of rising construction costs, a limited pool of project laborers and professional support staff, a lack of workforce housing, and supply chain constraints remain more pronounced than ever. Changes in federal policies have led to prolonged review and approval processes. Simultaneously, the stark reality of the impacts of new tariffs and resource scarcity threatens to further elevate construction costs.

Even with these challenges, ODR will keep working on strategies to overcome the tough obstacles ahead. We'll continue to build partnerships with housing providers and contractors, support efforts to establish a technical college that trains new workers to aid the recovery, and push for H-1B visa waivers to expand the workforce.

Ensuring our local contractors are included, the ODR has scheduled a second industry day to be held on October 27th on St. Thomas and on October 29th on St. Croix. This event will share information and facilitate engagement for potential subcontractors and suppliers to become aware of all available opportunities related to the reconstruction efforts.

Honorable Senators, we thank you for the opportunity to present testimony regarding the status of the recovery. We value your time and consideration and anticipate collaborating with this body to advance our recovery efforts. With your support and cooperation, the ODR is confident in our ability to meet our objectives of compliant and efficient utilization of obligated funding.

I also wish to express my gratitude to TEAM ODR- **the 2025 St. Croix Battle of the Agencies Champions** and overall hardworking team 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.