



GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS

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DEPARTMENT OF PLANNING AND NATURAL RESOURCES

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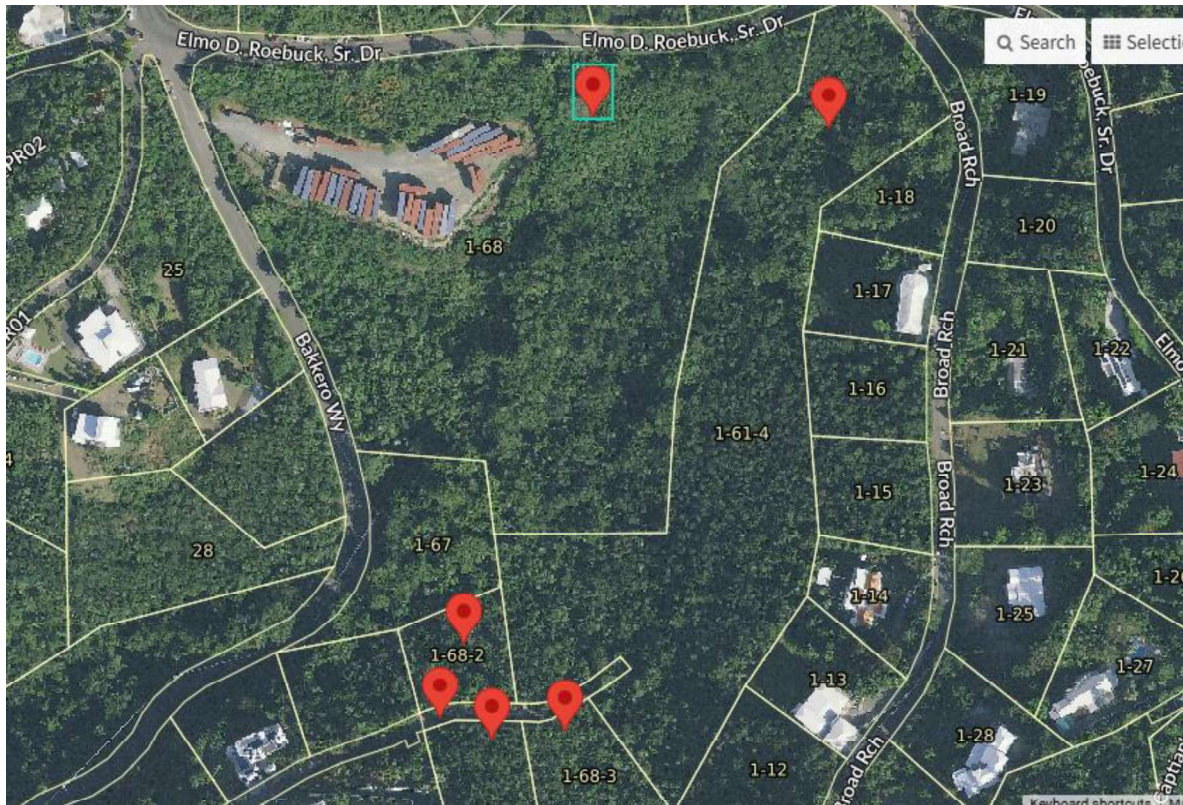
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Office of the Commissioner

Report by the Division of Comprehensive and Coastal Zone Planning on the Petition to Amend Official Zoning Map No. STZ-7, Application No. CCZP0091-25

Petition of applicant, Sweetgrass Valley Properties, LLC to amend 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) zoning to develop workforce housing.



