



GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

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DEPARTMENT OF PLANNING AND NATURAL RESOURCES

Division of Coastal Zone Management

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June 12th, 2023

The Honorable Novelle E. Francis Jr.
President
35th Legislature of the United States Virgin Islands

Good day Senate President Honorable Novelle E. Francis Jr., other honorable members of the 35th Legislature of the US Virgin Islands, legislative staff, and members of the viewing and listening public, my name is Marlon Hibbert, and I am the Director of the Division of Coastal Zone Management (CZM) in the Department of Planning and Natural Resources. Today we are presenting testimony on the following CZM permit:

Minor Coastal Zone Permit CZT-12-16W - issued to Emerald Beach Corp. D/B/A Emerald Beach Hotel. If ratified this permit allows:

For the continued use and occupancy seaward of Parcel Nos. 70-D-1 & 70-T-1 Estate Lindberg Bay, St. Thomas U.S. Virgin Islands. This permit allows for the installation of three (3) buoys that span 150 ft parallel to the shore and are 80ft from the shore, equaling an initial swim area of 12,000 square feet, minus 3,516.49 ft² for the area of the Aquabana located within the swim area, for a total swim area of 8,483.51 ft². This permit allows for the installation and use of an Aquabana with measurements of 59.3 ft x 59.3 ft, equaling an area of 3,516.49 ft². This permit allows for the installation and use of a floating dingy dock with measurements of 40 ft x 6.5 ft equaling an area for the dock plus an area surrounding the dock, totaling 1,796 ft².

An annual rental fee of **FIVE THOUSAND NINE HUNDRED AND FORTY SIX DOLLARS AND SIXTY NINE DOLLARS CENTS (\$5946.69)** payable in advance, has been negotiated with the Permittee.

For the first initial payment, due upon receipt of the effective permit, Permittee will be required to pay a total of **TWO THOUSAND EIGHT HUNDRED AND THIRTEEN DOLLARS (\$2,813.00)** for the Aquabana only, to account for cost of installing buoys for the swim area and that the Permittee is not immediately installing the floating dock.

For each subsequent payment, due every year on the anniversary of the effective date, the Permittee will pay the full total of **FIVE THOUSAND NINE HUNDRED AND FORTY-SEVEN DOLLARS (\$5,947)**. The swim area cost is calculated with the consideration that the Aquabana is located inside of the swim area. If the Aquabana, or any part of the Aquabana, is moved from the swim area, the cost of the swim area will be increased starting in the year the Aquabana is moved and for every subsequent year.

At least 90 days prior to the fourth (4th) year of this permit, the Permittee shall renegotiate the rental fees pursuant to 12 VIRR § 910-5(e). Failure by the Permittee to renegotiate the rental fees with the Department will result in an automatic increase of the fees by 25% of the previous annual fee.

Upon the eighth (8th) year of this permit, the rental fees payable under this permit shall be adjusted in accordance with the increase in the U.S. Department of Labor Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average series for all items, and shall be calculated using the CPI Inflation Calculator on the U.S. Department of Labor, Bureau of Labor Statistics' website (http://www.bls.gov/data/inflation_calculator.htm) using the previously calculated year as the Base Year for comparison, provided, however, no adjustments in rental shall be increased more than 15% over any preceding lease year.

Upon the twelfth (12th) year of this permit, the rental fees are to be renegotiated, at the discretion of the Department, pursuant to 12 VIRR § 910-5(e). Failure by the Permittee to renegotiate the rental fees with the Department, if renegotiation is prompted by the Department, will result in an automatic increase of the fees by 25% of the previous annual fee.

Upon the sixteenth (16th) year of this permit, the rental fees shall be adjusted pursuant to the increase in the CPI-U in the manner described in paragraph 5 of this subsection.

Upon the twentieth (20th) year of this permit or at expiration, the rental fees shall be adjusted pursuant to the increase in the CPI-U in the manner described in paragraph 5 of this subsection, and every year after, until a renewal permit is approved or the Permittee vacates the Premises in accordance with Paragraph V, subsection J, of this permit.

The term of the permit is 20 years.

This concludes our testimony on behalf of the Division, and we are available to answer questions as best as we can. Thank you.