

The Virgin Islands Consortium

PFA Approves \$250,000 Agreement With 2005 Revitalization Project Contractor

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The Virgin Islands Public Finance Authority (PFA), at a board meeting held Monday on St. Thomas, approved a contract not to exceed \$250,000 with Coastal Systems International, Inc., to provide "architectural, engineering, design and construction management services for the design, planning and construction of the Paul E. Joseph Stadium and surroundings in Frederiksted, St. Croix."

The company was originally contracted in 2005 to renovate the stadium as part of the Frederiksted Revitalization Project. However, the contract was canceled under the de Jongh administration and awarded to General Engineering Corporation (GEC) -- which recently had its own contract [suspended](#) by Gov. Kenneth Mapp.

The new agreement falls in line with recent comments made by Gov. Mapp, who is also the PFA board chairman, about his intentions to breathe new life into the revitalization project on St. Croix's entire west end, as compared to the contract previously approved by former Gov. de Jongh that entailed the [reconstruction of the stadium and erection of a permanent Carnival Village](#).

According to Mapp, if the reconstruction of the stadium continued under the current bindings of the GEC contract, the territory's tax payers would lose \$10 million.

"What is so troubling about that project is that the government has entered into a contract for a \$20 million project for which there is not a single concept or design," Mapp said in a recent speech. "The contract allows the vendor to design a stadium and surrounding areas, bill the government at the cost of 10 percent, put it together, and they give us a \$10 million project, the contract says the contractor and the government will split the savings, so the contractor will end up with a \$5 million bonus. We could have a stadium worth \$10 million, and you, the people of the Virgin Islands, would be out \$20 million."

At the PFA meeting, Mapp said he intended to continue working with GEC by giving the company the "right of first refusal for the construction." And although the contract allows the governor to terminate the deal altogether, he said on multiple occasions, including at a [press conference held on St. Croix](#) and a recent St. Croix [Chamber of Commerce meeting](#), that it was not part of his plan to do so.

The governor said, however, that he would not look on as tax payers' money is wasted.

"I'm not going to participate in just signing contracts and spending money on some premise that there will be some economic return to this territory," he said. "That is not how you manage, that does not work, and anyone running a successful business will tell you that is a path to bankruptcy."

"And so I suspended the project simply because, how do you sign a contract of \$20 million to do a project for which there are no concepts, no designs, there are no specifications, and then the contract has loose ends regarding what could be done with savings, what the costs are, or no lack of cost containment," Mapp said.

The governor's team had on display at the Chamber meeting a concept design of the Frederiksted Revitalization Project, which Mapp called a "complete layout that was driven by the community of St. Croix in 2005." The design cost the government \$200,000 back then.

The governor made known that what was on display may not be covered by the \$20 million in the de Jongh contract.

"We may need to put in more money," he said, "but there are funds available under the U.S. Army Corps of Engineers for the flood mitigation issues at La Grange, which needs to be tied into part of this process."

The governor went on to reveal his administration's exact plan for the tiered project, which, under the new agreement with Coastal Systems, will require the company to provide an all-points timeline.

“So what is our plan. We’re going to bring the company in that, in 2005 developed this process with the community, only to fully design the product in tandem with the community’s efforts and the dollars that the government has available, do a costing of that project, for which we will then sit with the current contractor, GEC, to see if we could work out a system where they can, in fact, have access to do the construction of the project.

“But that the government knows what it is buying, and what it should pay for, and what the quality attributes of the stadium ought to be, and the flood and mitigation issues to protect the town and the community of La Grange, in tandem with federal dollars that we need to ensure that happens,” Mapp said.

Feature Image: Frederiksted, St. Croix

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