COMMON SENSE USVI 2026

ADDRESSED TO THE INHABITANTS OF THE US VIRGIN ISLANDS

On the following interesting

SUBJECTS

I. Thoughts on the present State of Virgin Islands Affairs.

II. Of the Reform of the Virgin Islands Water and Power Authority.

III. Of the Establishment of Municipal Government in the Territory.

ST. CROIX

Published by the Christiansted Revitalization Planning Task Force
June 2026

Printed on Company Street, Christiansted · June 2026

“Robert Caro's treatment of the Hill Country electrification story is foundational to his entire thesis about power: … what is power for? … His answer, and it is complicated by everything else he reveals about Lyndon Johnson, is that power is for doing things like this … For reaching into a forgotten corner of America where private enterprise would not go and government had not yet gone, and changing the daily conditions of human life.”

— Excerpt from the Preface

FOREWORD

The 2026 USVI General Election will be a major turning point in citizen rule of the Government and its Agencies instead of continuing to be ruled by the existing colonial civic and public infrastructure … or it won't.

A Civic Leadership Advocacy Initiative has been launched by the Christiansted Revitalization Planning Task Force to create and execute a plan to establish a parallel campaign to the 2026 General Election campaign advocating for citizen and voter support and candidate pledges to support and implement the initiative in the next VI Legislative Session.

All'aWe know we want FIX WAPA!!!!! and FIX DE DAM POTHOLES!!!

It's time to consider two serious grassroots initiatives generated among Crucians who have been brainstorming solutions to the two most unresolved contentious community issues (no grants or expensive consultants involved):

- WAPA reform, and
- Establishment of Local Governments in the USVI.

Excuses or Progress? It's up to the voters. When the Spirit of Juneteenth 2026 manifests on St. Croix, let's make a community decision for Progress … that by Juneteenth 2027 All'aWe will be building our communities' paths to establishing equitable civic responsibility for their public quality of life decisions.

A Studio and Administration Office and B.U.G. Party Front Porch in the Comanche Pavilion at the Comanche Hotel have been donated to the Task Force by Club Comanche, Inc. for use as a pop-up campaign HQ for production and distribution of campaign materials, small planning meetings, and other campaign needs.

The COMMON SENSE pamphlet has been produced with an inspirational Preface; Part I: (A) an introduction of a grassroots proposal for WAPA reform, (B) an Economic Development Impact Statement, with (C) a draft act to establish the Territorial Energy Authority (the TEA Act) as Appendix I; and Part II: (A) a Case Study for Municipal Governments, (B) an Economic Development Analysis for Municipal Governments in the U.S. Virgin Islands, and (C) an act to establish a Municipal Corporations Act for the United States Virgin Islands as Appendix II.

If you are interested in volunteering to be part of the Just Fix Dem! Team, email “Interested in the Initiative” with your contact information to **join@bottomupgovernment.org**.

PREFACE

Lyndon Johnson and the Light That Came to the Hill Country

As Told by Robert A. Caro in The Path to Power (1982)

The Land Before the Light

Robert Caro opens his monumental first volume of The Years of Lyndon Johnson series with something unusual for a political biography — a long, lyrical, almost elegiac portrait of a land and its people before the story of the man even properly begins. He wanted the reader to feel what the Hill Country was, because without that feeling, the reader could not understand what Lyndon Johnson did, or what it meant.

The Texas Hill Country in the 1930s was a place of brutal, grinding, unrelenting labor — and most of that labor fell on women. Caro describes farmwives who rose before dawn and worked until after dark, and the darkest fact of their lives was that the dark never really lifted. There was no electricity. The Rural Electrification Administration existed on paper, but the private utility companies had made a calculated business decision: the Hill Country farms were too spread out, the customers too few and too poor, the return on investment too thin. The lines would never be run there. The people were simply left out.

Caro catalogs what this meant with patient, heartbreaking specificity. Women hauled tens of thousands of gallons of water a year by hand from creek or well. They washed clothes by hand until their knuckles bled and their backs gave out. They ironed with heavy flat irons reheated again and again on wood stoves, in kitchens that in summer became killing chambers of heat. They canned food over those same stoves and churned butter by hand. The labor aged women prematurely in ways that wives in electrified American cities, even modest ones, had long since been spared.

And at night — there was simply darkness. Coal oil lamps gave a thin, eye-straining, headache-inducing light that was no light at all for reading or sewing. Children could not study; men could not work after sundown. The Hill Country, Caro writes, was cut off not just from comfort but from modernity itself.

The Young Man Who Came Knocking

When Lyndon Baines Johnson ran for Congress in 1937 — a special election triggered by the sudden death of Representative James Buchanan — he was twenty-eight years old, unknown outside his immediate circle, and he ran with almost nothing: no money to speak of, no organization, a borrowed car, and an almost physical need to win.

He made a promise. It was audacious to the point of recklessness, because Johnson had no power yet to keep it — he was asking people to send him to Washington so that he could get the power to keep it. But he made it anyway, in every courthouse square and crossroads store and farmhouse kitchen in the district: elect me, he said, and I will bring electricity to the Hill Country.

