



Albert Bryan Jr.

Governor of the Virgin Islands of the United States

State ^{of} the Territory Address

Monday, January 22, 2024

Earle B. Ottley Legislative Chambers

Legislature of the Virgin Islands Capitol Building,
Charlotte Amalie, United States Virgin Islands



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2024 STATE OF THE TERRITORY ADDRESS

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GOVERNOR ALBERT BRYAN JR.
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MONDAY, JANUARY 22, 2024
EARLE B. OTTLEY LEGISLATIVE CHAMBERS
CHARLOTTE AMALIE, UNITED STATES VIRGIN ISLANDS

Reverend Father Anthony Abraham; Lt. Governor Tregenza A. Roach, Esq.; Senate President Novelle Francis Jr. and members of the 35th Legislature; Chief Justice Rhys Hodge and the justices of the Supreme Court of the Virgin Islands; Presiding Judge Debra Watlington and the judges of the Superior Court of the Virgin Islands; Delegate to Congress Stacey Plaskett; Chief Judge Robert Molloy and the judges of the District Court of the Virgin Islands; members of my Cabinet and other agency heads; members of my staff; State Chair of the Democratic Party, Stedmann Hodge; other invited guests and my fellow Virgin Islanders; good evening.

This evening, I am grateful for the privilege of appearing before you again as the Governor of the Virgin Islands of the United States to report on the state of the territory as mandated in the Revised Organic Act of 1954. This is my sixth such address to the Senate, and I always excitedly look forward to the opportunity.

Please join me this evening in honoring the service of the brave men and women of the Virgin Islands Army and Air National Guards. Last year marked the 50th year of federal recognition of the Army National Guard; 50 years of excellence! I am immensely proud of our soldiers and grateful for the redeployment of the Army Guard's 114th Aviation Detachment from the southern border of the United States, where they supported the Department of Homeland Security. We are also happy to have our Air Guard men and women home from their deployments in Kuwait, Qatar, Saudi Arabia, Jordan, United Arab Emirates, and Guantánamo Bay, Cuba. Our airmen and soldiers continue to demonstrate their competence and readiness, whether deployed within the Caribbean, activated during our local state of emergencies, or protecting the President of the United States. The contributions of our National Guard demonstrate to the rest of the nation and the world the high caliber of professionals that call the Virgin Islands home.

As we embark on this blessed new year, the state of our territory is resolute. We are purposeful, determined, and steadfast. The social and economic impacts of the COVID-19 pandemic are increasingly further in the rearview mirror, and we remain firmly focused on the opportunity to permanently transform the Virgin Islands into a home that provides us all the standard of living and quality of life we deserve. Hand in hand with you, we withstood the challenges and uncertainties of that time, but we have not been deterred from continuing to deliver on our promise of progress for the people of the Virgin Islands.

That progress is most evident in the strength of our economy. Despite facing inflation, rising interest rates, and volatile global conditions, our economy continues to demonstrate resilience through sustained economic and job growth. While the growth of the last two years has been more modest than the years prior, the rebound from the COVID-19 pandemic has been remarkable. Consumer spending, tourism, and significant investments from businesses and the public sector have driven this incredible growth.

According to the United States Bureau of Economic Analysis, the Territory's Gross Domestic Product (GDP) in 2021 was valued at \$4 billion, 2.8 percent higher in 2021 than in 2020. This marked the strongest recovery and the fastest growth of all U.S. territories. While the final reports are not yet available, public sector, business investment and the ongoing recovery in the tourism sector are projected to have generated more than 2 percent GDP growth in 2022 and 2023.

Our employment numbers have improved; we have created 1,000 new jobs in 2023. This 2.8 percent growth was mainly in the private sector, specifically in the hospitality industry, as that industry recovered from the pandemic and the 2017 storms. Other sectors in the economy remained relatively unchanged, demonstrating consistent economic performance. Unemployment rates also remained low during this period. Last year, we realized a record low unemployment rate in the U.S. Virgin Islands of 3.2

percent in the month of November and averaged 3.5 percent throughout the year. This was lower than the national average of 3.64 percent. There is even more potential job growth if the restart of the refinery and other hospitality projects come online. So, while recent indicators suggest some normalization is underway, the labor market is forecast to perform well even as the post-COVID momentum eases.

In Fiscal Year 2023, the value of building permits issued was \$305 million, which indicates a 5 percent increase as compared to \$290 million in 2022 for the same period. During 2023, the private residential construction permits were worth \$166 million, which is only slightly higher than the \$165 million worth of permits issued in 2022. However, the non-residential construction permits showed significant growth of 200 percent, increasing from \$27.7 million in 2022 to \$83.5 million in 2023.

However, if it feels like the economy has not been as prosperous as the economic indicators suggest, it is not your imagination. We have been battling the headwinds of inflation for at least the last three years. The positive impact of our economic growth has been significantly tempered by high inflation, with the steep increases in food, housing, and construction costs being the most significant concern. I frequently go to the grocery stores on St. Croix and St. Thomas and have witnessed the sticker shock on certain food items. The local Consumer Price Index increased by 8.6 percent in 2021 and again by 9.8 percent for the 12 months ending in December 2022. That means that between January 2021 and December 2022, inflation in the Virgin Islands increased by almost 20 percent. This translates to Ms. Mary's shopping cart, which cost her \$100 in January 2022, increasing to \$120 by the end of last year. While we got some relief from a decline in gasoline prices in the second half of 2022, food and housing costs remained high, putting an incredible strain on our households.

The good news is that the national inflation rate appears to be slowing down as the federal government's policies start to take effect. However, the trade-off is that these policies have resulted in rising interest rates, which have made credit and access to capital more expensive for all Americans.

Thankfully, the recession predicted by economists in 2023 never occurred, and the national economy has remained steady. In fact, the stock markets finished the year at or near an all-time high. While higher interest rates and elevated inflation can be expected to weigh on economic activity in the near term, these factors have not altered the longer-term outlook for our economy. The Virgin Islands remains well-positioned to navigate these challenges and is expected to experience continued economic growth in the coming years. Our economy is, indeed, stronger now than it was before the pandemic. This is undeniable economic progress!

Tourism continues to thrive, with our cruise ship business standing out as the

strongest in the Eastern Caribbean. In Fiscal Year 2023, cruise passenger arrivals soared by an impressive 87 percent, reaching almost 1.6 million compared to 851,000 in Fiscal Year 2022, surpassing pre-pandemic levels. The territory also saw a 36.5 percent increase in cruise ship visits, totaling 516 calls made in Fiscal Year 2023. Notably, St. Croix experienced a remarkable 100 percent increase in cruise ship arrivals over the past year!

In Fiscal Year 2023, air arrivals experienced a 4.5 percent decrease to 756,000 from 792,000 in the previous year, following a record-high surge in air arrivals. Although the current figure is lower than the record set in 2021, it still represents an improvement from pre-pandemic levels. The decline is attributed to the challenges the airline industry has faced nationally for the past two years in building capacity to meet growing travel demand and the impact of increasing fares to the territory.

We did, however, witness an increase in regional transportation options last year. Sky High Aviation started two-weekly flights between St. Thomas and the Dominican Republic and once-a-week service between the Dominican Republic and St. Croix. Cape Air began offering eight flights a week between St. Thomas and Nevis. Silver Airways resumed airlift connecting St. Croix and St. Thomas and continued flights between the Virgin Islands and San Juan. Finally, Fly the Whale now provides daily flights between St. Croix and St. Thomas—a most welcomed development after the challenges we faced post- COVID-19. I particularly want to thank Omer Erselcuk, the President of Fly the Whale, for working with us to provide affordable inter-island air travel for all of us. We expect more announcements of continued progress in this regard soon.