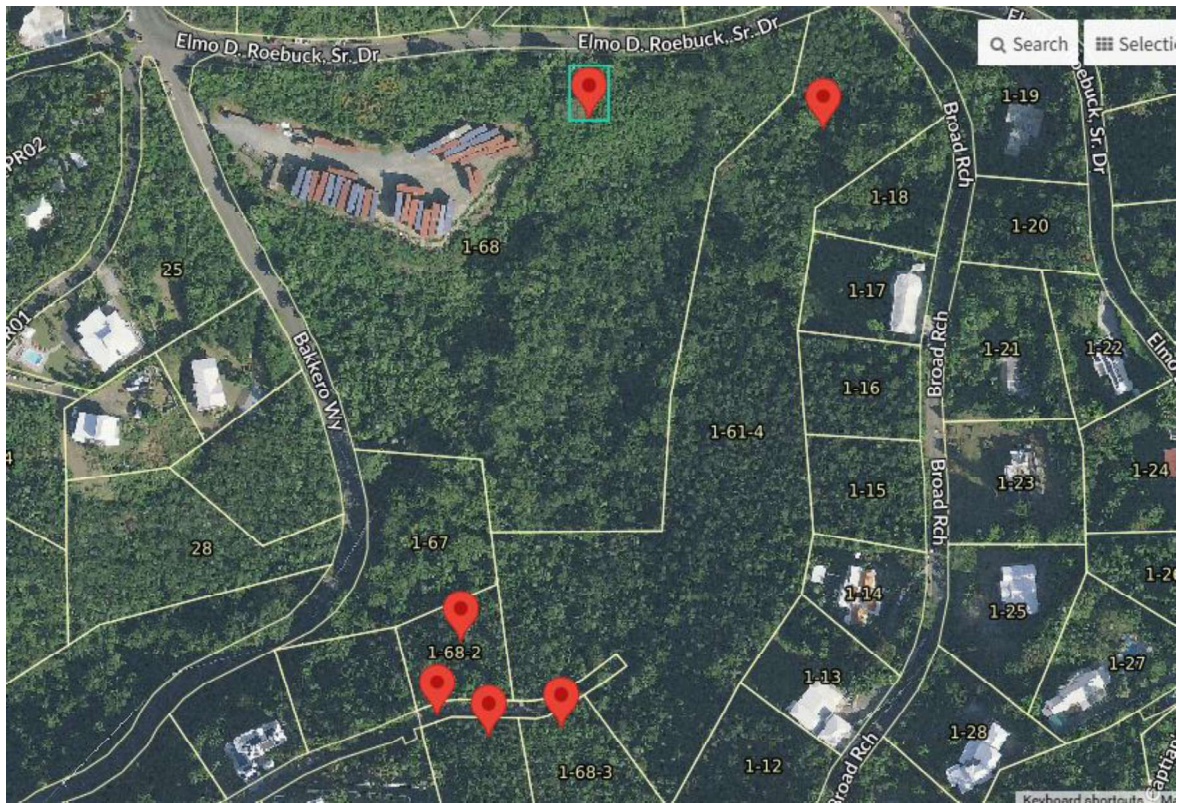
MapGeo aerial photo of the six properties (marked in red)

Property Owner(s): Sweetgrass Valley Properties, LLC as per Warranty Deed dated September 22, 2022, Document No. 2022008179.

Applicant Representative(s): Mourela Cornelius and Chris Herring, Developer Representatives.

Acresage: The six properties have a combined acresage of 14.034 acres as shown on survey Drawing Nos. D9-7792-T006 and D9-8140-T008.

Surrounding Uses and Zones: The properties are surrounded by undeveloped land and residences.



MapGeo aerial photo of the six properties (marked in red)

The surrounding area is zoned R-1.