Caro describes Johnson campaigning with a ferocity that seemed almost pathological — traveling the back roads, stopping at every farmhouse, shaking every hand, sleeping in his car when he had to, working until he was physically sick and then working still. He understood something essential: in a race with seven candidates, the man who spoke to the most voters, personally, one by one, face to face, was the man who would win.

He also understood — and Caro credits him with genuine, if self-interested, political intelligence here — that the New Deal and Franklin Roosevelt were the key. Johnson ran as Roosevelt's man, unambiguously and loudly, at a time when FDR was embattled and most politicians were running away from him. Roosevelt noticed. That relationship would matter enormously.

Keeping the Promise

Johnson won. And then began the harder part. The Lower Colorado River Authority existed, but it had no money and the dams on the Colorado were incomplete. The private utilities still refused to run lines into the hills. The bureaucratic machinery of Washington was indifferent, resistant, or outright hostile at every turn. And the Hill Country farmers, who had voted for this young congressman on the strength of a promise, were watching.

Caro traces what followed with meticulous documentation — the visits to the Rural Electrification Administration, the cultivation of REA Administrator John Carmody, and an extraordinary meeting Johnson engineered with President Roosevelt on a presidential train in Texas, sitting with him long enough to make his case personally for a loan allocation to the LCRA. The loan — ultimately $1.8 million from the REA — was not supposed to go to the Hill Country project. The rules, the formula, the bureaucratic logic all pointed elsewhere. But Johnson pushed, argued, maneuvered, and leveraged his new relationship with the White House in ways a more cautious man could not have.

The money came. The lines went up.

The Night the Lights Came On

Caro ends this section of The Path to Power with a passage that ranks among the most quietly powerful in American political writing. He describes the night — actually a series of nights across different farms and communities — when the switches were thrown for the first time and the lights came on in the Hill Country.

People wept. Farmers and their wives who had spent their entire adult lives in darkness stood in their kitchens or their yards and looked at electric light as though they could not quite believe it was real. Women who had bent over washboards and hauled water and strained their eyes over coal oil lamps for decades stood in the sudden light and cried.

Caro does not editorialize heavily. He doesn't need to. He has spent hundreds of pages making sure the reader understands exactly what darkness cost these people — the labor, the isolation, the physical diminishment, the sense of being forgotten by the modern world. So when the light comes, the reader feels it.

And then Caro notes something that cuts to the heart of his larger argument about power: Lyndon Johnson had done this. Whatever else he was — and Caro would spend the subsequent volumes of the series probing every dark corner of the man — he had made a promise that no one with any sense would have believed, and he had kept it, and their lives were genuinely, materially, permanently better because of him.

What Caro Was Really Saying

Robert Caro's treatment of the Hill Country electrification story is not simply a feel-good chapter in a biography. It is foundational to his entire thesis about power. Caro's great theme across all five volumes of The Years of Lyndon Johnson is the question: what is power for?

His answer, complicated by everything else he reveals about Johnson, is that power is for doing things like this. For reaching into a forgotten corner of America where private enterprise would not go and government had not yet gone, and changing the daily conditions of human life. The Hill Country electrification is, in Caro's telling, Lyndon Johnson at his best — ambitious, relentless, politically shrewd, but in service of something genuinely good.

It is also, Caro implies, a model Johnson would not always follow. The same ruthlessness, the same willingness to bend rules and call in favors and outmaneuver opponents, would be applied to purposes far less admirable as the years went on. But in the Hill Country, in those years, it was applied to bringing light to people who lived in darkness. That, Caro tells us, is what power, used well, can do.

Robert A. Caro, The Path to Power: The Years of Lyndon Johnson, Volume I (Alfred A. Knopf, 1982).

All narrative elements, characterizations, and thematic interpretations above are drawn from and credited to Caro's account.

PART I

Of the Reform of the Virgin Islands Water and Power Authority

A. A Real Fix for WAPA — Not Another Promise

B. Economic Development Impact Assessment

C. Draft Territorial Energy Authority Act (Appendix I)

I.A — A REAL FIX FOR WAPA — NOT ANOTHER PROMISE

Every election season, candidates promise to fix WAPA. Every session, the Legislature holds hearings. Every year, our bills stay high, the lights still go out, and nothing changes. Most of us have stopped believing it ever will.

This proposal is different — not because it promises better management or stronger oversight of the same broken structure, but because it replaces the structure itself.

The idea is straightforward. WAPA's electrical operations would be divided into two parts. One part — call it Genco — would continue to own and operate the Territory's power generation plants. The other part — distribution, the poles and wires that bring power to your home — would be transferred out of WAPA entirely and handed over to a new kind of institution: Community Rural Electric Cooperatives, one for each community in the Territory, owned and governed by you.