Hotel occupancy rates in the territory remained stable at 58 percent in Fiscal Year 2023, a slight decrease from 63 percent in Fiscal Year 2022. This decline is attributed to the popularity of Airbnb accommodations due to the limited availability of traditional hotels, not a decrease in the number of overnight stays.

Despite the shortage of hotel rooms, the number of visitors from the U.S. mainland staying for an average of 3.5 nights significantly increased. In Fiscal Year 2023, there were over 452,000 overnight visitors, an 85 percent increase when compared to Fiscal Year 2022.

Excitingly, the newly opened Westin Beach Resort and Spa at Frenchman’s Reef has significantly expanded our hotel inventory, contributing to the positive momentum in the tourism sector. This 392-room hotel plays a critical role for the entire territory by restoring our appeal as a convention destination. Right next door, the 92-room Morningstar Buoy Haus Beach Resort, part of the Marriott Autograph Collection brand, opened its doors in May. Together, both hotels represent a \$425 million redevelopment of Frenchman’s Reef in St. Thomas made possible by the incentives of the Hotel Development Act. I want to give thanks to Fortress Investment Group, the Economic Development Authority, the

Public Finance Authority, and this body for making this a reality.

On the western end of St. Thomas, the owners of By-the-Sea Resort at Botany Bay have made significant strides in developing that hotel, with construction of the first group of guest units on the way. I was amazed to see the level of work and detail that the Ferrers have invested in this beautiful property.

The Hampton Inn at the Havensight Mall has also broken ground. The project is a five-story, 126-room hotel for business and leisure travelers. This property is expected to come online next year. It was a development that has come to fruition at a record pace thanks to the GERS team and Sean Miller, who has made considerable investments in our territory’s success.

On St. Croix, the Carambola Beach Resort is gradually reclaiming its former prominence as a luxurious beachfront destination under new ownership. Carambola never really closed its doors despite sustaining major damage from Hurricane Maria. Since then, the property has proudly presented itself with 150 renovated and upgraded rooms under the Marriott brand.

Finally, the Hibiscus Hotel on the north shore of St. Croix has entered the first phase of its redevelopment. I commend the Hamed family for making the investment to restore this property to its prior beauty.

After 40 years of being unable to build a new hotel in the territory, construction and developments are underway!

To keep these properties filled and the hoteliers happy, we must consistently market these islands to our potential guests. In this regard, the Department of Tourism continues to win industry accolades for its “Naturally in Rhythm” marketing campaign. The U.S. Virgin Islands was recognized in 2023 as a top travel destination by prestigious publications like Condé Nast Traveler, Travel + Leisure, Travel Magazine, and Frommer’s. Tourism remains the cornerstone of our economy, and we excel in managing it!

Fiscal Year 2023 saw our streak of four consecutive years of General Fund revenue growth come to an end. Gross revenue collections totaled a little over \$942 million in Fiscal Year 2023, compared to a record peak of almost \$1.1 billion in Fiscal Year 2022; a reduction of 14 percent. Fiscal Year 2022 remains the high-water mark for revenue collection by the Government of the Virgin Islands. It was a banner year! However, our collections were in line with our revenue projections for the Fiscal Year 2023 revenues. Our Office of Management and Budget’s gross revenue was projected at approximately \$934 million for Fiscal Year 2023 and collections were off by less than 1 percent.

The downturn in revenues is mostly attributed to the end of Covid-related fiscal stimulus and relief. This direct infusion of cash to the population included the Economic Impact Stimulus Payments, the increased Child Tax Credits, Pandemic Electronic Benefit Transfers, Premium Pay, Water and Power Authority credits, stipends for Social Security recipients, Rental Assistance, and subsidies to taxi drivers, to name some of our larger programs. These programs had a greater-than-anticipated impact on the economic activity in the territory and helped generate substantial tax revenues for the government. Those stimuli have worked their way through the local economy and now revenue collections are normalizing. Although the streak is broken, the revenues collected by this government remain far above where they were in the years before the pandemic.

While the naysayers continue to predict fiscal calamity, our government's finances remain strong and steady. The numbers don't lie! The fact is revenues for the first quarter of the Fiscal Year 2024 are already above revenues for the same period in Fiscal Year 2023.

However, there is some basis for concern. The last six months have seen our expenditures outpace our revenue collections. This has depleted our available cash on hand and caused significant delays in making vendor payments. Perhaps we could have predicted this. The Government, like everyone else, has been subject to the rising cost of goods and services resulting from inflation. This includes well-deserved salary increases that have been awarded to public sector workers. Our available cash on hand has also been strained by our aggressive efforts to stay on track with commitments to pay income tax refunds and retroactive wages. These are old 40-year debts that we are paying with current operating revenues, all while continuing to build up the cash reserves in our "Rainy Day" fund. We anticipate that this is a temporary cash crunch, and we remain on track to meet our projections for the collection of revenues in the current fiscal year.

I want to assure our vendors this evening that we are working hard to catch up on outstanding payments –and we will! That is currently the Administration's highest priority.

In the interim, we have begun exploring options for establishing a line of credit for working capital. We look forward to further discussions with this body regarding the authorization to establish such a credit vehicle. The Government depends on two big pay-days each year, April and October, when incoming tax revenues peak. But expenses are incurred and paid constantly throughout the year. While the present situation could benefit from the additional liquidity offered by a line of credit, having a general fund budget that is approaching \$1 billion annually necessitates that we develop a more permanent cash management strategy. To effectively manage government operations, it is time to join the modern financial world and establish a permanent revolving line of credit to bridge the gaps in revenue collections.

We are ready to have those conversations as well.

Perhaps the primary driver of our progress as a territory has been the unprecedented level of public infrastructure projects currently underway.

The ongoing rehabilitation of Melvin Evans Highway has brought critical improvements to the entire corridor. This includes the reconstruction of the stormwater drainage system, traffic and safety enhancements such as streetlights, guardrails, dedicated turning lanes, and roadway widening and repaving. Additionally, we have constructed the new Clifton Hill Connector Road and will be improving the adjacent Container Port Road intersection to include dedicated turning lanes. This entire project is a significant improvement for the safety of our motorists, and you can already see the progress – no more blind hills or hazardous conditions for pedestrians.

I am fully aware of the inadequate lighting situation on the Melvin Evans Highway and the great safety concern it presents. Over the last decade, the lighting has deteriorated due to the theft of copper wires, hurricane damage, and blown bulbs. I can't remember the last time I have seen the highway fully lit. However, under this administration, I am pleased to announce that at least 45 percent of the streetlights on the highway have already been restored or replaced, with the remainder expected to be completed this summer.

Like you, I frequently traverse the roads throughout the territory. I also hear constantly from other residents affected by potholes and poor road conditions. Early upon becoming governor, I recognized that the federal highway funds allotted to the territory were totally inadequate to address all our needs. That is why we have been dedicating increasing amounts of local funds to supplement those federal dollars. The last four years have seen millions of dollars invested in the territory's roadways. Even though last year's local funds for road work were not as substantial as previous years, we were still able to begin work on roads in Estate Whim and Mount Pleasant on St. Croix and in Estates Bolongo and Bovoni on St. Thomas. We have earmarked another \$5 million this fiscal year from the Transportation Trust Fund and will use those funds to get back on track.

Additionally, I am extremely pleased to announce that the long-awaited road rehabilitation project for the Ethel McIntosh Memorial Drive, also known as Mahogany Road, is in the procurement stage, with an award announcement expected in the next few weeks—after almost 20 years. We are all ecstatic to see this project finally happening.

Similarly, the long-awaited FEMA-funded projects for roads have also continued. Residents can expect to see significant improvements in many areas across all four islands, with an emphasis on resilient and hardened infrastructure. On Water Island alone, over 60 percent of the roadways have been improved and rehabilitated. Roads in

Francis Bay, Cruz Bay, Susannaberg, and Pastory have already been addressed on St. John. On St. Thomas, work has started at Cabrita Point and Botany Bay. The FEMA process has been slow and painstaking, but it is paying dividends.

