



Gateways to the
United States Virgin Islands
www.viport.com

Virgin Islands Port Authority Hurricane Recovery Status Report

David W. Mapp, Sr.
Executive Director



**Presented on February 23, 2018 to
The Honorable Senator Neville James
Chairman, Committee on Economic Development and Agriculture
32nd Legislature of the US Virgin Islands
Capitol Building
St. Thomas, US Virgin Islands 00804**

Table of Contents

About the VI Port Authority	1
Status of Air and Seaports – Post Hurricanes Irma and Maria	1
Aviation	2
Marine - Cruise Ports	5
Marine - Ferry and Cargo Seaports	6
Demolition of Storm-Damaged VIPA Properties.....	10
Other Commercial Properties/Bournefield Housing	10
Amendments to VIPA’s Fiscal Year Budget 2018	10
VIPA Personnel	10

Good morning Honorable Senator Neville James, other senators of 32nd Legislature of the US Virgin Islands, all staff and members of the community present at this hearing, and to our listening and viewing audience. My name is Damian Cartwright and I am the Assistant Executive Director and Director of Engineering for the Virgin Islands Port Authority (VIPA). I am here today in response to your letter dated February 7, 2018, which invited the Port Authority's Executive Director, Mr. David Mapp, to testify before the Committee of Economic Development and Agriculture. You requested that Mr. Mapp present testimony regarding the status of VIPA's ports post Hurricanes Irma and Maria, which struck the territory last September 6th and 19th respectively.

Mr. Mapp is out of the territory on medical leave and requested that I present this testimony on his behalf. Accompanying me is VIPA's Acting Chief Financial Officer, Mr. Humphrey Caswell, Senior Staff Attorney Ms. Denise George, and our Acting Controller Ms. Juliana Hull.

About the VI Port Authority

For the benefit of the listening public, please allow me to summarize the mandate and mission of the VI Port Authority. VIPA is an autonomous, self-sustaining agency which manages the two airports and most of the public seaports in the US Virgin Islands. Development of the territory's port infrastructure is one of our primary mandates. Our objective is to facilitate travel, commerce and aid in fostering tourism and economic growth by providing modernized and safe ports for travel. VIPA directly and indirectly provides employment for hundreds of Virgin Islanders via the business operations at our air and seaport facilities. New construction and major maintenance projects stimulate our economy by providing jobs for the community, and correspondingly contributes to revenue for the VI government via income and gross receipt taxes.

As an autonomous agency, VIPA does not receive an annual allotment from the Government of the Virgin Islands. The major source of the Authority's operating revenues are customer and rental fees charged to users of our airport and marine facilities. Other funding sources include federal grants, federally-approved Passenger Facility Charges (PFCs) added to airline tickets, and special allotments for a specific project provided via legislation from the VI government.

Status of Air and Seaports – Post Hurricanes Irma and Maria

The hurricanes of September 2017 critically damaged the US Virgin Islands and its port infrastructure. The vast extent of the damages has also affected the Port Authority financially and delayed the progress of ongoing and future capital improvements. Most of our facilities are located on or near the coastline of the islands and as a result were subjected to the direct force of Category 5 winds, rains and seawater. VIPA sustained over \$85 million in hurricane-related damages to its port facilities. Despite the damages, most ports were reopened shortly after both storms to enable emergency personnel and supplies to arrive timely into the territory. Commercial travel and commerce within the US Virgin Islands resumed in record time.



Rebuilding VIPA's air and seaports has taken precedence over other activities at the Port Authority since September. We have completed the assessment phase and are now beginning the permanent restoration and repairs to our facilities. The Port Authority's board has competitively selected Lemartec, Inc. as the Construction Manager at Risk for restoration work of its 120 affected properties. Construction work will be ongoing simultaneously at various facilities. The process for restoration projects will be as follows:

1. Lemartec will submit a task order to VIPA to repair a damaged facility.
2. VIPA's board reviews and approves the task order.
3. VIPA's insurance provider reviews and approves the task order.
4. Once the task order is fully approved, a notice to proceed is issued by VIPA and construction can begin.