That last part is worth sitting with. Owned and governed by you. Not by the Government. Not by a board appointed by politicians. By you — the member, the ratepayer, the neighbor. Every customer whose account transfers to a cooperative becomes a member-owner with a vote in how it is run. The board is elected from among the membership. If the cooperative performs well, surplus revenues come back to members as equity credits. If the board makes bad decisions, members vote them out. That is accountability that no amount of legislative oversight of WAPA has ever delivered.

What does this mean in practical terms?

It means lower bills — eventually, and structurally, not as a political favor. Each cooperative would have authority to build solar panels and battery storage, to develop microgrids, and to buy power from any licensed producer rather than solely from WAPA. As cooperatives build out renewable energy, the proposal requires that wholesale power rates drop automatically — no petition required, no regulatory battle. Our electricity costs between 35 and 50 cents per kilowatt-hour today; the national average is around 16 cents. Closing even half of that gap would save a typical household hundreds of dollars a year and transform the economics of every small business in the Territory.

It means reliable power. A cooperative with its own microgrid and battery storage can keep the lights on in its community even when the broader grid goes down — already happening in island communities around the world that have made this transition.

It means broadband — real broadband. The USVI is surrounded by major submarine fiber optic cables carrying enormous capacity between the United States, the Caribbean, and the world. The bandwidth exists; what is missing is the last-mile infrastructure that connects those cables to our homes and businesses. Cooperatives, using the same pole infrastructure inherited from WAPA, are positioned to run fiber to every address in the Territory along routes already built. Community Rural Electric Cooperatives have done exactly this across the American mainland, deploying gigabit fiber to communities private carriers ignored for decades. Genuine broadband changes everything: remote workers earning mainland salaries and spending them here, digital businesses that cannot currently operate in the Territory, telemedicine, distance education, and a competitive environment that forces today's providers to improve service and lower prices.

It means a fresh start on old debts. Many WAPA customers carry arrearage balances — some legitimately owed, many the result of WAPA's own billing failures and estimated meter readings. The proposal allows cooperatives to purchase those accounts from WAPA at a discount and seek federal grant funding to wipe the balance to zero. Every customer starts with a clean slate — not a government handout, but a one-time structural reset funded by federal dollars the Territory is entitled to pursue.

It means accountability for past mistakes. WAPA spent an enormous amount of money converting its plants to propane without competitive bidding or independent review, and ratepayers are still paying for it. This proposal requires an independent forensic review of that investment before one dollar of its cost is loaded onto the new wholesale rate. If the procurement was improper or costs were inflated, ratepayers will not be required to cover it.

This proposal has been drafted into actual legislation — a Territorial Energy Authority Act with defined timelines, independent oversight, mandatory audits, and employee transition protections. It is not a press release. It is a framework ready for introduction.

The USVI has world-class fiber in the water surrounding its islands. It has sunshine that rivals anywhere in the United States. It has poles running to every neighborhood. What it has lacked is the institutional structure that connects these assets to the people who live here. Community Rural Electric Cooperatives are that structure. The question is whether we have the political will to demand it.

Editor's note: The author refers to a structural reform proposal for WAPA that includes a draft Territorial Energy Authority Act, an economic development impact assessment, and analysis of submarine fiber infrastructure. Copies of the full proposal are available upon request. Drafted as a policy discussion document for USVI Senate candidate review — June 2026.

I.B — WAPA STRUCTURAL REFORM: ECONOMIC DEVELOPMENT IMPACT ASSESSMENT

How the Territorial Energy Authority Act Creates a New Economic Development Framework for the USVI — Including Unlocking the Submarine Fiber Infrastructure Surrounding the Territory

Executive Summary

The proposed restructuring of WAPA — establishing a Territorial Energy Authority, separating generation from distribution, and transitioning distribution to member-owned Community Rural Electric Cooperatives — is fundamentally an economic development initiative as much as a utility reform.

The USVI's electricity rates, historically ranging from 35 to 50 cents per kilowatt-hour, are among the highest in the United States. That single fact suppresses virtually every category of economic development in the Territory. A second, equally important constraint: the USVI sits at the intersection of multiple major submarine fiber optic cable systems representing enormous latent broadband capacity — yet that capacity does not reach most homes and businesses. The last-mile infrastructure gap is precisely the kind of distribution problem Community Rural Electric Cooperatives are structurally designed to solve, using existing WAPA pole infrastructure inherited through the reform.

The reform creates six distinct and compounding economic development benefits:

- Direct rate reduction as renewable energy displaces fossil fuel generation.
- Last-mile fiber deployment connecting existing submarine cable infrastructure to 45,000 homes and businesses currently unable to access it effectively.
- Knowledge economy activation — remote work attraction, digital business formation, and data infrastructure — enabled by genuine broadband access.
- Local capital formation through cooperative ownership structures that accumulate member equity and recirculate surplus revenues locally.
- Federal investment leverage across multiple agencies that flow more readily to jurisdictions with functioning cooperative and broadband infrastructure.
- Workforce development in clean energy, cooperative management, and digital infrastructure trades.