Like elsewhere across the country, the historic bridges on St. Croix are starting to show their age and are in need of repair. Contracts have been awarded for the repair of five of those bridges. The temporary Altona Lagoon Bridge was completed in the Summer of 2023 and is currently in use. The Altona Lagoon, Queen Mary Highway and East Airport Road Bridge projects are all in progress and scheduled to be completed in the next few months. To maintain traffic flow, the Agriculture Road Bridge and the Midland Road Bridge will commence once the other projects are completed.

Our ports, just like our road infrastructure, are undergoing modernization and improvement. The Virgin Islands Port Authority (VIPA) is in the process of selecting a development partner to modernize and upgrade the Henry E. Rohlsen Airport on St. Croix and the Cyril E. King Airport on St. Thomas. In this latest endeavor, VIPA aims to use private investments to bring state-of-the-art amenities, efficient airport operations, and long-term maintenance plans to these two critical assets. Under the contemplated arrangement, the Port Authority will remain the owner of the airports and the recipient of any federal grant funds awarded to either airport. The selection has been narrowed to four qualified firms responding to a Request for Qualifications. Final proposals are due in February, and the Port Authority expects to begin work on redeveloping the airport terminals by the first quarter of 2025.

At the Cyril E. King Airport, the contractor is progressing on both Phase I and Phase II of the Parking and Transportation Center project. VIPA anticipates that Phase I of the project will be open for public use by March. Completion of Phase I will make half of the overall parking spaces available on the 2nd and 3rd floors of the garage. Phase II of the project is also expected to be completed within the year.

In November, I signed into law Act 8787, which appropriated \$17 million to the Port Authority for the dredging of Charlotte Amalie Harbor. This funding is necessary for the long-overdue port maintenance to prevent potentially serious safety issues. The dredging of the Charlotte Amalie Harbor is vital to the United States Virgin Islands maintaining its competitive advantage in the market for cruise passengers. It will allow ships as large as the Oasis-class safe entry to berth at the West Indian Company Dock in Havensight, thereby increasing cruise passengers to the territory. I want to thank this body for your support of that initiative.

We have been in constant communication with the Army Corps of Engineers and expect approval of the permit by April. The Port Authority is prepared to put the project out to bid once the permits are approved, with dredging beginning in January 2025.

Our cargo ports are also in the beginning stages of major expansion and redevelopment. We have partnered with Tropical Shipping and Crowley to successfully apply for \$21.9 million from the U.S. Department of Transportation Maritime Administration (MARAD) to reconstruct and modernize the cargo handling and storage infrastructure at the Crown Bay Terminal on St. Thomas. This project is now in the design and permitting phase. Then, in November, we were blessed again by MARAD as they announced another award of \$22 million for the enhancement of the Wilfred “Bomba” Allick Port and Transshipment Center on St. Croix, known locally as the Container Port.

Last October, the U.S. Environmental Protection Agency (EPA) informed the Government of the Virgin Islands that testing conducted a few weeks earlier had found alarming levels of lead and copper at several points in WAPA’s water distribution system. Immediately, WAPA and the technical team at the Department of Planning and Natural Resources exercised all measures to find the reasoning and validity of these shocking results. Although WAPA has no lead service lines in its distribution system, some samples were found to have exceeded the levels found in places that had lead service lines. It is important to note that WAPA routinely tests its water distribution system for lead and copper using the testing protocols required by the EPA. That testing had never produced results that suggested a system-wide problem with lead and copper. However, in an abundance of caution, we issued a “No Drink Advisory” for the potable water system.

To receive a federal declaration and access federal technical assistance, we ultimately declared a State of Emergency. During that emergency declaration, the EPA began doing sequential testing that adhered to the established protocols for testing lead and copper. This led to vastly different results that were more in line with the test results that WAPA had previously observed and confirmed that lead and copper levels were below the levels that would be of cause for concern.

It is our firm belief that the original round of testing conducted used incorrect methodology. The apparatus used to collect the samples at the meter box caused tiny shards of metal to become free and contaminate the samples that were sent off for testing. Plainly stated, the way the water samples were collected created misleading results and led to the high levels of lead and copper reported. The proper testing methodology, which took samples from the faucets within the building, without tampering with the plumbing components, yielded more accurate results.

We allowed the local State of Emergency to expire this past December, sixty days after it was declared. The national emergency declaration expires tomorrow, and we will also be rescinding the “No Drink Advisory” at that time.

Now, while we do not believe we have a water crisis caused by the presence of lead and copper in the water distribution system, we do acknowledge that water in some parts of the distribution system on both islands is discolored and, therefore, unfit for consumption. We have clearly heard the frustration of residents who have had to cope with brown water from their taps. It is simple; we are getting rusty water in areas where we have rusty pipes. The solution is equally simple: WAPA must replace those rusty pipes.

WAPA has completed the Clifton Hill waterline rehabilitation project on St. Croix. The rehabilitation of waterlines in Estate Campo Rico is expected to be finished by March, and the replacement of waterlines in Estate Hannah's Rest is expected to also start in March. A contract is in negotiation for waterline extension and rehabilitation work on Northside Road, also expected to begin in 2024. On St. Thomas, progress is being made on waterline extension projects in Donoe and Nazareth. These projects are part of a program of replacing aging and corroded metal pipes with PVC pipes that started long before the State of Emergency was declared on the water system.

Several areas of the distribution system have been rehabilitated. However, we are hoping to greatly increase the speed of this system-wide rehabilitation. The Federal Emergency Management Agency (FEMA) has previously approved the replacement of the substandard sections of the underground water distribution system in St. Croix as part of the Hurricanes Irma and Maria disaster recovery effort. Last August, WAPA submitted a scope of projects with an estimated cost of approximately \$1 billion for review by FEMA. We expect FEMA to provide a fixed-cost offer to fund these projects later this year. A similar effort is being made to gain FEMA's support for the replacement of substandard waterlines in the St. Thomas/St. John district.

These projects represent several years of underground construction, and yes, roads will be dug up once again. In the interim, WAPA has begun addressing rusty water in the distribution system by adjusting its corrosion control program. This entails inserting an FDA-approved, food-grade additive to the water system that will form a coating within the pipes that prevents further leaching of rust into the water.

This is the EPA's strongest recommendation for water systems like ours that are showing signs of aging. For many years, WAPA had perfected such a corrosion treatment but did not make the required adjustments for the new water chemistry when the switch was made from desalination to reverse osmosis as its means of water production. They are now working with subject matter experts to make the necessary corrections and treat the rusting pipes within the system.

On the power side, the installation of the four new Wärtsilä generators at the Randolph Harley Power Plant represents the project with the greatest potential to

reduce costs for all of WAPA's ratepayers. These more efficient and reliable generators are now up and running on diesel, which reduces fuel consumption and lowers fuel costs. However, the full impact will come later this year when the infrastructure necessary for the generators to operate on propane is installed.

The new generators will improve WAPA's reliability in the St. Thomas district by providing greater flexibility in responding to changes in WAPA's power generation. This will be solidified by the attached battery energy storage systems which will help buffer disruptions on the energy grid. These battery systems will provide 9 megawatts of energy storage gathered during periods of low demand and released during peak demand. Improved operating costs on St. Thomas will accrue to the benefit of all WAPA customers territory wide.

We are making progress in our efforts to buy out Vitol's interest in the propane terminals that supply fuel to WAPA's power generating facilities. WAPA entered into a contract with Vitol on April 20, 2023, for the acquisition of the terminals and associated infrastructure and Act 8701 facilitated WAPA's ability to make an initial good faith payment to Vitol. Housing and Urban Development (H

UD) agreed that Community Development Block Grant – Hazard Mitigation funds could be used for acquiring the facilities. The application is now undergoing an environmental review prior to approval by HUD. We look forward to completing this transaction with the help of HUD and our other federal partners and resolving our obligations to Vitol by the first quarter of this year.