Lemartec will also be engaging the services of our local contractors. We plan to launch an advertising campaign shortly in conjunction with Lemartec to provide the public with contact information and the procedures to apply to be employed by Lemartec to rebuild port properties. These ads will run on the local radio, online and be published in our local newspapers. Banners with contact information will also be posted at our facilities and Lemartec will visit local construction companies to provide them flyers with this information as well. By employing our local contractors, it ensures that a portion of the monies used to rebuild our ports will stay in the territory and benefit our economy.

Aviation

St. Thomas Aviation

Prior to the hurricanes last year, VIPA was exploring options in tandem with the VI government to renovate and expand the **Cyril E. King Terminal on St. Thomas**. The terminal is almost 30 years old, severely under capacity, and is in dire need of upgrades. Unfortunately, due to the storm damage, VIPA's primary mission at the moment is to restore the terminal to its pre-storm conditions. However, the need to expand and modernize our terminal still exists and as such, VIPA has hired a consultant to prepare a design development package for the new CEKA Terminal Expansion which will include jet bridges, new parking garage facilities and a potential water taxi pier that has a direct connection to the terminal to service our BVI traffic.



Cyril E. King Airport Terminal Post Hurricane Irma

CEKA was the most severely damaged VIPA-owned facility. The entire roofing membrane was destroyed and windows were blown in, which led to extensive flooding and destruction of property. The entire second floor of the terminal has been rendered unusable. Despite the challenges, VIPA reopened CEKA to limited commercial traffic on September 28, 2017 – just nine days after the passing of Maria. This was a remarkable accomplishment given the degree of damages sustained. With the exception of one gate, the terminal was fully reopened in December 2017 as mold remediation and temporary repairs were completed.



CEKA fully reopened in December 2017.

The permanent interior repairs will begin shortly after commencement of the roof replacement

We are preparing to begin our first major permanent repair of the King Terminal. VIPA's Board has recently granted conditional approval of a task order to completely replace the entire roofing membrane, pending final approval by the insurance company. The project is anticipated to take approximately eight months, with a targeted completion date of early November 2018. Construction activities will be phased to minimize adverse impacts to airport operations and the travelling public.



The entire roof of the CEKA Terminal will be replaced.
Expected completion – November 2018.

Repairs to the CEKA runway's skip circuit are ongoing and should be completed by May 2018. Rehabilitation of Taxiway Bravo at CEKA, which began before the storms, has also resumed. Asphalt and concrete are being placed after-hours. This project is expected to be completed by June 2018.

St. Croix Aviation

Henry E. Rohlsen Airport on St. Croix reopened to commercial traffic on October 5th. The terminal's roofing membrane was severely damaged by Hurricane Maria which resulted in significant water penetration. Lemartec is expected to submit a task order for the repairs needed at HERA by the first week of March 2018.

We were poised to open the new HERA fire station when the storms hit. A portion of the roof was damaged by Maria and caused water to infiltrate the building. A delay in receiving construction materials to replace the entire roofing membrane to meet warranty requirements has pushed back the completion date of this project to April 2018.



Damaged Roof of the New HERA ARFF Building will be repaired by April.

Airline Service to the Territory

Since the hurricanes, flights to the territory have been frequently sold out and ticket prices are reportedly high. While VIPA has no control over the prices of the tickets that are set by the airlines, we are pleased to announce that flights to the territory have been steadily increasing. American Airlines, Delta and JetBlue have been providing service to the U.S. since the airport terminals reopened, with Spirit joining shortly after. Cape Air, Seaborne and Air Sunshine as well as our FBO's and charter services have been invaluable in terms of providing inter-island flights. The Department of Tourism recently announced that United Airlines will return to the territory in April and Delta Air Lines will start a second Saturday flight between Atlanta and St. Thomas and resume daily service from New York in May. This is excellent news for the travelling public, the Port Authority and for the businesses that rely on the revenues from overnight visitors to our islands.

VIPA's board approved the renewal of an airline incentive which provides reduced fees for airlines starting new or increased service to St. Croix and airlines offering service during non-peak hours to St. Thomas. This incentive has proven to be effective in negotiations with airlines to provide more flights to the territory – most recently with Spirit Airlines, which will begin nonstop flights from Fort Lauderdale to St. Croix at the end of May.