Energy Cost: The Master Constraint on USVI Economic Development

The USVI pays two to three times the national average for electricity. The economic consequences cascade through every sector: manufacturing is structurally nonviable; tourism investment is suppressed; small business formation is discouraged; and household disposable income is drained.

Jurisdiction	Avg. Residential Rate	Avg. Commercial Rate
USVI (WAPA)	35 – 50 cents/kWh	35 – 48 cents/kWh
U.S. National Average	~16 cents/kWh	~12 cents/kWh
Puerto Rico (PREPA)	~22 cents/kWh	~20 cents/kWh
Hawaii	~40 cents/kWh	~37 cents/kWh
Florida	~14 cents/kWh	~11 cents/kWh

Sources: EIA Electric Power Monthly; WAPA rate schedules. Rates are approximate.

Direct Rate Relief: The Foundation of Every Other Benefit

The most direct economic development benefit flows from the CREC structure's core mandate: develop distributed renewable energy, reduce fossil fuel dependency, and pass the resulting savings to member-ratepayers through the declining wholesale rate schedule built into the Territorial Energy Authority Act.

Utility-scale solar power purchase agreements are now routinely executed at 4 to 8 cents per kilowatt-hour on the mainland. Even accounting for island supply chain premiums, the USVI's exceptional solar resource makes solar-plus-storage generation materially cheaper than diesel or propane. As CRECs build out microgrid capacity, the TEA Act's declining rate schedule translates those savings directly into lower wholesale rates — automatically, without regulatory petition or political negotiation.

- Households: A 20% rate reduction for a household paying $300/month frees $720 annually. Across 45,000 residential accounts, that is roughly $32 million per year recirculating locally.
- Small business: A restaurant paying $2,000/month saves $4,800 annually per 20% reduction.
- Tourism: A mid-size resort with a $50,000 monthly electricity bill saves $120,000 annually per 20% reduction.
- New investment: Below approximately 15 to 20 cents per kilowatt-hour, categories of business currently nonviable become feasible.

The Submarine Fiber Opportunity: Unlocking Existing Infrastructure

The USVI sits at the intersection of multiple major submarine fiber optic cable systems with substantial latent capacity connecting it to the continental United States, Puerto Rico, and Caribbean neighbors. The bottleneck is not offshore — cable landing stations are the equivalent of electrical substations, and what the USVI lacks is the terrestrial distribution network connecting those landing stations to end users.

- Poles: WAPA's distribution poles run to every residential and commercial address; CRECs inheriting this infrastructure can deploy fiber at dramatically lower cost than any new entrant.
- Billing: CRECs already have accounts with every customer, so adding broadband minimizes additional overhead.
- Nonprofit mandate: A CREC's mandate to serve members results in more comprehensive deployment than a private ISP's profit calculation allows.
- Community trust: CRECs governed by elected member boards carry accountability no private carrier can match.

CRECs do not need to own submarine cables to leverage their capacity. An Indefeasible Right of Use (IRU) agreement is a long-term wholesale purchase of bandwidth capacity on existing cables. A consortium of USVI CRECs negotiating collectively for IRU capacity would represent the combined demand of the Territory's entire broadband market — meaningful bargaining leverage to minimize per-unit capacity costs. Federal broadband funding programs increasingly require open access middle-mile infrastructure as a condition of funding, which USVI CRECs can pursue to connect landing stations to distribution networks.

The Broadband Multiplier

- Remote work: Reliable gigabit fiber makes the Territory genuinely competitive for high-earning remote workers.
- Digital business: Last-mile deployment creates the infrastructure layer making technology startups and fintech firms viable in the Territory.
- Telemedicine and education: Broadband-enabled specialist care and distance learning reduce the burden of off-island travel.
- Data centers: Submarine fiber access, improving electricity costs, and US jurisdiction make the USVI a potential location for Caribbean-serving digital infrastructure.

Federal Investment Leverage

The TEA Act positions the Territory to access federal capital across energy, broadband, and economic development programs. The aggregate federal investment potential, conservatively estimated, ranges from $300 million to over $700 million over the transition period.

Federal Program	Eligible Uses	Est. USVI Potential
USDA RUS Electric	CREC formation, grid infrastructure	$50M – $200M
USDA ReConnect	Broadband last-mile / middle-mile	$20M – $80M
FCC Broadband Programs	Last-mile deployment	$15M – $60M
FEMA BRIC	Microgrids, grid hardening	$30M – $100M
DOE Grid Resilience	Transmission upgrades	$25M – $75M
DOE LPO Title XVII	Clean energy loan guarantees	$100M+
IRA Direct Pay	Solar, storage tax credits	$40M – $150M
HUD CDBG-DR	Debt resolution, community dev.	$20M – $50M
EDA Investments	Economic infrastructure	$10M – $40M
New Markets Tax Credits	CREC capitalization	$15M – $50M

Estimates are illustrative and based on comparable jurisdiction experience.