My friends, I am fully committed to fixing WAPA and restoring its viability as a government agency. Most importantly, changing our perspective and approach to the energy challenges of this territory is essential.

We are working very diligently to transform the future of energy in the U.S. Virgin Islands. In years past, our economy and quality of life have been crippled by the oppressive costs of fuel for energy production. That is why we have invested over \$100 million to subsidize the cost of energy to keep the rates from increasing. Our vision is to reduce the energy burden of Virgin Islanders, which is at the core of many of our challenges. Residents and businesses must have affordable and resilient energy options. We are moving to a future where our power generation will be decentralized, with greater reliance on small private power producers. We are also creating opportunities for individuals to produce their own power and purchase their own battery storage.

Getting back on track with our renewable energy goals is a critical part of this Administration's vision. To this end, last year, WAPA approved five Power Purchase Agreements with VI Electron to supply the utility with 58 megawatts of solar power that will include Honeywell battery storage systems. V.I. Electron is in the process of

developing solar electric generating facilities, which they will own and operate on the islands of St. Thomas, St. John, and St. Croix. Construction has begun on the first of the two solar farms to be built on St. Croix, and it is expected to be ready to produce solar energy by April.

Last year, the Public Services Commission also approved the Power Purchase Agreement between WAPA and Advance Power to provide wind energy on St. Thomas. The Bovoni Wind Project should provide more than 15 megawatts of wind power at about 11 cents per kWh compared to the 43 cents we are paying now. Property leasing and permitting are underway, and the grid interconnection study has been completed. Once the Notice to Proceed is issued by Advance Power, construction is anticipated to be completed within six months.

But the truly exciting opportunities to transform our energy infrastructure go beyond WAPA. President Biden's Inflation Reduction Act allows the EPA to fund Solar for All programs nationwide. These programs aim to give subsidies and financial help to residential rooftop and residential-serving community solar projects benefiting low-income and disadvantaged communities. We anticipate \$100 million to be awarded to the U.S. Virgin Islands as part of the funding allocation.

This funding will allow the Energy Office to install solar photovoltaic (PV) systems directly on low-income single-family homes at no cost to the homeowner. It will also allow solar developers to install large community renewable energy facilities or community solar that can provide electricity bill credits to low-income residents who are renters or whose roofs are not suitable for installing solar. The Virgin Islands Energy Office is currently awaiting approval of the grant award.

This funding will also support the continuation of the Sun Power Solar Loan Program. This program provides low-interest financing for homeowners who wish to install PV systems and battery storage devices in their homes, in which, through paying their utility bill, they can simultaneously repay their loan. In addition to the anticipated 'Solar for All funding,' the Energy Office has another \$64 million in federal grants to advance various energy initiatives, to which \$14 million has already been awarded. The considerable amount of funding being made available to the territory due to President Biden's climate change agenda will allow us to incentivize residential solar and energy-efficient appliances and the adoption of electric vehicles.

In addition, we have earmarked \$10 million of electrical grid grant funds for community-focused projects. This grant must be in areas enhancing energy resilience, improving electrical power systems, or other innovative efforts that contribute to the electrical infrastructure. Small businesses with up to 100 employees, for-profit and nonprofit groups, educational institutions, government bodies, and those working with

low-to-moderate-income or vulnerable populations can all benefit from this grant. These programs will bring us one step closer to witnessing the Bryan/Roach administration's vision of a transformed energy future in the Virgin Islands. We want the next generation of Virgin Islanders to view energy independence as an achievable and normal way of life.

WAPA will continue to play a critical role in that energy future. Its commercial, industrial, and government clientele will continue to require affordable and reliable power from the utility. WAPA will also play an important role as the supplementary source of energy that backstops the distributed energy connected to the grid. We have already begun the mission of ushering in an energy revolution with WAPA. We will lay a solid foundation this year to get us there.

Through tireless advocacy, the Office of Disaster Recovery (ODR) has successfully increased the anticipated allocations for federal disaster recovery funding from \$8 billion to \$12 billion, with the potential to meet or exceed \$15 billion over the next few years. Of the approximately 1,500 FEMA Public Assistance projects, only 54 remain to be obligated. This encompasses more complex education, healthcare, and infrastructure projects.

In 2023 alone, more than \$2.6 billion had been obligated, marking a 138 percent increase compared to the funds secured in 2022. This brings the total amount of obligated funds to a little over \$8.6 billion, with \$3.1 billion of that already expended.

Over the next year, the territory expects about 300 projects to enter various phases of construction, generating over \$500 million in spending.

Now that we have successfully convinced the federal government to obligate billions of dollars to aid in the territory's recovery, my administration is laser-focused on spending those dollars and accelerating the rebuild efforts. Accordingly, I have looked at areas where realignment is necessary to meet this goal to propel the recovery forward.

On November 20, 2023, the Office of Disaster Recovery executed an agreement with the VI Housing Finance Authority (VIHFA) to manage CDBG-DR programs and has already transitioned its staff from under the auspices of VIHFA to ODR. This effort will allow the territory to accelerate the spending of HUD dollars, foster greater synergy across various projects, and boost the performance of housing programs and infrastructure projects that have fallen behind expectations. Specifically, this change has allowed us to adjust the strategy to the Envision program and get to the houses faster.

We cannot do this alone. I want to thank the legislature for passing the authorization in Act 8701 to establish a line of credit to provide the funds needed to advance disaster-related recovery projects. Besides the \$45 million loaned to WAPA for acquiring the Vitól propane terminal, \$16 million of the remaining \$55 million has been utilized to advance other recovery projects.

As I said, the Government of the Virgin Islands has expended over \$3 billion dollars in disaster recovery funds since Hurricanes Irma and Maria struck in 2017. That is an impressive and unprecedented average of \$500 million in federal recovery dollars spent annually over the last six years. Prior to the hurricanes, we had never expended that much in contracts in a single year. At the present pace, it will take us another 20 years to complete the recovery and that is simply not good enough. Our goal is to at least double this amount and expend a billion dollars a year solely in disaster recovery funds. But to get there, we cannot continue doing things the traditional way. Frankly, we don't have enough contractors, enough workers, or enough housing. We need a significant paradigm shift.

As a result, we are embarking on a new initiative called Rebuild USVI. We are estimating the total cost of reconstruction from the hurricanes to ultimately approach \$15 billion or more. That is a monumental task to be managed by a workforce of just 41,493 people. Rebuild USVI is being developed to expedite the timeline for this massive reconstruction effort.

As a core strategy, Rebuild USVI will group many of the top priority recovery projects into billion-dollar bundles for procurement. This initiative has three major goals:

- Attract some of the largest general contractors in the nation who can secure the necessary performance bonds on projects worth hundreds of millions of dollars.
- Systemically resolve the logistical challenges and supply chain issues that have driven up project costs, discouraged contractor interests, and slowed recovery efforts.
- Solidify manpower and capacity issues-by transforming our project management office into a Super Project Management Office to coordinate high priority recovery projects and have the manpower to do so.

Rebuild USVI supercharges the territory's disaster recovery to think outside the box and dispense with the bureaucracy that is simply inadequate for our progress. The success of this initiative will allow us to launch several of our largest recovery projects simultaneously and create an ecosystem of economic activity from the resulting construction boom. This is the way we facilitate the transformation of a resilient Virgin Islands.

In our recovery, our parks are as crucial to our successful recovery as any other component of our infrastructure. Parks provide important venues for family-friendly entertainment that promotes physical health and social well-being for our entire community. Parks are where future stars learn their picked sport and hone their skills. It is where future legends like Aliyah Boston and Michelle Smith are born, and stories are told. Here is where multiple generations of Virgin Islanders can find a common joy. This is why we have given these facilities priority in the recovery. The Bryan-Roach

Administration is getting our people back outside to the parks!

