

The Virgin Islands Consortium

Rivera-O'Reilly Assails Administration For \$144 Million In Capital Improvement Funds Sitting Unused

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Senator Nereida Rivera-O'Reilly.

ST. THOMAS -- Senator Nereida Reivera-O'Reilly appeared unsettled on Monday. For years, she had worked tirelessly to secure Grant Anticipation Revenue Vehicle (GARVEE) bonds to rebuild the territory's roads.

Last year, [the monies came through](#) -- some \$91 million to be used between St. Croix and St. Thomas -- and government officials celebrated the breakthrough as a major milestone that would spur economic activity by creating jobs and driving new dollars into

various sectors.

After [a raucous June 2015 Senate debate](#), 31st Legislature senators settled on allocating \$40 million to the Veterans Drive Highway here and \$51 million to fund key road initiatives in St. Croix.

"With the offering of the Series 2015 Bonds, this signifies the beginning, and continuation, of major road construction projects in both districts that would provide jobs to our residents, deliver an economic boon to the territory, but more importantly, will enhance our transportation safety and relieve traffic congestion on some of the territory's most essential roadways," [said](#) Governor Kenneth Mapp, who is also chairman of the PFA Board of Directors, in December, 2015.

But as of August 15, 2016, the \$91 million had not been used to rebuild the roads and some \$53 million more -- a total of \$144 million -- was sitting idle; waiting to be spent on economy-growing projects.

Meanwhile the territory continues to struggle economically, with Mapp administration officials on Monday stating that the downgrade of the government's bonds by Moody's had significantly curtailed its borrowing ability.

Mrs. Rivera-O'Reilly castigated the administration and pressed officials for an answer relative to why the monies were not being used.

"There are millions sitting in the P.F.A. [Public Finance Authority] account for capital improvement projects that have been authorized by this body on three islands, and not a stone has been moved," Mrs. Rivera-O'Reilly said at the Earl B. Ottley Legislative Hall, speaking directly to Nellon Bowry, director of Management and Budget.

"Not a bulldozer has been placed on the ground. Not a job has been created. So I submit to you that the government is just as responsible for the stagnation that we're seeing. Because if you can't roll out those capital improvement projects that will generate jobs, then there will be no consumer spending. And if there's no consumer spending then there's no corporate taxes, or gross receipt taxes. You have a problem; Houston, you have a problem," Mrs. Rivera-O'Reilly continued, as she blasted the administration for the slow pace in which it has moved.

Mrs. Rivera-O'Reilly, who doesn't sit on the Committee of Finance, which has jurisdiction over hearings pertaining to financial matters of the territory, attended the meeting to express her frustration. "I don't sit on this committee but I am extremely perturbed," she said.

She then retrained her frustration to Finance Commissioner and P.F.A. Executive Director Valdamier Collens: "What good is it to the people of this territory that hundreds of millions of dollars sit in P.F.A. account and are not being deployed to fix the roads and create jobs and generate economic activity in the territory?"

Mr. Collens, known as a straight shooter, did not attempt to deflect the senator's question. Instead, he concurred with Mrs. Rivera-O'Reilly and said that the monies needed to be used.

"There's no benefit to obtaining money in the capital markets and having it sit there for an inordinate amount of time," Mr. Collens said. Talking specifically about bond funds for capital projects, Mr. Collens again concurred with Mrs. Rivera-O'Reilly, adding that funds for capital projects have a greater role than to simply see these projects through. More importantly, he said, the funds are for spurring economic activity that leads to growth.

Mr. Collens added that the P.F.A. constantly communicate with requisite agencies the importance of spending bond funds within three years of issuance. "Otherwise it's not looked [upon] positively by the Internal Revenue Service that we hold these funds for longer than that period," Mr. Collens said.

Mrs. Rivera-O'Reilly, unrelenting, asked administration officials whether they had a plan on how to move the territory's economy forward; since there are monies sitting in a P.F.A. account waiting to be spent, yet still administration officials were back at the Senate seeking to get authorization to float more bonds.

"Do you really have a plan? Do you really have a need? Or do you have the capacity to deploy the funds you say you have a need and a plan for?" Mrs. Rivera-O'Reilly pressed.

The senator said she attended the hearing because she wanted the government to have a reality check with its financial team.

Other senators agreed with Mrs. Rivera-O'Reilly, including Senators Samuel Sanes and Marvin Blyden, both echoing her sentiments.

One delayed project that has aggravated senators and residents alike, is the Paul E. Joseph Stadium. The governor has struggled to give a timeline as to when work would start in earnest, and continues to argue that the project has not been delayed.

"Let me dispense with the myth that the Paul E. Joseph Stadium is delayed, it's not delayed," [Mr. Mapp said in June](#). The governor said he had received a briefing on the project's status, and reverted to his original argument for halting the original contract, stating that the first deal, negotiated by former Governor John P. de Jongh, was grossly deficient.

"What we keep saying to the good folks of the territory is that in the winding days of the last administration, a contract for \$20 million was signed with nothing. Nothing was developed, nothing was put together — the company was supposed to go out and figure it all out. We intervened, we halted that process, we negotiated the contract to an as-built, fixed-priced facility. That was all resolved, there was some give-back of some on the monies that were already deposited by the government to the contractor," Mr. Mapp said.

But the governor's argument was made in the past — before he announced that work would restart — and still, after announcing that "arduous" negotiations had led to a deal that would allow work to finally commence, 10 months later, he has nothing to show for it.

[Later in June](#), the governor told this publication that it was the quality of work that mattered; not when a project starts or ends, referring to the Paul E. Joseph Stadium.

“The projects I have been associated with all my career, I can point to them and they’re all standing, and they’re all functioning. Why? Because you get it done right the first time. But you don’t do it because you’re worrying about an election and you want to have a facade and ribbon cutting to show somebody that you’re doing something,” said Mr. Mapp [during a charrette](#) held to discuss the development of the Altona Lagoon and Cramer Park.

The governor was referring to a Consortium story [critical of delays](#) on work at the stadium.

“This is the beginning of a vision for the revitalization of Frederiksted that was developed through the design charrette process in 2005 while I was PFA [Public Finance Authority] director of Finance and Administration,” Mr. Mapp said in October 2015. “I want to thank the administration’s team of attorneys along with Commissioners Gustav James, Pedro Cruz and Randolph Bennett and the PFA’s consultant, Coastal Systems–USVI, for working with the representatives of GEC, LLC to get this significant project back on track.”

Since then, however, the stadium area has been desolate and far from being “back on track.”

Public Works Commissioner Gustav James recently [told the Senate Committee on Finance](#) that the project was no longer delayed, and that it would be a “premier” facility once completed.

But completion, the governor said, would not be determined by his reelection bid.

“History is very kind; it abuses everybody; it doesn’t care. So when you govern and you use the resources in a manner that makes sense, the community gets the benefits of it, and that’s my thing.”