Local Capital Formation, Tourism Competitiveness, and Workforce Development

The cooperative structure creates something never existing in the USVI utility sector: locally owned, community-governed essential infrastructure. Every customer who becomes a CREC member-owner begins accumulating equity through the cooperative capital credit system, and annual operating surpluses are allocated to members and periodically retired as cash payments — building meaningful household wealth over decades.

For tourism, a structural path to lower costs and genuine connectivity changes the investment calculus for developers, provides a substantively true sustainability story for the high-value tourism demographic, and directly benefits marina electrification and shore power reliability.

For workforce development, the transition creates ongoing local employment in clean energy trades, broadband field service and network operations, and cooperative and utility management — with a natural opportunity for UVI to develop supporting curricula.

Economic Development Risk Factors

Risk 1 — Rate Relief Delayed by Legacy Capital Burden: If the Prudency Review is not completed promptly and imprudent propane conversion costs remain in the rate base, rate reductions will be delayed. Mitigation: complete the Prudency Review as the Territorial Energy Authority's first priority.

Risk 2 — CREC Financial Fragility: Undercapitalized CRECs that cannot finance microgrid or fiber buildout will fail to deliver rate relief or broadband access. USDA RUS financing and IRA direct pay must be pursued aggressively from day one of CREC incorporation.

Risk 3 — Submarine Cable Access Barriers: Incumbent cable operators may resist IRU negotiations or seek uneconomic terms. Federal open access requirements provide leverage, but negotiating strategy must be developed in advance.

Risk 4 — Incumbent Broadband Provider Opposition: Existing telecommunications providers will likely oppose CREC broadband entry. The TEA Act must expressly protect CREC broadband authority from regulatory challenge by incumbents.

Summary: The Economic Development Case for Reform

The USVI has two major infrastructure deficits suppressing its economic development potential: expensive, unreliable electricity and inadequate broadband. The WAPA structural reform addresses both simultaneously — using the same cooperative institutions, the same pole infrastructure, and the same federal funding relationships. The reform creates a self-reinforcing cycle: lower energy costs and genuine broadband attract investment, investment grows the tax base, a stronger tax base funds better public services, and better infrastructure attracts more residents and businesses.

Part of a four-document series on WAPA structural reform. Prepared for USVI Senate Candidate Review — June 2026.

PART II

Of the Establishment of Municipal Government in the Territory

A. Christiansted & Gallows Bay: The Case for Municipal Government

B. Economic Development Analysis: Municipal Governments in the U.S. Virgin Islands

C. Draft Municipal Corporations Act (Appendix II)

II.A — CHRISTIANSTED & GALLOWS BAY: THE CASE FOR MUNICIPAL GOVERNMENT

A Community Without Advocates: Infrastructure, Historic Preservation, Economic Development & Quality of Life in an Ungoverned Town

The Governance Vacuum: A Town With No Voice

Christiansted is one of the most historically significant and economically valuable communities in the entire U.S. Caribbean — yet it has no government of its own. No elected body speaks for its residents, businesses, or heritage assets. No administrative authority coordinates the GVI departments that control its streets, drainage, permitting, public spaces, and historic structures. The result is a town that exists as a policy afterthought: dependent on the goodwill of at-large legislators and an Island Administrator whose office carries political weight but no operational authority.

Founded September 1, 1734 by Danish Governor Frederik Moth as the former capital of the Danish West Indies, Christiansted carries the layered designations of a Christiansted National Historic Site (NPS, 1952), National Register of Historic Places (1966), Architectural Historic Control District (1998), and Preserve America Community (2008) — and drew 100,165 NPS visitors in 2025, its most visited federal heritage site. Yet no single person in government is accountable for making the town work: when a street floods repeatedly or an abandoned government building becomes a hazard, the Island Administrator can advocate but cannot compel.

St. Croix's seven senators are elected island-wide, which means winning a Senate seat requires broad appeal — and the hyperlocal concerns of downtown Christiansted and Gallows Bay carry limited weight in any individual senator's electoral calculus. These are not partisan failures; they are structural ones. Without a local government whose elected officials are exclusively accountable to Christiansted residents, the town's interests will always compete with island-wide priorities in a political arena where it starts at a disadvantage.

Five Pillars of Unmet Need

1. Infrastructure. Inadequate downtown parking, flooding drainage systems, an aging boardwalk, and a Gallows Bay waterfront still encumbered by cargo operations. The $24 million Molasses Pier project took over 22 years from conception to groundbreaking; the Army Corps harbor dredging study requested by Congresswoman Plaskett in 2023 remains unfunded. Every such project requires coordination among VIPA, DPNR, the Legislature, the Governor's Office, and federal agencies — and with no local entity accountable for the result, coordination failure is the norm.

2. Economic Development. Christiansted's development potential is being realized almost entirely through the efforts of a single private developer, Peter Zielke, whose projects include the Mocko Jumbie House, Tree House vacation rentals, and a forthcoming boutique hotel. Governor Bryan has described building 'a Gallows Bay corridor' — exactly the kind of place-based strategy a town government would champion and sustain. Instead, every step requires individual negotiation with multiple GVI agencies and legislative approval for individual property transactions.