On St. Croix, we are concluding repairs to the hurricane damage on Reinholdt Jackson Park in Whim, Cramer's Park Beach, Rudy Krieger in Sion Farm and the Marley beachfront in Frederiksted. On St. Thomas, repairs are nearing completion at Emile Griffith Ball Park, Kirwan Terrace Ball Park, and Joseph Aubain Ball Park in French Town. In St. John, repairs have been completed to the Orville Brown Basketball Court and the Cruz Bay Tennis Courts.

A grant agreement has been executed with the St. Thomas Cricket Association providing \$1.5 million for the development of a cricket pitch and associated facilities in Estate Nazareth - the construction has already begun.

I am pleased to announce that the Clinton Phipps racetrack is in fact on track. Southland Gaming has honored its commitments and fulfilled its obligations. I will be giving out the Governor's Cup at the Carnival Races this year! I want to thank those legislators who took the stance to support the rebuilding of the Clinton Phipps racetrack and also to the owner of Southland Gaming Mr. Robert "Bobby" Huckabee their Senior Vice President Mr. Shaine Gaspard and Mr. Jason Charles. Bold leadership is necessary for progress, and that's what we have!

I wish I could make a similar pronouncement for horse racing on the island of St. Croix. Although construction just begun, VIGL has still not made the necessary progress to return horse racing to the island of St. Croix. My administration has taken every step necessary to bring relief to our horsemen and racing fans. We have offered an incentive to VIGL by giving them a \$5 million grant towards the completion of the Randall Doc James Racetrack. We have approved the necessary building permits. Concession after concession has been made, yet no substantial signs of progress. Tonight, I am publicly urging VIGL to make good on their commitment to this government, to our horse racing enthusiasts on St. Croix, and to the people of these Virgin Islands. There are no more concessions to be granted.

In pursuing excellence, setting goals is the foundation of personal and academic growth. The students of the Virgin Islands exemplify excellence as they strive for success. Attention to students' academic achievement and effective strategies to address learning loss resulting from the disruption of the 2017 hurricanes and the pandemic is imperative. However, these discussions cannot overshadow the real concerns that our faculty and students face regarding the physical condition of our schools.

The straightforward truth is that our schools are showing their age, and they have become harder to maintain with each passing year. I wish I could magically provide brand new schools, but the real solutions require significantly more effort. That is why we

stood up the New School Advisory Board to implement the Educational Facility Master Plan. Through their help, we now have a clear strategy for the replacement or extensive renovation of all our school campuses.

Construction of the first FEMA-funded replacement project, the new Arthur Richards K-8 School, commenced in February 2023 and is expected to be substantially completed in the spring of 2026. The first phase of the Gladys Abraham Modernization project was completed by Custom Builders in September 2023, and this will become the new site of the Wheatley Skills Center on St. Thomas.

In September, solicitations were concluded for three additional school projects. The design-build services for St. Croix Central High School have been awarded to MCN Build, while design-build services for St. Thomas Charlotte Amalie High School and the modernization of Bertha C. Boschulte Middle School have been awarded to the joint venture firm of Consigli/Benton. These projects are scheduled to begin in 2024.

Schematic Designs are currently being developed for Alexander Henderson Elementary School, Claude O. Markoe, St. Croix Educational Complex, the renovation of Lockhart Elementary, and Edith L. Williams Alternative Academy.

Additionally, FEMA has also recently announced that they have obligated \$133 million in federal grant funding for the rebuilding of the Julius E. Sprauve School on St. John. The acquisition of the 11-acre parcel in Estate Catherineberg from the National Park Service finally provides us with the perfect location for the construction of this modern school campus.

I acknowledge the frustration and concerns of those St. Johnians that believe that the National Park Service has not been a good neighbor and has perhaps intruded on the quality of life of the native residents. I understand the concerns that St. Johnians have raised regarding unreasonable federal restrictions and, in some cases, the unfair treatment by the National Park. These are issues that I've discussed directly with both present and former park superintendents, as well as Secretaries of the Interior Deb Haaland and David Bernhardt. I assure you; Lt. Governor Roach and I are committed advocates on behalf of the people of St. John.

But I also listened very intently to the concerns of students and former students talking about their experiences and the hardships of attending high school as a resident of St. John. I have listened to them explain the extra effort and commitment that has been required of them over the years, just to go to school. It is something that I believe we all agree needs to be addressed. It is unfair and puts them at a disadvantage compared to their colleagues residing on St. Thomas and St. Croix.

That is why we have moved resolutely and with intentionality to resolve the issue of

a public high school on the island of St. John. That is why we have fought to secure the investment of \$133 million that FEMA is willing to provide towards this effort. That is why I am so grateful to this body for passing the legislation that authorizes us to close this transaction. I want to thank you immensely.

We have written a momentous chapter in Virgin Islands history by reclaiming a critical piece of property from the National Park Service for the use and benefit of Virgin Islanders. Not only will we get a new school, but a third of that property will be held by our Territorial Park System, and the balance will be used to educate the children of the Virgin Islands. This marks the largest public sector investment ever made on the island of St. John, a noteworthy accomplishment achieved together. I am thankful for your support, especially to Senate President Novelle Francis, Jr. and Senator Angel Bolques, Jr. for their leadership. As controversial as it may have been in 2023, history will view this as a pivotal moment in the development of improved quality of life for the people of St. John.

This year will also find us making a fundamental shift in the structure of the Department of Education. We are on the verge of launching the Bureau of School Construction and Maintenance, led by an experienced and qualified facilities maintenance professional. This professional will take responsibility for school construction and major maintenance from the Department of Education. We need our trained educators focusing on student instruction, not building construction. This is an initiative championed by Senator Donna Frett-Gregory and passed by this body.

The key determinant of success in everything we aspire to accomplish is a well-educated community. The Virgin Islands Department of Education (VIDE) is actively implementing its strategic plan to enhance public education. This plan focuses on four key goals related to student achievement: 1) ensuring quality schools, 2) fostering an effective education system that produces self-sufficient adults, 3) engaging families, and 4) building a supportive community. Each of our schools has developed improvement plans detailing strategies to enhance student performance, with \$250,000 allocated to each school's principal to facilitate implementation.

School-based teams have been charged with closing achievement gaps and improving student outcomes through the deployment of tools like iReady and the Apps for Gaps literacy program. We are putting the power of change at the school-base level.

The Administration remains focused on the cradle-to-career. Department of Education remains focused on the foundational level of pre-Kindergarten-3rd grade to ensure that students can learn to read proficiently by the third grade. We are encouraged that Smarter Balanced Assessment data reveals that 3rd graders have not shown regression in reading or math. PreK classes have been implemented in schools, and

those cohorts are being closely tracked. Moreover, the dropout rate has decreased from 4.9 percent in 2022 to 2.8 percent in 2023, while graduation rates have improved from 74 percent to 78 percent during the same period. Plans are in place to ensure that every 12th-grade student has a goal for college, technical school, military, or the workplace.

While we must focus our attention on the challenges confronting public education, there are always examples of great student achievement that continue to make us all proud.

Last summer, 14 students received the opportunity to study Pre-Law, Pre-Med, and Business at Harvard University. William Metayer from Ivanna Eudora Kean High School won the best business plan in the business program, and Alondra James from Charlotte Amalie High School won the best Prosecuting Attorney in the Pre-Law Program.

Ten students attended Yale University's Summer Springboard Travel High School program with Rodney Moorehead, Jr. from the St. Croix Educational Complex receiving the outstanding award for Business and Allarie Monsanto receiving the award for Emergency Medicine.