Marine - Cruise Ports

St. Thomas/St. John Cruise Facilities

Several of the Crown Bay Center buildings sustained roof damage and broken windows which resulted in extensive water damage. Despite these challenges, the fast tracking of temporary repairs resulted in the Austin "Babe" Monsanto Marine Facility in Crown Bay, St. Thomas welcoming the Adventure of the Seas on November 10, 2017 as the first ship back to the port since the hurricanes. The Center is a high priority item for VIPA in terms of permanent repairs. It is anticipated that Lemartec will have a Task Order proposal to VIPA for this scope in March 2018.



Damaged Crown Bay Center Storefront

The Ann E. Abramson Marine Facility in Frederiksted, St. Croix welcomed its first ship since the storms, the Viking of the Seas, on November 15, 2017. This facility sustained extensive damage to the catwalk mooring extension which was totally unusable after the storm. This had to be repaired in record time in order to facilitate the arrival of the first cruise ship. In addition, a project is currently underway to repair all of the pier lighting and is slated to be completed in March 2018.

The remnants of the dilapidated south tender pier were totally destroyed by Hurricane Maria. VIPA is still awaiting the permit approval from the Army Corp of Engineers to rebuild this tender pier. The permit approval is anticipated this year.



The catwalk at the pier in Frederiksted has been repaired post-storms.

Marine - Ferry and Cargo Seaports

St. Thomas/St. John Ferry & Cargo Facilities

The two-story parking garage at the **Urman V. Fredericks Terminal at Red Hook** that was under construction prior to the storms sustained extensive damage to construction related scaffolding and shoring. Construction of the parking garage has resumed with an anticipated completion date of July 2018. Fortunately, the terminal in Red Hook did not sustain any extensive damage.



Work has resumed on the two-story parking garage at Red Hook, St. Thomas.
Expected completion – July 2018.



Damaged US Customs Building in Cruz Bay

Both the US Customs Building and VIPA's administrative offices at the **Loredon Boynes Sr. Dock and the Victor Sewer Marine Facility, Cruz Bay, St. John** were destroyed. All foreign vessels have had to travel downtown to the Blyden Terminal in St. Thomas to clear Customs. This has been very inconvenient for mariners. In order to accelerate the restoration, both the VIPA staff building at the Creek and the Customs building in Cruz Bay will be replaced with precast concrete structures. We have been working closely with Customs to develop a design for the new facility. A final draft of the design has been submitted to CBP for their approval.

VIPA is also exploring the possibility of temporarily providing US Customs Clearance services from the Fredericks Terminal in Red Hook. We have developed a design in conjunction with Customs officials and are currently sourcing bids for the construction of this work.

Theovald Moorehead Facility at Enighed Pond, although having sustained some damages, is now fully operational and has been a critical port for the community on St. John transporting vehicles and bringing much needed rebuilding supplies.

A new marine security vessel that was custom-built for the Port Authority is completed and should be shipped to the territory shortly. The vessel, which will be used in the St. Thomas/St. John district, was built by Metal Shark and cost \$425,000. In addition, a custom \$1.2 million pilot boat for the St. Thomas/St. John district is being built by the same contractor.

The Edward Blyden Terminal on the Charlotte Amalie Waterfront was undergoing some improvements prior to the storms. The new elevator, which brings the terminal into compliance with the American with Disabilities Act, should be ready for public use by the end February 2018. Additional upgrades to the terminal and hurricane-damage repairs are slated to commence this year.

VIPA has completed a study for a third Berth at Crown Bay and recently presented the findings to Florida Caribbean Cruise Association (FCCA). The feedback was extremely positive and VIPA

will now move the study forward to design development. In addition, VIPA has authorized its Marine Consultant to undertake a complete Masterplan Redevelopment of the Crown Bay and Sub-Base District.

VIPA is currently assisting WICO to achieve the much-needed Maintenance Dredging of their channel, anticipated to commence in the fall of this year. In addition, VIPA has begun the design of the widening and deepening of the WICO channel to accommodate the Oasis Class vessels. This design is scheduled to be completed in March 2018, with an anticipated permit submittal to both CZM and ACE in April of 2018.

