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Decision on Additional Funding For Stalled Estate Donoe Project Still Over 4 Months Away

Final approval for additional HUD funds to complete the troubled Estate Donoe Housing Project on St. Thomas will take 120 days, says ODR Director Adrienne Williams-Octalien

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Local officials on Jan. 11, 2021 broke ground on the first of three phases of the Tutu High Rise and Donoe public housing project.

A decision on whether the U.S. Department of Housing and Urban Development will grant additional funding to complete the stalled Estate Donoe Housing Project on St. Thomas is still more than four months away, said Office of Disaster Recovery Director Adrienne Williams-Octalien on Tuesday.

“We’re looking at a substantial amendment being sent to HUD for the additional amount that’s necessary,” Ms. Williams-Octalien told members of the Public Finance Authority following a question by PFA member Dorothy Isaacs. “We’re looking at that HUD approval taking about 120 days.”

The project, which [broke ground in January 2021](#), ran into problems when initial contractor GEC encountered environmental issues on site that had to be remediated. These concerns, along with delays in receiving materials, led project costs to spiral out of control. Ultimately, by the time approved changes had brought the price tag up to almost \$66 million from initial estimates of \$55 million, the V.I. Housing Authority and GEC decided to part ways.?

In April of this year, ODR announced that J. Benton Construction [had been selected as the new contractor](#), and had reportedly submitted an application for an additional \$47 million to complete the project. After vetting to ensure costs were justified, a figure of over \$30 million was submitted to HUD for approval, Ms. Williams-Octalien said on Tuesday. “Once that is approved, then Mr. Benton and his company will be provided with the notice to proceed to move forward,” she explained.?

“That project is a very expensive project,” she admitted.?

Ms. Isaacs was critical of the reconstruction trajectory of the ill-fated housing project. “We cannot afford to keep making these gazillion dollar mistakes,” she complained. “If I was a Fed, I’d think twice about giving us any more money when I see what is going on.”?

Governor Albert Bryan Jr., chair of the PFA, chided Ms. Isaacs for criticism that he said was unwarranted. “The Virgin Islands Government cannot be responsible for contractors and projects that run into environmental problems,” he said. “This was a very complicated contract...this is a very complicated problem,” Mr. Bryan continued, referencing the abatement measures that became necessary. “It’s very disparaging when people make comments, especially public officials like yourself, without having a good grip on the facts.”?

Undaunted, Ms. Isaacs maintained her skepticism. “When I keep seeing these projects coming to a screeching halt after millions have been spent, I have to question it.” She reminded Governor Bryan that her term on the PFA ended three years ago, and suggested that he “can get rid of me anytime you want” if he did not like her contributions.

?Ms. Williams-Octalien suggested that the new project management firm hired to help oversee the billion-dollar Rebuild USVI bundles will “help us to prevent problems with projects, so that they don’t go off the rails, and they stay within the timelines that we anticipate.” She also noted that the shortlisted contractors have all been able to meet established bonding requirements.

During April’s conversation with the Consortium, however, Ms. Williams-Octalien disclosed that there had been a bond in place when work on the Donoe Estates project began, but there was no payout from the bond company because “the supporting arguments from the Housing Authority did not demonstrate that the contractor is at fault.” The contract with GEC was dissolved as an amicable outcome to the dispute.