3. Historic Preservation. Despite its layered historic designations, Christiansted's building stock continues to deteriorate. In 2022, the Legislature's own economic development committee heard testimony describing 'systemic disinvestment in the back streets' of the town. A Christiansted town government could serve as the anchor institution for preservation — holding tax increment financing authority and a local preservation fund, and coordinating with NPS and DPNR's SHPO office before demolition becomes the only option.

4. Quality of Life. Public space maintenance, street cleanliness, lighting, and neighborhood beautification fall into the gap between GVI departments too large to focus on a single neighborhood and a Legislature too occupied with territorial policy. Vacant and abandoned properties generate elevated stress, reduced civic engagement, and decreased surrounding property values — a self-reinforcing cycle with no institutional mechanism to break it.

5. Public Safety, Homelessness & Behavioral Health. In July 2024 a shooting on the Christiansted boardwalk injured five and killed one; in May 2026 six boardwalk businesses were burglarized in succession. As of January 2025 the USVI had 304 unhoused individuals territory-wide, up from 252 in 2023, with the St. Croix Bethlehem House shelter — destroyed in the 2017 hurricanes — never fully replaced. No local institution exists whose job is to coordinate outreach, connect individuals to services, and manage the tension between public order and the dignity of people in crisis.

What a Christiansted Town Government Would Do

- Elected Town Council — a 5–7 member council elected exclusively by Christiansted/Gallows Bay residents, accountable only to local constituents.
- Municipal Public Safety Officers — unarmed, limited civil enforcement authority for quality-of-life ordinances, operating under a Coordination Agreement with VIPD.
- Street Outreach and Behavioral Health Coordination — civilian outreach workers and a crisis response protocol pairing MPSOs with health responders, not enforcement, for people in crisis.
- Local Infrastructure Coordination — authority to convene and direct DPW, DPNR, WAPA, and VIPA representatives for town-specific projects.
- Historic Preservation Fund — capitalized through a hotel occupancy surcharge or tourist enhancement fee, for restoration grants and code compliance assistance.
- Permitting & Zoning Administration — routine building permits and zoning compliance within the territorial planning framework and AHCD standards.
- Business Improvement District Functions — street cleaning, event coordination, lighting, and beautification funded through a modest business assessment.
- Economic Development Advocacy — a formal institutional voice before the Legislature, Governor's Office, EDC, VIEDA, and NPS.
- Vacant Property Registry & Remediation — a local registry and remediation partnership breaking the cycle of deterioration.

The Candidate's Case: A Legislative Agenda for Christiansted

1. Introduce a Municipal Corporations Act authorizing town governments through citizen petition and referendum, with Christiansted/Gallows Bay as the natural pilot community.

2. Authorize MPSOs and a Behavioral Health Protocol — the missing middle layer between VIPD and private security, paired with mandatory behavioral-health crisis response training.

3. Fund Replacement of the St. Croix Bethlehem House Shelter via CDBG-DR or GVI capital appropriations.

4. Fund a Christiansted Community Planning Process building on the 2018 ULI panel recommendations and the 2024 CLWUP framework.

5. Reform the Island Administrator Position to give binding coordination authority over GVI departments operating on St. Croix as an interim measure.

6. Establish a Christiansted Historic Preservation Revolving Fund capitalized through Enterprise Zone Commission or EDC program fees.

7. Clear the Gallows Bay Corridor Bottlenecks — expedite the surplus property approvals, boardwalk extension, and cargo relocation already underway.

Conclusion: A Town That Deserves a Voice

Christiansted is the historic heart of St. Croix — a community whose 18th-century Danish streetscapes, National Park assets, working waterfront, and cultural heritage represent an irreplaceable economic and civic resource for the entire territory. It receives 100,000 NPS visitors a year. It sits at the center of a transformative infrastructure convergence — harbor dredging, cargo relocation, boardwalk extension — that could redefine the island's tourism economy. And it has no government.

The Island Administrator cannot compel. The at-large senators cannot focus. The GVI departments cannot coordinate. The community's voice in its own future is mediated through a territorial Legislature where Christiansted's 1,866 residents are a rounding error in island-wide politics. A Municipal Corporations Act that allows Christiansted and Gallows Bay to incorporate as a town — with an elected council, enumerated local powers, and a seat at every table where decisions about its future are made — is not a luxury. It is the minimum institutional infrastructure that a community of this historic and economic significance deserves.

The Question for Every Candidate: If elected to the USVI Senate, will you introduce or co-sponsor a Municipal Corporations Act that gives Christiansted and Gallows Bay — and communities like them across the territory — the right to elect a local government accountable to the people who live, work, and invest there?

