GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS
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DEPARTMENT OF PLANNING AND NATURAL RESOURCES
4611 Tutu Park Mall
Suite 300, 2nd Floor
St. Thomas, VI 00802
(340) 774-3320

45 Mars Hill, Frederiksted
St. Croix, VI 00840
(340) 773-1082
dpnr.vi.gov

Office of the Commissioner

Report by the Division of Comprehensive and Coastal Zone Planning on the Petition to Amend Official Zoning Map No. SCZ-6, Application No. CCZP0069-25

Petition of applicant, Atta Misbeh, to amend Portion of the Remainder of Estate Beeston Hill (South Portion), Matricular No. 6a, Company Quarter, St. Croix from R-1 (Residential-Low Density) to B-2 (Business-Secondary/Neighborhood). The purpose of this request is to develop townhouses for both rental and sale.

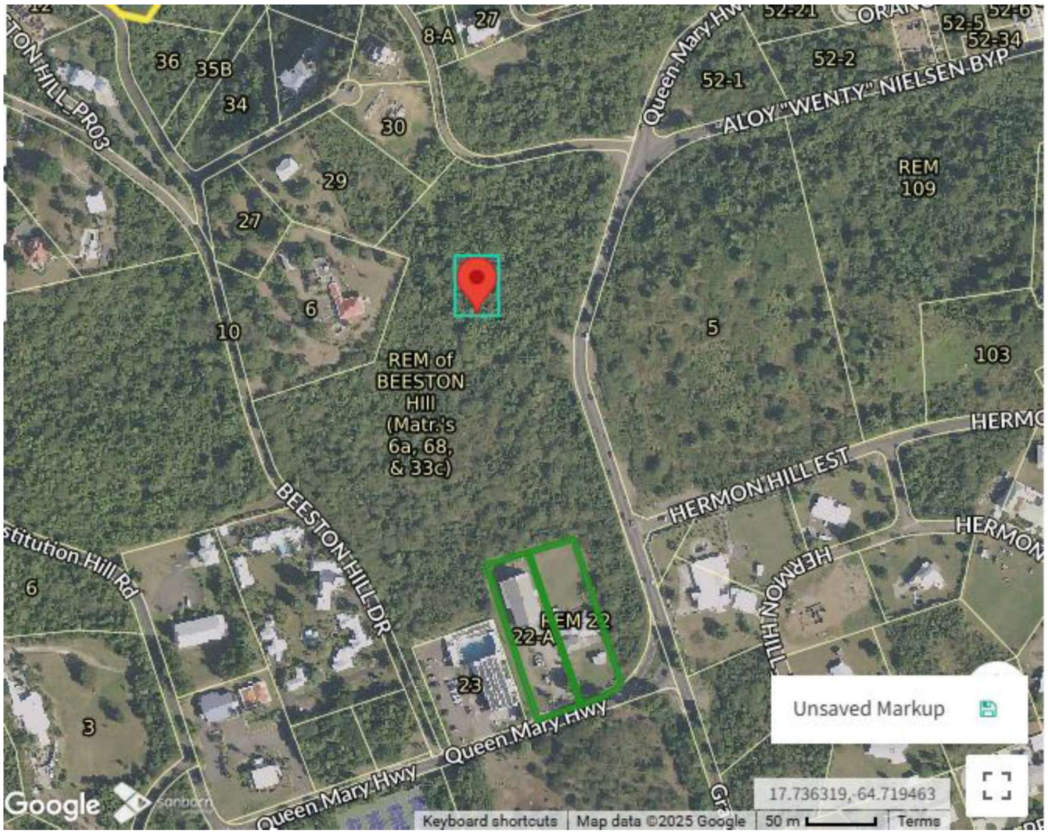
Aerial Photo of site's location

Property Owner(s): Atta Misbeh as per Warranty Deed dated September 7, 2022, Document No. 2022005579.

Applicant Representative(s): Alicia Barnes, consultant, and Atta Misbeh.

Acreage: 15.942 acres as described in Survey Drawing No. A9-3-C008.

<u>Surrounding Uses and Zones:</u> To the north, east, and west is a mix of vacant land and residential activity. To the south is business activity.