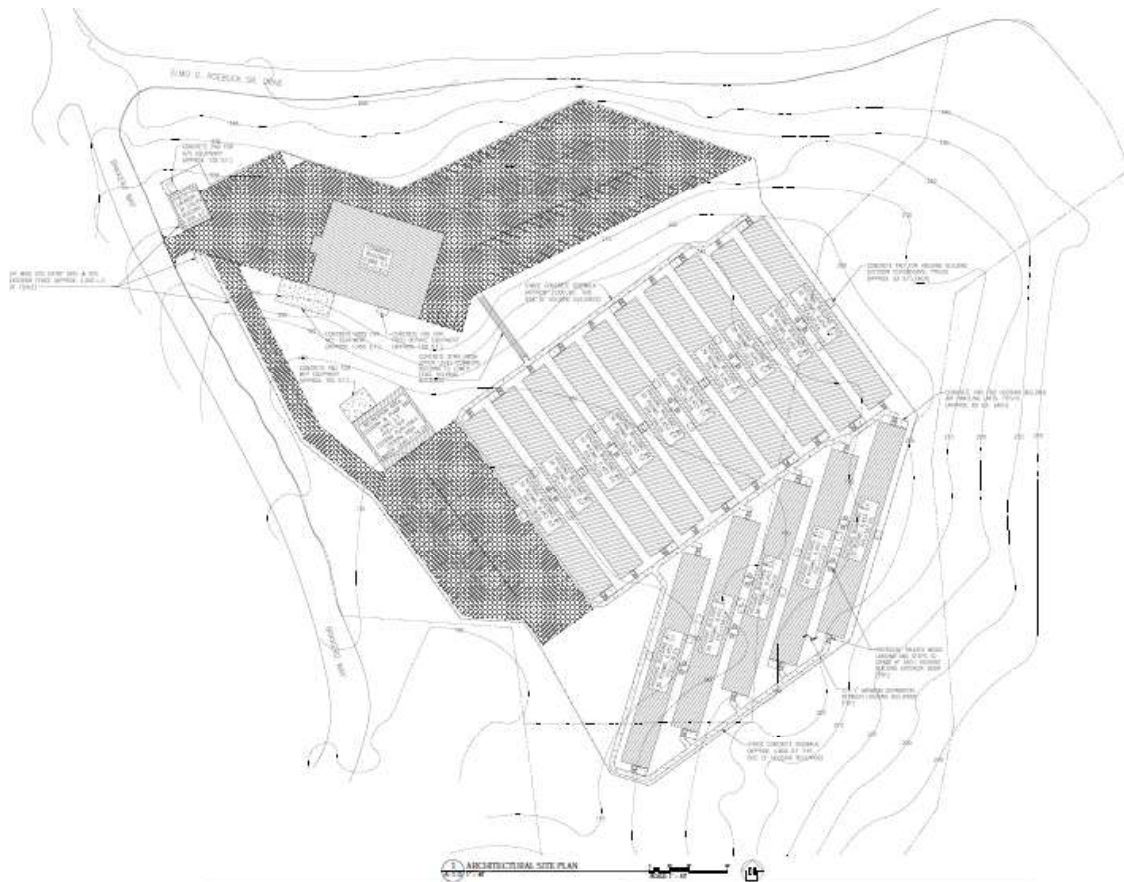
Official Zoning Map No. STZ-7 (properties' location indicated by red X)

Infrastructure: The proposal is to tap into the public water line and have backup cisterns. Sewage would be handled by a sewage lift station that would pump back to the sewer system.

Other needed DPNR Division reviews: A Flora and Fauna Study and Phase I Cultural Resources Survey will need to be conducted and reviewed by the Divisions of Fish and Wildlife and Virgin Islands State Historic Preservation Office, respectively. Development of the properties would require a Stormwater Pollution Prevention Plan from the Division of Environmental Protection.

Project Summary: At DPNR-CCZP’s public hearing, Ms. Mourela Cornelius and Mr. Chris Herring testified the proposal is for a 450-person housing for the workers of contractors that will be rebuilding/repairing the hospital, schools, roads, etc. Fifteen of the 18 single-story buildings will house 30 single occupancy bedroom/bathroom modulares, and the remaining three buildings will include two common use buildings and a pump building over the cistern. The housing construction timeline would consist of a single phase over six months, including the relocation of the renovated Limetree modular housing from St. Croix to this site.

Amenities proposed include kitchen/dining area, laundry room, fitness center, and approximately 257 parking spaces. The use for contractual worker housing would last 10-15 years.



Conceptual Site Plan Layout

Public Response at DPNR-CCZP Public Hearing held December 29, 2025:

There were 21 attendees at the public hearing. One support letter and 14 letters of opposition/objection were submitted for the file. Questions, comments, concerns, and opposition posed by attendees were summarized and the applicant's responses attached as an appendix to this report (File item 19. Applicant Response to Public Comments). They were generally of the nature of:

Incompatibility with Neighborhood Character.

- Concern over potential impacts on the neighborhood due to shift from R-1 to R-3. Development includes large, active facilities (restaurant/bar i.e. dining hall and laundry)
- Rezoning to R-3 would introduce increased density and pollution, more traffic, additional noise and light pollution, transient occupancy, potential criminal activity, and larger-scale structures. Property values would plummet.
- After temporary workforce housing is removed, Sweetgrass indicated plans for future middle-class condos. The R-3 zoning allows major future commercial and dense residential development. Future R-3 uses (including six-story buildings) will block views and permanently damage the community. Greater long-term impacts than the temporary housing phase.