Jeremy Bellot, the Drum Major at Alabama A&M University and a graduate of our very own Ivanna Eudora Kean High School, recently led the first HBCU school to participate in the Macy's Thanksgiving Day Parade in Manhattan.

At Ricardo Richards Elementary School, Ms. Aliser's 5th-grade scholars have been on an incredible journey of discovery by designing and building their own cars, utilizing a systematic approach to design. These young minds are bursting with excitement and enthusiasm as they delve into the world of engineering. These are our children excelling everywhere!!

Throughout our public school system, you can find examples of talented and dedicated teachers producing exceptional scholars. This evening, we have two of the finest examples with us. Ms. Chevelle Simeon, an Advanced Placement English Literature and Composition teacher at Charlotte Amalie High School (CAHS), who has been honored as the Teacher of the Year for the St. Thomas-St. John District and Ms. Chaselle McConnell, a Foreign Language teacher and Department Chair in the Foreign Language Department at the St. Croix Educational Complex High School (SCECHS), who has been recognized as the Teacher of the Year for the St. Croix District. Please join me in celebrating their success and thanking them for their service to our children.

It is not always easy to do the work that you do, and conditions can often be challenging, but our best and brightest teachers persevere and find a way to be brilliant.

We continue to invest in early childhood care and education. Projects under the

Head Start program, backed by a \$42 million disaster recovery grant, are advancing consistently. In 2023, six locations - Anna's Hope, Concordia, Bolongo, Lindbergh Bay, Minetta Mitchell, and Cruz Bay - concluded solicitations with work commencing in August 2023. Demolition is underway and completed for most of the facilities, with contractors working to complete the construction of all 6 Head Starts this year.

A large part of our continued strategy to ensure that our graduates are both college and career-ready is the Jobs for America's Graduates (JAG) program. JAG is a national nonprofit that deploys a model in 40 states designed to keep young people in school through graduation and improve their success in education and careers. As the vice-chair of the national board of directors, I am extremely proud of the success that the program is having across the territory. JAG now has eight programs, having doubled in size under my administration. The leadership development conference saw the participation of 186 students. Furthermore, 120 seniors will participate in a paid 12-week work-based learning partnership with the Department of Labor. The Virgin Islands has received awards for its outstanding performance for two consecutive years, highlighting the significance of investing in students for the future.

That is what we did when we started the GVI Financial Fellows program. We offered young people, just out of college, the opportunity to gain real-world experience through a paid two-year internship in the Government of the Virgin Islands. The first cohort of students graduated last year, and numerous graduates of the program are already finding success in permanent jobs. Young people like, DHS Financial Analyst Roberto Tirado, and ODR Financial Analyst Lineek Williams.

We want to ensure that our students receive a strong start- from birth all the way to the end of their public education journey - ready for the world.

If there's one thing I'm passionate about, it is reading. In 2024, as we bring our library facilities back online, we will continue to champion programs to promote literacy, provide flexible spaces for community engagement, and bridge the digital divide by providing easy access to online resources. Our goal is for all library facilities to operate at extended hours and weekends.

I am pleased to announce this evening that after receiving \$1.8 million in extensive repairs and hazard mitigation measures, the Florence Williams Library in Christiansted is reopening in February. To add, Athalie McFarlane Petersen Library in Frederiksted will be opened at the end of this year. On St. John, we saw the hiring of new staff and the opening of the Elaine Ione Sprauve Public Library. The Turnbull Library closed in August to undergo extensive renovation work, but it will also be opened later this year.

I had the pleasure of dining with the Auction winner in support of St. Croix

Children’s Museum this past December. During our dinner, I was introduced to DPNR’s newest initiative, HOOPLA, which is set to launch grandly in February. HOOPLA hopes to bridge the digital gap by putting our Virgin Islands public library at the fingertips of every Virgin Island student and adult. With just a library card, everyone will have access to borrow and enjoy audiobooks, eBooks, comics, movies, and so much more, and all you will need to access this platform is a device with a screen.

Tonight, it pleases me to say that in March of last year, the JFL North temporary hospital facility opened on St. Croix. This state-of-the-art \$130 million facility accommodates St. Croix residents during the demolition and reconstruction of the Governor Juan F. Luis Hospital. Currently, there are four additional projects necessary for the complete decommissioning of the former hospital. Once completed, the demolition of the existing storm-damaged structure can begin. This past May, FEMA announced that they have allocated over \$800 million towards the new permanent facility.

The Department of Health is currently managing more than \$300 million in disaster recovery projects awarded for the rebuilding of four different facilities: the Women, Infant, and Children (WIC) Center at Knud Hansen, the WIC building in Frederiksted, the Charles Harwood Memorial Complex, and the Eldra Schulerbrandt Mental Health Facility on St. Thomas. We are eager to start serving our residents in these new, modern public health spaces.

In 2023, after a successful battle against COVID-19, with more than 56,000 Virgin Islanders immunized and minimal loss of life, we transitioned from pandemic to endemic. However, COVID’s impact exposed long-standing health disparities, emphasizing the urgent need to fundamentally change the way health programs are delivered.

The future of public health centers depends on health equity. Predicting and preventing illnesses at the community level lessens disease severity, and that will serve to reduce the economic burden of healthcare. The pandemic also pushed us into the digital age, with public health increasingly dependent on automation and integrated systems for comprehensive program and service delivery. Today, the Department of Health (DOH) and our Office of Health Information Technology are actively reimagining the public health landscape in the territory.

We are making progress in making healthcare more accessible to our residents. For the first time in decades, residents in the territory have access to individual health plans from the newly admitted insurance carrier, Caribbean Risk Group. For the first time, an individual not belonging to a company can obtain individual insurance. This insurer will offer individual private medical insurance coverage, filling the longstanding void in the health insurance market. We are excited about the potential for this development to reduce the uninsured population.

The country continues to grapple with a mental health crisis exacerbated by the isolation, fears, and uncertainties resulting from the pandemic. This crisis affects all generations but has been especially devastating for young people. Last year, the Department of Health stepped up its efforts to address mental health concerns in the territory. DOH held its annual Children’s Mental Health Summit territory-wide to engage stakeholders in developing solutions. The behavioral health clinics saw 790 patients and made school presentations to more than 3,800 students across the territory. Overall, our behavioral health outreach efforts have touched over 23,000 individuals as of November 2023.

Last July, the National Suicide and Crisis Lifeline launched 9-8-8 as the nationwide, easy-to-remember 3-digit dialing code for people in crisis. The Department of Health has implemented the 9-8-8 lifeline, and 664 contacts were made to the line from the Virgin Islands between January and November 2023. The lifeline connects those experiencing a suicidal crisis or mental health-related distress TO confidential emotional support FROM crisis counselors. The goal this year is to hire crisis interventionists to allow for local answering of the lifeline. If the 644 contacts made to this number this past year do not alarm you, then the four confirmed suicides should.

Perhaps the greatest public health challenge facing our community is the persistent epidemic of gun violence. Tonight, we honor the memory of Detective Delberth Phipps, Jr., who was killed in the line of duty on July 4, 2023. We revere his selfless sacrifice and dedication to the service of his community. Likewise, we commend all those men and women who have chosen a career in law enforcement and conduct themselves with competence and professionalism. Last year, we added another 37 officers to their ranks. We are grateful for your heroism as you keep the peace and protect our community.

Gun violence is a leading cause of premature death in the U.S. for African Americans between the ages of 15 and 24. We are witnessing individuals in our community with a complete inability to control their anger or to resolve conflicts with civility. It is an urgent behavioral health concern for predominantly brown and black communities like ours.

We understand the trauma, fear, and anxiety that many of our residents live with because of violent crime. We have heard the community cries for more prevention programs and work support for young people. Our focus has been on proactively intervening in the lives of our people who are most at risk of being either perpetrators or victims of violent crime.

