



GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

DEPARTMENT OF PLANNING AND NATURAL RESOURCES

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Honorable Milton E. Potter
President
36th Legislature of the United States Virgin Islands
Capitol Building
St. Thomas, Virgin Islands

Re: Petition to Amend Official Zoning Map No. STZ-7, Application No. CCZP0091-25

Good day Senate President Milton E. Potter, members of the 36th Legislature, legislative staff, and members of the public. My name is Leia LaPlace-Matthew, Territorial Planner with the Division of Comprehensive and Coastal Zone Planning (CCZP) within the Department of Planning and Natural Resources (DPNR). I am here to present the department's recommendation on Zoning Map Amendment Application No. CCZP0091-25.

This application, submitted by Sweetgrass Valley Properties, LLC, seeks to amend the zoning designation of Right-of-Way Parcel No. 1-68-A and Parcel Nos. 1-68-1, 1-68-2, 1-68-3, 1-68-4, and 1-68 Remainder Estate Bakkerø, No. 5 Frenchman Bay Quarter, St. Thomas, from R-1 (Residential-Low Density) to R-3 (Residential-Medium Density). The purpose of the request is to construct workforce housing for approximately 450 contractual workers who will be engaged in major public-sector reconstruction projects involving schools, the hospital, roads, and other capital improvements.

The six parcels have a combined acreage of 14.034 acres and are surrounded primarily by undeveloped land and low-density residences, all zoned R-1. Infrastructure plans include tapping into the public water system, with backup cisterns; and wastewater handled via a sewage lift station back to the public sewer system. Required DPNR reviews include a Flora and Fauna Study, Phase I Cultural Resources Survey, and a Stormwater Pollution Prevention Plan (SWPPP).

The proposal consists of 18 one-story buildings, including 15 housing buildings with 30 single-occupancy modular units each; two common-use buildings (kitchen/dining, laundry, fitness center); one pump building over the cistern; approximately 257 parking spaces; and a construction timeframe of six months, which includes relocation from St. Croix of renovated modular units from Limetree's modular housing.

The proposed temporary workforce housing is intended to remain in operation for 10-15 years.

At the DPNR-CCZP public hearing held December 29, 2025, there were 21 attendees, with one letter of support and 14 letters of opposition submitted for the record. Concerns included:

- Incompatibility with neighborhood character, including increased density, noise, light, traffic, pollution, and security issues;

- Fear of future dense commercial or residential development under R-3 after temporary housing ceases;
- Claims of insufficient project details, missing environmental studies, inadequate setbacks, and possible impacts to an environmentally sensitive gut;
- Concerns the project resembles a temporary industrial-style “man camp”, incompatible with an R-1 neighborhood;
- Potential negative impacts on the tourism corridor near Frenchman’s Reef and the Westin;
- Recommendations to allow the project only under a temporary exemption, not a permanent rezoning, with conditions such as increased setbacks, height limits, and post-project downzoning.

The 2024 Comprehensive Land and Water Use Plan identified a severe territory-wide housing shortage, driven by high construction costs, limited developable land, low local incomes, and high demand from non-residents. However, the Comp Plan also emphasizes the need to avoid spot zoning and ensure rezonings further comprehensive planning goals. The Department conducted an analysis of whether the proposed development requires rezoning to R-3. The review found that the project can be fully developed under the existing R-1 zoning using the Planned Area Development (PAD) tool, an established mechanism in the Zoning Code since 1972.

The PAD option requires a minimum of 5 acres (the site has 14.034 acres). It allows multi-family development, creative site design, and clustering to reduce environmental impacts. It requires construction plans, environmental and cultural studies, and a construction schedule. It includes an expiration clause if construction does not begin within two years and provides greater public protection by binding the applicant to approved plans and preventing future high-density or incompatible uses without legislative action.

The Department determined that the PAD tool accomplishes the applicant’s goals without requiring permanent up-zoning. The PAD would ensure greater environmental safeguards, clarity of development details, and stronger long-term protections for adjacent residential communities. Rezoning to R-3 could allow future high-density development (including up to six stories) incompatible with the R-1 neighborhood, conflicting with long-standing community expectations and the adopted Comp Plan.

After careful consideration of the applicant’s request, surrounding land use, public input, and consistency with the Comprehensive Land and Water Use Plan, the Department of Planning and Natural Resources recommends denial of the zoning map amendment request. The Department finds that the proposed development can be fully accomplished under the existing R-1 zoning through the Planned Area Development (PAD) option, which provides adequate flexibility while safeguarding the community and ensuring compliance with planning principles.

Pursuant to Title 29 Virgin Islands Code, Chapter 3, Section 238, the Planning Office report and all supporting documentation are incorporated into the record submitted prior to this Committee of the Whole Hearing. We respectfully request that the PowerPoint presentation for CCZP0091-25 now be displayed.

This concludes the testimony on behalf of the Department, and we are available to answer any questions.