

## DRAFT - Testimony before V.I. Legislature - DRAFT

Good morning.

Senate President Francis, ladies and gentlemen of the Committee, thank you for the invitation.

My name is James Peyton Phillips, son of Genoveva Rodriguez and James Owen Phillips, Jr. My parents own parcel Remainder 13 Estate Carolina, Coral Bay. With me today is Attorney Joseph Sauerwein, filling in for our lead Virgin Island counsel, Matthew Duensing, as he is off island.

In May, June and August of this year, my family sent letters to your offices, as well as those of Governor Bryan, DPNR, CZM and US Army Core of Engineers.

I speak to you this morning in two capacities: first, as manager of my parents' estates; second, as a concerned citizen who was raised here, went to school here, and maintains property here.

In my first capacity, I won't say much beyond what is public knowledge as we are currently engaged in two legal actions with Summers End Group, LLC and we have full faith in the judicial system. That said, my family and I are here to show support for our community and this committee.

In my second capacity, as a concerned citizen I am dumbfounded as to how this entire project discussion continues to permeate our community, despite holy numbers of opposition and facts for concern.

On the administrative side, it is my opinion that this is not the most appropriate time for the Legislature to be hearing this item. I have always believed, despite differences of opinion amongst the branches of government, it was the unwritten rule of respect by each branch for the other that creates the system's strength. Just as this branch might expect the judicial to hold off on a matter of law until your committee enacts legislation, the legislature should hold off until the judicial renders decisions on its matters. Namely, the serious, legitimate cases against SEG and, more importantly, the permit itself.

On the practical side, this project has failed to get off the ground for 7 years. The cause for this failure is chiefly, in my opinion, a lack of experience on the part of SEG.

Examples include:

1. The self-imposed timelines by SEG to acquire permits, both local and federal. SEG was confident they could achieve approvals of both permits within months. While that may be possible on the local level, federal approvals, particularly those related to

projects with considerable impact to nature, have always and will always take years, if not decades.

2. The **process**. In my opinion, SEG went about this entire endeavor incorrectly. A project of this size would normally start with the formation of an initial project team - the idea people, the finance people, etc. They would then contribute or raise capital to acquire needed land; to enter into purchase and sale agreements with conditions related to acquiring permits is unheard of. And the reason for that is it deters additional investors from contributing in the project for fear their investment is not fully secured.

3. The **resources**. I honestly don't think SEG was aware of the costs associated with a project of this size and nature. And as I said earlier, they started the process going in the opposite direction a more experienced development might.

On the ethical and moral side, three things truly upset me.

1. The **opposition**. How can we possibly ignore the roughly 22,000 signed opposition letters or the 8200 petition signatures, both of which express community outrage and concern. Specially considering the fact that beyond its managing body and the select investors who have come and gone, SEG has, at best, less than one-percent of the level of support the opposition maintains. It was my belief that one of the core mandates of our government is to protect and support the communities it serves, as a whole. Not that of a select few.

2. The **practice**. I fully understand that character is not a requirement for permit applications, but it should be; specially for projects that require faith and trust on the part of communities and vulnerable ecosystems. Is the applicant's intent somewhat pure and geared to mutual benefit between them and the community, or are they strictly focused on personal gain? Why did it take 18 months after hurricane Irma devastated our community for SEG to finally clean-up one of their leased properties, a very public and prominent commercial location in the heart of Coral Bay? In fact, it still looks hurricane wrecked. Why is it that before permits are approved, properties secured, and ground broken, SEG is supposedly concerned with securing \$2.5million in past-due salaries? These concerns speak volumes about SEG's character and intent.

3. The **casualties**. While my family will come out fine with either outcome of this discussion, there are others who have tragically been left without such possibility. James 1:19 teaches us to be quick to listen, slow to speak, and slow to anger. It takes great strength to practice this teaching when we hear of families picking up the pieces after realizing that family members diagnosed with clinical dementia had entered into agreements with SEG while suffering from their illnesses. If true, that is the worst of everything that has been done.

It is our hope that our appearance today expresses our commitment to our position.  
And I appreciate the opportunity to express my opinion as it relates to SEG.

Thank you.