II.B — ECONOMIC DEVELOPMENT ANALYSIS: MUNICIPAL GOVERNMENTS IN THE U.S. VIRGIN ISLANDS

Benefits, Risks & Policy Recommendations

Executive Summary

The U.S. Virgin Islands operates with one of the most centralized territorial governance structures in the United States — a single 15-member legislature administers functions that in any state would be distributed across city councils, county commissions, zoning boards, and school boards. Enacting a Municipal Corporations Act to allow citizens to form town or village governments would represent the most significant governance reform in the USVI since the Revised Organic Act of 1954.

This analysis evaluates the economic development implications of such a reform — potential benefits in service delivery, investment attraction, and democratic responsiveness, alongside material risks including fiscal fragmentation, bureaucratic duplication, and governance capacity constraints in a territory already managing significant public debt and pension obligations.

USVI Economic & Fiscal Baseline

Tourism and hospitality account for more than half of USVI economic activity; territorial GDP, estimated at approximately $3.87 billion (2016 dollars), remains highly sensitive to hurricanes, recessions, and pandemic disruptions. Air arrivals reached 410,226 visitors year-to-date in 2026, with hotel occupancy at 63.6% as of December 2025.

The territorial government carries persistent structural fiscal stress: long-term general government debt of approximately $1.91 billion as of fiscal 2019 (Moody's), with WAPA adding $434 million more, and adjusted net pension liabilities for GERS estimated at $3.28 billion. Any municipal governance reform must be designed with this fiscal fragility as its primary constraint — new structures that generate additional debt, pension exposure, or overhead without corresponding revenue would worsen, not improve, the territory's financial position.

The current centralized structure creates identifiable economic drag: the Legislature functions simultaneously as a territorial lawmaking body, a de facto zoning board, a land use commission, and a service delivery overseer — producing permitting delays, land use decisions made without granular local knowledge, and legislative bandwidth consumed by hyper-local issues. The territory has lacked a comprehensive Land and Water Use Plan for decades, despite legislation mandating one since 1970.

Economic Development Benefits

Faster Permitting & Investment-Ready Land Use. Decades of ad hoc 'spot zoning' have created investment-deterring uncertainty. Municipal zoning boards, operating under a territorial planning framework, could process routine permits faster and more predictably.

Improved Public Safety and Tourism-Area Quality of Life. A municipal government with unarmed Municipal Public Safety Officers issuing civil citations, street outreach, and a behavioral health crisis protocol provides a missing institutional layer, freeing VIPD for serious crime.

Differentiated Development Strategies per Island. St. Thomas, St. Croix, and St. John have materially different economic profiles; a single territorial legislature cannot efficiently optimize policy for three such distinct environments.

Enhanced Investor Confidence Through Governance Clarity. A clearer, more accountable local governance layer signals institutional maturity that can attract capital, particularly for EDC and South Shore Trade Zone investment.

Revenue Diversification. Limited, enumerated municipal taxing authority — BID levies, local service fees, tourism enhancement assessments — could generate dedicated neighborhood-level revenue without competing with territorial revenue sources.

Improved Service Delivery. Road maintenance, public space upkeep, and neighborhood beautification are classic municipal functions the centralized model performs poorly because they require local knowledge and rapid response.

Community-Led Economic Identity. Municipal incorporation gives communities formal institutional vehicles to develop place-based economic identities — cultural districts, historic preservation zones, farmers markets.

Economic Development Risks & Challenges

Public Safety Scope Creep & MPSO Liability. Even unarmed MPSOs create liability exposure small municipal budgets may be ill-equipped to manage. Mitigation: strict authority limits, mandatory behavioral health training, shelter capacity prerequisites, VIPD oversight, and municipal liability insurance.

Fiscal Fragmentation & Unequal Tax Base Distribution. The most significant documented risk of municipal incorporation — without territorial fiscal equalization, incorporation could entrench economic inequality between communities.

Duplicative Administrative Overhead. A minimum viable municipal government could cost $500,000–$1.5 million annually in overhead before delivering a single service, a significant burden on a government already managing a $415 million structural deficit.

Governance Capacity Constraints. The USVI's small population and challenge retaining skilled professionals constrain the municipal governance talent pool. Poorly governed municipalities can be worse for economic development than no municipal government at all.

Tax Competition & Race-to-the-Bottom Dynamics. Independent municipal taxing and incentive authority could shift economic activity geographically without creating new net value for the territory.

Hurricane Recovery & Disaster Fiscal Vulnerability. Municipal governments would face the same climate vulnerability as the territory but with less fiscal resilience and without primary-recipient access to federal disaster assistance.

Pension & Employee Benefit Obligations. Adding municipal employees to the already dramatically underfunded GERS — or creating separate municipal pension obligations — could materially worsen the territory's long-term fiscal trajectory.