St. Croix Cargo & Ferry Facilities

We are pleased to report that Phase A – Marine Improvements of the **Gordon A. Finch Molasses Pier Cargo Terminal Project** will begin shortly. A Notice to Proceed will be issued to the contractor next month (March 2018). VIPA received \$10.67 million via the Transportation Investment Generating Economic Recovery (TIGER) discretionary grant funds for these improvements. The local funding match is \$2.6 million. When this project is completed, VIPA will shift all cargo operations from the Gallows Bay Marine Terminal to this new facility.



Conceptual Rendering of the Gordon A. Finch Molasses Pier Project

VIPA is proceeding with its plans to develop the **Gallows Bay Marine Facility on St. Croix** into a passenger and luxury vessel seaport. The construction of a new dual-purpose passenger facility is currently underway and will be completed by December 2018. All cargo operations will be directed to the south shore of St. Croix to the new Gordon A. Finch Molasses Pier Cargo Terminal upon completion.



Conceptual rendering of the new Gallows Bay Passenger Terminal that is currently under construction.



The pile casings for the new Passenger Terminal have been installed.
Expected completion – December 2018

The Marine Cargo and Office building at the **Wilfred “Allick” Container Port** was destroyed. VIPA will work with Lemartec to commence replacement of this building this year. Ongoing pavement repairs at the Container Port Operational Area was delayed due to the storms. However, the contractor was recently issued a Notice to Proceed and will commence actual construction activities at the beginning of March 2018.



VIPA's Cargo and Office Building at the Container Port damaged by Hurricane Maria

Demolition of Storm-Damaged VIPA Properties

VIPA has received permit approvals to demolish several of its properties that were destroyed beyond repair. Bid packages will be publicly advertised next month to undertake these demolition activities.

Other Commercial Properties/Bournefield Housing

VIPA has completed initial assessments of all its other commercial properties and the Bournefield Housing Community on St. Thomas, and continues to make repairs as necessary. In addition, a contract was recently approved by the Board to remove the hurricane debris from the Lindbergh Bay Park.



Lindbergh Bay Park & Water Playground debris will be removed in the coming weeks.

Amendments to VIPA's Fiscal Year Budget 2018

As I mentioned prior, the immense number of repairs needed at our facilities have severely impacted our finances. VIPA insures all its properties and was able to secure advance funding for some of the needed repairs to date. VIPA is also working closely with Federal agencies such as FEMA and the FAA to identify additional funding to close potential shortfalls. Nonetheless, our Board has had to loan funds from our marine revenues to augment our Aviation Division's capital improvement budget in the amount of \$525,834. We have also reduced marine expenses in order to increase the amount of the Marine Division's capital improvement budget by \$380,000 for seaport restorations not covered by our insurance.

In addition, due to the significant liability exposure of insurance companies providing coverage in the Caribbean region, we have been forewarned to expect a significant increase in the cost for insurance in the upcoming years.

VIPA Personnel

I would be remiss if I did not mention the effect that the storms have had on the people that comprise the VIPA Team. Many of our employees suffered damages and losses to their personal properties. We even had an employee who lost a family member to the storms on a neighboring island. A few of our employees left the territory for medical reasons. Those employees that remained in the Virgin Islands

reported to work immediately after the storms and have worked tirelessly since September to rebuild VIPA while simultaneously rebuilding their personal lives. We have provided as much assistance to our employees as possible, including counseling, distributing care packages and water, and hosting on-the-job stress relief activities to encourage comradery and boost employee morale. An employee appreciation function is also planned for July. At VIPA, we continue to invest in and support our employees as they are our most valuable asset.

Before I conclude, I would like to thank the travelling public and our community for their patience as we work to rebuild and restore. We are aware that the process has not been an easy one and in some instances, it has been a learning experience for all of us. The territory has never experienced this level of disaster before. However, we would like the public to know that we are working diligently to provide safe and comfortable facilities to make their entrance and departure experiences as pleasant as possible. Updates about our progress are broadcasted on our local radio stations, posted on our website at www.viport.com, and you can also follow the Virgin Islands Port Authority on our Facebook and Twitter social media pages.

I thank you, Senator James, for the opportunity to share the accomplishments of the Port Authority with this body, our stakeholders and our community. My colleagues and I are available to answer any questions that you may have.

Sincerely,



L. Damian Cartwright
Assistant Executive Director/Director of Engineering
Virgin Islands Port Authority

cc: David W. Mapp, Sr. – VIPA Executive Director