The Office of Gun Violence Prevention has taken on the challenge of addressing the root causes of gun violence in our communities. This work involves planting the seeds

to facilitate the long-term reduction of violence by mentoring at-risk youths, conducting community activities, making presentations in our schools, and assisting individuals with getting gainful employment and their lives on track. The Office maximizes its effectiveness through partnerships with Project Safe Neighborhoods, the National Network for Safer Communities, various government departments, and others. In the short term, the Office of Gun Violence Prevention conducts “Walk and Talks” on the turfs, assists parents with unruly children, and intervenes in incidents to prevent retaliation.

This past year alone, the Office intervened in at least six potential retaliatory acts that could have led to further violence and potential homicides. They have de-escalated numerous conflicts and prevented them from coming to violent conclusions. It is always difficult to quantify the bad things that didn’t happen, but if even one homicide was prevented, isn’t it worthy of our acknowledgment and our support?

The Virgin Islands Police Department has been making substantial strides in its crime-fighting capacity. Thanks to a measure sponsored by Senator Diane Capehart and passed by this body, we will be developing a Real-Time Crime Center to monitor our growing network of closed-circuit surveillance cameras. The use of technology and camera systems has played an integral role in over 30 cases in the Virgin Islands, leading to arrest and closing vehicle accident investigations. Contracts are in place to add additional cameras to our schools and roadways to protect our people.

We also added assets on the marine front with the purchase of two Renegade Go-Fast vessels that have been in operation on St. Croix since July. The St. Thomas unit’s build-out is scheduled for completion in May. Through the assistance of Delegate to Congress Stacey Plaskett, the VIPD has received a \$4 million congressional appropriation for the purchase of three additional Go-Fast vessels, one for each island. As our marine industry grows, so should our enforcement capacity.

A large part of our crime prevention strategy is focused on discouraging convicted criminals from reoffending. We know that when provided with appropriate support, previously incarcerated individuals can transition to rehabilitated citizens who contribute to our workforce. We have partnered with Align Community Inc. to ensure inmates get the wrap-around services they need to be productive upon release. They will get workforce training and assistance with career placement. In addition, they will receive mentorship and counseling and be a part of a cohort where they will receive additional support from peers and professionals on their transition back into society. This program complements the re-entry that begins within the Bureau of Corrections.

The Equine Therapy program, which began last August, harnesses the therapeutic essence and our cultural love of horses. This groundbreaking program at the John A. Bell Correctional Facility has witnessed its first 11 graduates, having experienced a

journey of emotional healing and personal growth. The Bureau has also collaborated with Hapi Homes to unveil the first transitional home on its campus, with two more units underway. This is significant as some released inmates sometimes just need a safe place to go once released. Second chances don’t just benefit the individual; they benefit our entire community!

We all know when the mainland sneezes, the territories catch the cold. The economic and social issues plaguing the continental United States have crept into our territory. Our Department of Justice has tirelessly confronted many of these issues through vigorous prosecution. Although the fight against human trafficking, sexual abuse, proliferation of opioid abuse, and tax evasion continues, the Department of Justice has demonstrated that it is up to the task.

Through its efforts, the Department of Justice has secured more than one million dollars in opioid settlements and judgments to combat this growing epidemic, which will be administered through the Department of Health. The national opioid epidemic that started in the late 90s is now an active problem in the territory. Fentanyl, a synthetic opioid that is up to 50 times stronger than heroin and 100 times stronger than morphine, is a major contributor to fatal overdoses in the U.S. Unfortunately, it is now here in the territory. Last year, there were three confirmed deaths due to fentanyl overdoses. Three deaths are three too many. This month, the Division of Behavioral Health hosted a planning meeting for a territory-wide Opioid Overdose Prevention Task Force, to center community engagement and address this growing crisis. I urge this community to get educated on the dangers and actively discourage our family and friends from abusing fentanyl and other opioids.

We must not shy away from the ugliest parts of our community but instead, be resolute in our efforts to address them head-on. Human trafficking and sexual abuse are real and present threats to our community. The territory has now received settlement funds resulting from the human trafficking litigation, including proceeds from the sale of Great Saint James and Little Saint James and other direct funds. These settlement funds include 20 million dollars to support services to vulnerable, disenfranchised individuals and community organizations to address social ills, including sex trafficking, human trafficking, mental health initiatives, domestic violence, and poverty. An additional \$25 million will supplement prosecution and enforcement measures within the territory, and \$15 million will be allocated to mental health services.

Last August, legislation strengthening support for human trafficking victims, including mandatory reporting requirements, was forwarded to the 35th Legislature for action. The proposed legislation recognizes and allocates an additional \$11 million specifically to be used to combat human trafficking in the territory. Tonight, I implore this body to act on the proposed legislation.

The rollout of the legalized cannabis industry in the Virgin Islands continues to make progress. This administration remains adamant about bringing the growth, sale, and purchase of cannabis to a legal and properly regulated market. This includes the first of its kind in the United States, a pathway to legal cannabis for Sacramental Use. I have also recently submitted to the Legislature pertinent technical amendments to Act 8680 to address some of the remaining issues with the existing law.

Tonight, I am pleased to announce the launch of the cannabis registry program, starting with medical practitioners and sacramental organizations being allowed to register, followed by patients and sacramental users to begin in early April. Additionally, just a few months ago, fifty Virgin Islanders participated in cannabis training courses, including horticultural training, extraction and manufacturing, and bud tending, ensuring our community is equipped for success. By early September 2024, we expect to issue the inaugural licenses for dispensaries, cultivation, and processing.

Finally, the need to ensure everyone can participate in this new industry makes the work of the Auto-Expungement Task Force vital. The task force has been assembled and is working meticulously to complete the report to expunge the criminal records of those who were previously convicted of simple possession and other related marijuana statutes. We are utilizing the best practices from the experience of other U.S. jurisdictions to develop this industry in the right way.

Since the creation of the Supreme Court in 2006, we have been served well by three exceptional justices. As part of the continued growth of our Virgin Islands Judiciary, tonight I wish to announce my intention to add another exceptional jurist to their ranks by nominating the Honorable Harold W.L. Willocks to be a Justice of the Virgin Islands Supreme Court.

Judge Willocks is no stranger to the bench and the judicial community after serving more than two terms as a judge on the Superior Court. His prior public service includes previously serving as the Presiding Judge of the Superior Court, Chief Public Defender, and Assistant Attorney General. Judge Willocks is a consummate public servant, published author, and son of the soil. I am confident that he will be a wonderful addition to the Supreme Court as an astute and deliberative Justice.

Last year, the Virgin Islands Housing Authority completed the renovation of 82 public housing units at the Walter I.M. Hodge Pavilion in Frederiksted. Some of those units had been abandoned since 2000. This is the first phase of the eventual renovation of all 248 units at Walter I.M. Hodge.

The total project represents over \$116 million being invested in upgrading our affordable housing inventory in Frederiksted. Large infrastructure projects like these

are important drivers for our economy.

In our pursuit of homeownership opportunities for Virgin Islanders, we continue to promote our VI Slice Moderate Income Homeownership Program (“VI Slice”). VI Slice is a gap financing program administered by the Economic Development Authority that helps eligible Virgin Islanders buy, build, or renovate their first home. It provides grants up to \$200,000 for the purchase or construction of a home and up to \$100,000 for down payment and closing costs.

Since the program’s launch in October 2022, the VIEDA has executed memoranda of agreement with six local mortgage lenders. Two of those mortgage lenders, Banco Popular de Puerto Rico and Merchants Commercial Bank, are offering construction loans. To date, VI Slice has helped nine local families in the U.S. Virgin Islands purchase their first home. Seven loans have closed on St. Croix, and two have closed on St. Thomas. We are steadfast in helping Virgin Islanders achieve the goal of homeownership.