Comparative Models from Other Jurisdictions

Jurisdiction Model	Economic Outcome	USVI Relevance
Puerto Rico (municipios) — 78 municipalities, high fiscal autonomy	Independent debt accumulation contributed to $70B+ territorial crisis	Strong caution: fiscal autonomy without oversight enabled unsustainable debt
New Brunswick, Canada — regional devolution within provincial framework	Positive business attraction; localized strategy outperformed centralized planning	Supports enumerated municipal authority within a territorial framework
USVI Business Improvement Districts (model)	Proven localized investment mechanism without general fiscal exposure	Phased option: start with BIDs before full incorporation
Small Island States (Caribbean)	Advisory councils show positive community engagement outcomes	Supports limited grant of power vs. full municipal sovereignty

Key Comparative Lesson: Puerto Rico's experience is the most directly cautionary — its municipal fiscal autonomy without robust territorial oversight compounded, rather than relieved, territorial financial stress. The New Brunswick model of enumerated, framework-constrained devolution better fits the USVI context.

Policy Recommendations for the USVI Legislature

1. Enumerate Municipal Powers — Do Not Grant General Authority. Define a specific, limited list of municipal functions rather than general legislative authority of the kind exercised by U.S. state municipalities.

2. Prohibit New Municipal Pension Obligations. Municipal employees should not be covered by defined benefit arrangements that generate new GERS exposure.

3. Require Feasibility Demonstration Before Incorporation. A five-year fiscal feasibility plan demonstrating sufficient tax base, administrative capacity, and an approved land use plan consistent with the territory's Comprehensive Land and Water Use Plan.

4. Establish Territorial Fiscal Equalization Mechanisms. Revenue-sharing rules preventing wealthy communities from hoarding tax base at the expense of lower-income areas.

5. Authorize Limited Municipal Public Safety — With Strict Guardrails. Unarmed MPSOs with civil citation authority only, mandatory VIPD coordination, and a prohibition on encampment enforcement absent certified shelter capacity — both a constitutional requirement under Martin v. Boise and sound economic policy.

6. Phase Implementation Starting with Special Districts. Authorize BIDs and Community Service Districts first; evaluate performance over 3–5 years; then enable full incorporation for districts demonstrating fiscal and governance competence.

7. Pre-empt Municipal Disaster Fiscal Collapse. Require minimum reserve funds, prohibit debt issuance without territorial approval, and specify that municipal obligations may be assumed by the territorial government only under a formal restructuring agreement.

Conclusion

Municipal government in the USVI is not an abstract governance question — it is an economic development question. The current over-centralization of governance imposes real economic costs: delayed permitting, one-size-fits-all land use policy, inadequate service delivery in visitor-facing areas, and a Legislature consumed by hyper-local decisions at the expense of territorial strategy.

A well-crafted Municipal Corporations Act that enumerates powers, prohibits new pension obligations, requires fiscal feasibility before incorporation, and establishes equalization mechanisms can deliver meaningful economic development benefits — while containing the risks of fiscal fragmentation and governance failure. The Puerto Rico cautionary tale is real, but it resulted from unconstrained municipal fiscal authority, not from the concept of local government itself.

Final Assessment: *The economic case for a phased, capacity-first, enumerated-powers Municipal Corporations Act is strong. The economic case against unconstrained municipal fiscal authority in a fiscally stressed territory is equally strong. The Legislature's task is to design the former while explicitly foreclosing the latter.*

Prepared using data from the U.S. Bureau of Economic Analysis, Congressional Research Service (R45235), USVI Bureau of Economic Research, Moody's Investors Service, DPNR, VIEDA, and Chambers & Partners. Prepared for informational and policy planning purposes and does not constitute financial or legal advice.

A NOTE ON THE APPENDICES

As described in the Foreword, this pamphlet is designed to accompany two pieces of draft legislation produced by the Bottom Up Government Initiative:

- Appendix I — the Territorial Energy Authority Act, establishing WAPA Genco/Disco separation, Community Rural Electric Cooperatives, and the Water Customer Services Devolution framework described in Part I.
- Appendix II — the Municipal Corporations Act, establishing the framework for town incorporation described in Part II, with Christiansted-Gallows Bay as the demonstration municipality.

These Acts are maintained and distributed as standalone legislative documents on BUG.vi so that they may be updated independently as they move through legislative review. Copies are available at the Studio and Administration Office in the Comanche Pavilion at the Comanche Hotel, or by writing to join@bottomupgovernment.org.

Don't Agonize, Organize.

Bottom Up Government Initiative · BUG.vi

Don't Agonize, Organize. Mobilize for Success...

BOTTOM UP GOVERNMENT*

Front Porch Politics

A Citizens Advocacy Coalition Network

A Pop-Up Viral Political Movement

MISSION STATEMENT

Organize and Train Community Advocates Throughout the Territory

Voter Education – Common Sense**

Non-Political Voter Registration Drive

Non-Partisan Get Out the Vote (GOTV) Campaign

***BOTTOM UP GOVERNMENT —** Bottom Up Government = Power And Respect This Year (PARTY 2026). An unregistered, unorganized, unaffiliated network affiliation of like-minded VI inhabitant/advocates.

****COMMON SENSE —** A pamphlet published by the Christiansted Revitalization Planning Task Force stating the cases for WAPA reform and establishment of municipal governments in the US Virgin Islands.