Belief That Short-Term Rentals Are the Larger Problem.

- Real housing issue on St. Thomas is the proliferation of Airbnb, VRBO, and similar short-term rentals, which have made housing less available and less affordable for residents.

Procedural Concerns.

- Lack of proper notice regarding Parcel 1-61-4, which appears newly associated with the proposal.
- Planned use is described as "workforce housing" but is a trailer "man camp." It would be placed in a low-density neighborhood and is not true housing. The man camp is unsuitable for and incompatible with an R-1 neighborhood, cannot be mitigated by design or conditions, and will negatively affect adjacent parcels.

Lack of Transparency and Missing Project Details.

- Sweetgrass presented a 41-page BID SET, which are complete construction documents, not conceptual drawings. This suggests the developer is acting as if rezoning approval is guaranteed.
- Applicant claims that construction will only occur on previously disturbed land but presents a site plan that covers an area 94% larger, including what appears to be a drainage area. Proposed site layout does not align with site conditions, suggesting major design flaws.
- No site plan, development details, layout, density, traffic circulation, or operational impact was provided. Being asked to approve R-1 to R-3 without clarity on what will be built, opens the door to misuse or future expansion.
- No Environmental studies (grading plan, hydrology study, flora/fauna study or environmental impact) or Cultural resources survey conducted.
- Applicant states wastewater will discharge into a non-existent municipal sewer system, meaning a private treatment plant would be required. There is not enough available land on the site to dispose of treated effluent safely.
- The area's gut contains water, not just surface runoff, making it environmentally sensitive. No Environmental Impact Study provided, no stormwater retention ponds, lack of pervious/porous surfaces for runoff reduction. Only 10-ft setbacks shown, which are inadequate for sensitive environmental areas.

Concerns About FEMA Implications.

- FEMA funding would not be jeopardized if the rezoning is denied; no urgent need to approve a poorly prepared application.

Longstanding Community Intent and Generational Commitments.

- The 50-year history of the subdivision indicates it was planned and maintained as a low-density residential area. Community historically opposed attempts to rezone the Bakker area from R-1 to R-3.
- Residents purchased homes with the expectation that zoning protections would preserve neighborhood scale and liveability. Original agreements indicated the low-lying area would be used for community recreational purposes (open space), not higher-density or commercial development.

Traffic, Parking, and Safety Concerns.

- The area already experiences significant impacts from nearby hotel developments: Congestion, Limited parking, Blocked driveways, and Emergency access challenges.

- No traffic or parking analysis has been conducted. Parking shown severely inadequate; only 225 spaces, half of the statutory requirement for 450 people. Anticipated bus activity potentially 24 hours/day.
- The area lacks sidewalks and transit, making increased occupancy a foreseeable safety risk for residents and future occupants. Overflow parking will go onto neighborhood roads, increasing congestion and noise.

Negative Impacts on Tourism Corridor.

- The parcels lie along a primary visitor transit route to Marriott Frenchman's Reef and the Westin.
- High-density, industrial-style workforce housing risks degrading the island's tourism image, harming local businesses and workers dependent on tourism.
- More suitable locations exist for workforce housing without jeopardizing residential areas or the tourism economy.

Recognizes Need for Temporary Workforce Housing but Requests Safeguards.

- Acknowledges the tight federal timeline for major infrastructure projects requiring temporary worker housing.
- Requests that zoning be re-evaluated after construction is complete. Issue Temporary Exemption, not permanent rezoning.
- Requests increasing the side yard setback from 10 ft to at least 25 ft along property line shared with Parcel 1-67.
- Recommends limiting building height to three stories, not the six permitted under R-3, to protect neighboring residential character.
- A mechanism to review and possibly downzone the parcels before any future dense development. Consideration of R-1 or R-2 zoning after project completion.

Inconsistency with the Adopted Comprehensive Land & Water Use Plan.

- Concerning pattern of piecemeal rezoning without evaluating cumulative impacts. Ignoring the newly adopted Land and Water Use Plan undermines public confidence and the purpose of comprehensive planning.

Analysis of Request/Reason for Recommendation: The 2024 adopted Comprehensive Land and Water Use Plan noted the rising cost of housing, the USVI experiencing a housing crisis, need for more affordable housing options and housing types, and housing affordability as a significant challenge. The main drivers of the lack of affordable housing are the comparably low incomes of USVI

residents, high costs of construction, limited availability of developable land, demand pressures from non-residents, and high costs of homeowner's insurance and other financing challenges.