As of December 31, there are 147 applications for the Homeownership Assistance Fund Mortgage Program, funded with an \$8.5 million ARPA fund allocation. VIHFA paid out over \$918,000 in direct assistance to 70 qualified households. These funds provided relief for homeowners who experienced financial hardship during the pandemic and were used for mortgage reinstatement, mortgage payments, mortgage principal reduction, cases of foreclosure, delinquent property taxes, and insurance, to name a few.

The revitalization of our downtowns is a passionate goal of this administration. Last year, we were encouraged and helped tremendously by the private sector. Whether it was Chris Pardo or Peter Zilke in Christiansted, Shomari Moorehead or John Alexander in Frederiksted, or Charles Kim and Pash Daswani in Charlotte Amalie, our private partners are stepping up. We continue to support their investments by installing modern infrastructure and public amenities that help sustain commercial activity.

We remain dedicated to the ongoing enhancements to our towns and surrounding areas. We successfully completed road rehabilitation, drainage, and safety improvements on all roads in Frederiksted except for King, Queen, and Strand Street. Those three streets will finally be addressed this year with federal highway funds, finally eliminating the images of flooding streets with heavy rains.

Christiansted has undergone extensive modernization of its underground utilities in the last few years. WAPA completed the replacement of its waterlines in March of 2021. Most recently, the Waste Management Authority completed a considerable upgrade of its wastewater system. That upgrade solves many issues we have experienced over the years with clogged lines and overflowing manholes. Unfortunately, the constant excavation in the area has left the roads of Christiansted in admittedly terrible condition. However, we

must be reminded that progress is disruptive, and a period of disruption is often necessary to make way for prosperity. To have resilient and modern infrastructure, we have to dig up a few roads. Having said that, the Department of Public Works is standing by with a contract in place to begin the full repair and pavement of Queen, Market, Prince, East, and Hill streets in Christiansted as soon as the wastewater project is completed.

In Charlotte Amalie, another longstanding project is coming to fruition. The overall design for Veterans Drive Phase 2A is in the final design review stages by the Federal Highway Administration. As a 2022 U.S. Department of Transportation RAISE Grant recipient, this project is one of 42 projects nationwide selected for expedited processing to ensure that the Notice to Proceed occurs in Fiscal Year 2024.

It has been a consensus for quite some time that the key to restoring vitality to our downtowns is to restore residential living to the towns, truly creating Live-Work-Play spaces. Unfortunately, many of the residential structures within our towns that formerly housed some of our founding families are now abandoned and dilapidated. While there is a shortage of properties available for homebuyers and renters, we have hundreds of homes across the territory sitting in disrepair. Some, admittedly, beyond the point of repair. If we can successfully address those properties that are being neglected, it will not only remedy the blighted conditions of our towns and our neighborhoods, but it will also help reduce the cost of residential rental rates throughout the territory.

That is why, earlier today, my office submitted to this body the Bryan-Roach Administration's proposal for addressing abandoned and derelict buildings in our towns and neighborhoods. This proposal is rooted in a property conservatorship model designed to remedy blight while protecting communities from the ill effects of gentrification. In developing this proposal, we have gathered public and private stakeholder input and held public town hall meetings in both districts. Finally, after presenting the concept, we continued to gather public comments until a final draft proposal was prepared. I thank all our engaged residents who took the time and effort to read the draft proposal and formally submit comments. The proposal now before the Senate reflects broad input and consensus on an approach tailored to meet our community's needs and concerns.

Before this proposal was even publicly distributed, there were attempts to politicize the matter with misinformation and fearmongering. Some attempted to put a cloud of suspicion over the proposal and build opposition for the sake of opposition. However, buried within that noise were the real and legitimate concerns regarding potential gentrification and Virgin Islanders being dispossessed of their properties. I heard those concerns loud and clear. I also heard from Virgin Islanders who own property, or have property in their families, that they would appreciate seeing it restored. Those who want to do right by the property they have inherited. Those who know their siblings will never agree on a path forward, or that the absentee property owner is unconcerned

and oblivious to the conditions of the property back home. All these voices were heard, considered, and ultimately resulted in the proposal which is now before the Legislature.

Some have suggested that this matter is too controversial and complex to successfully build consensus. I disagree. We are all motivated to solve a problem that is becoming increasingly obvious and persistent. It is not just a matter of the properties being held up in probate. Even when ownership is free and clear, we have property owners who are unable or unwilling to prevent their properties from falling into disrepair. We must find a way to help those property owners help themselves.

"Nothing is so complicated that cannot be simplified by hard work." The Honorable Verne Hodge said it, and I believe it. So, Senators, let's get to work on solving the problem of abandoned, neglected, and derelict buildings in our towns and neighborhoods. I look forward to the legislative hearings to come. We stand ready to testify on our proposal and work along with you to develop the best solution.

On July 3rd, we celebrated the 175th Anniversary of the emancipation of enslaved Africans and their descendants in the Danish West Indies. The Emancipation Commemoration Commission organized a yearlong observance of the events and implications of that historic occasion. I want to thank the commission's chair, Carol Burke, Senator Carla Joseph, and the other commission members for ensuring that all residents of the Virgin Islands acknowledged this critical and momentous part of our history and the evolution of our people.

We have certainly come a long way since 1848. Many of us are the descendants of enslaved Africans that resided here in the Danish West Indies, on the United States mainland, or elsewhere in the Caribbean. As a people predominantly of color, we have progressed tremendously from the inhumane cruelty and unforgivable sin of chattel slavery. In fact, we may have progressed so far over the years that we now take some of those gains for granted.

There was a time in these islands when education opportunities for people of color were limited. That is why I am worried that our residents are not capitalizing on the opportunity for a free college education being provided at the University of the Virgin Islands. There was a time when people of color did not own property. Each successive generation of the residents of these islands strived to make property ownership much more attainable. That is why it is heartbreaking to see some property owners demonstrate an absence of pride by allowing their properties to become overgrown or filled with trash. There was a time when the lives of our ancestors were not valued. That is why I am concerned that we associate with and enable violent criminals who similarly place little value on life. There was a time when we did not have the right to elect our leaders; they were selected for us. So, I have grown uneasy that too many of us enjoy the spectacle of

politics, but never personally get involved in making this community better for ourselves and our neighbors.

We have certainly earned the right through many years of struggle to choose to have a callous disregard for history and the sacrifices of our ancestors. But I think we all know that if that becomes our collective choice, then it doesn't bode well for our future. The government certainly has a role to play, and as government leaders, we must see to the well-being of all Virgin Islanders. But that does not absolve us from doing our part as individuals.

From my first State of the Territory Address to this present moment, I remain very optimistic about the future of these islands. I firmly believe luck is when opportunity meets preparedness. Over the last few years, our preparedness has met the opportunities, leading us to positive outcomes and benefits. While we are making great progress in keeping the promises we've made to the people of the Virgin Islands, we are still constrained by our resources. As a result, that progress has required difficult decisions.

Whether you're the head of your household or the head of state, leadership requires setting priorities and making uncomfortable but prudent decisions. To save the GERS system from insolvency we have had to forego the revenues generated by the rum excise tax cover over and the capital projects they funded. To keep the cost of electricity manageable, we had to forgo additional road repairs. To catch up on the backlog of income tax refunds, we have had to live with a less than ideal budget for facility maintenance.

However, through those sacrifices, our commitment has always been and will continue to be to provide the best possible quality of life for Virgin Islanders and to create abundant opportunities for the Virgin Islands prosperity. Senators, we may not always see eye to eye, but I trust we share a common vision for our community. Let us work together to connect our people with opportunities that are being produced right here at home. Together, let's promote responsible citizenship, build stronger families, cultivate a thriving economy, and transform our infrastructure. Let us continue to be resolute in our pursuit of progress for this territory, moving forward, one step at a time!

God bless you, and God bless the Virgin Islands.