Limited Land Area is the first listed in the Issues & Opportunities for St. Thomas chapter of the Plan. "...with the highest density of population, high demand for services, and the prevalence of severely steep terrain, St. Thomas experiences this problem perhaps more acutely than the other major islands."

The provision of housing must be balanced with key themes and goals that were common across all three islands and that are important topics in the Comp Plan, namely, one theme/goal being reducing spot zoning/no more spot zoning (the rezoning of a parcel of land to benefit an owner for a use incompatible with surrounding uses and not for the purpose or furthering of a comprehensive plan). Analyzing the need for housing, the intent for a solely residential development, and the development potential of the properties, the current zoning was assessed to determine the ability to develop the proposal while being compatible with the Comp Plan.

An existing development tool that allows the proposal to be developed under the current zoning while being compatible with the Comp Plan is the Planned Area Development (PAD). The PAD option requires a minimum of five acres, therefore, automatically qualifying the six lots due to their combined acreage of 14.034 acres. The Planned Area Development provision of the Zoning Code has existed since 1972 and allows sound and imaginative developments which meet the spirit of the law if not its strict letter (Virgin Islands Code, Title 29, Chapter 3, Subchapter 1, Section 232). The intent is to provide an opportunity for alternative variety and creative or unique design arrangements and relationships of buildings and uses of land. It is required that planned development applications include the construction plans and a schedule of construction be filed and made part of any law establishing a planned development to assure the people of the Virgin Islands that no change after approval can occur unless the applicant has submitted a revised plan or schedule which may be approved by law and adopted (Section 232 (b)).

It is also required that construction needs to progress within two years of the legislature's approval, or the approval shall be void and resubmission to the Planning Office is needed for reconsideration. Planned area development applications are treated like permit applications and require studies be conducted as part of a complete application package (Hydraulic and Hydrology study, Flora and Fauna survey, and Cultural/Historical survey). This is in stark contrast to a zoning map amendment which does not require construction plans, studies

be conducted, a construction schedule, or an expiration clause included for legislative approval.

The PAD is bound by the plans submitted and any change to increase density or allow for non-R-1 uses would require Legislative amendment. The clustering of the development and the required common open space will lessen the environmental impact and protect larger habitat areas. It is the department’s position that due to the properties’ topography they are best suited for a clustered development which would lessen environmental impact and allow for more preservation of green space. It is also noted that the PAD has the clause that construction needs to progress within two years of the legislature's approval, or the approval shall be void and resubmission to the Planning Office is needed for reconsideration.

The table below demonstrates the proposed development’s ability to be accomplished under the PAD option:

Development Provisions	Planned Area Development Requirements	Development Proposal based on plans
Uses Permitted	R-1 uses with maximum of 5% lot occupancy by uses permitted in the R-3, R-5, B-3, & B-4 districts (5% of 14.034 acres is a maximum of 0.7017 acres)	Residential (multi-family) use under R-3 density
Required Lot Area	Minimum of 5 acres	14.034 acres/611,321.04 sf
Required parking areas	Shall be provided as per Section 230 of the Zoning Code	257 parking spots
Permitted Density	Shall meet overall residential density requirements for the R-2 district (8 dwelling units per acre or a maximum of 113 dwelling units)	15, 30 single occupancy equivalent to 450 persons
Permitted lot occupancy for buildings/ structures	Shall not exceed 30% (30% of 14.034 acres is a maximum of 4.2102 acres/183,396.312 sf)	18.47% (112,923 sf)
Maximum height limit	No residential structure shall exceed 6 stories	One story
Common open space (no building/ structure or parking)	Not less than 40% (40% of 14.034 acres is a minimum of 5.6136 acres)	Buildings, structures, parking= 208,313; open space= 403,008.04 Or 66% of total acreage

Recommendation

The Department of Planning and Natural Resources recommends denial of the zoning map amendment request and acknowledges the proposed development can be accomplished using the planning/development tool currently available: Planned Area Development.



Jozette J. Walker, CPM
Assistant Commissioner

2.28.2026

Date

Cc: Jean-Pierre L. Oriol, Commissioner