MapGeo aerial view of property (marked in red)

The surrounding area is zoned R-1 and R-3 (Residential-Medium Density) with five rezonings:

Plot No.	Estate	Original Zone	New Zone	Act No.
Rem. 5/103	Beeston Hill/Hermon Hill	R-1	R-3	5438
22	Beeston Hill	R-1	B-3	5515
23	Beeston Hill	R-1	B-3	5235
50 & 52	Orange Grove	R-3	B-2	7019 and 7883

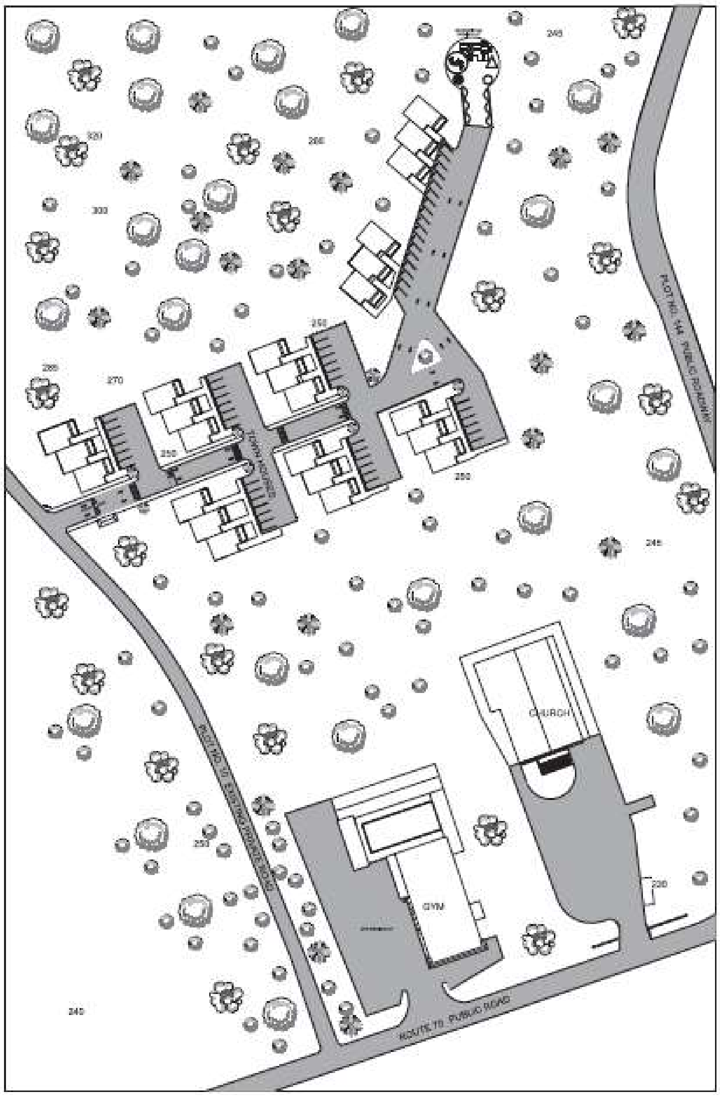
Official Zoning Map No. SCZ-7 (property location indicated by red X)

Infrastructure: Public lines proposed to handle water needs and sewage.

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 property would require a Stormwater Pollution Prevention Plan from the Division of Environmental Protection.

Project Summary: The application proposes a 24-unit clustered residential development on 3-4 acres. Seventy percent (70%) of the units would be rentals, split 50% between short- and long-term rentals. The units would range from 700-1500 square feet at an estimated cost of $250-$300 per square foot or $150,000-$400,000 sale price. They would consist of efficiency to two-bedroom units. The six, two-story buildings would have four units each.

Amenities proposed include a playground, green space (less than 30% of the property would be developed), and an outdoor meeting space. Two parking spaces per unit are proposed and the development will conceptually be located on the western side across from the Maison De Poincy Condominiums. The proposed access point would be the private Beeston Hill Road that goes south onto Queen Mary Highway. Construction is proposed to consist of one phase that would take 24 months to complete.



Conceptual Site Plan Layout

<u>Public Response at DPNR-CCZP Public Hearing held September 15, 2025:</u>
There were over 50 attendees at the public hearing and 39 letters of objection, 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 items 18A., B., and C. Applicant Response to Public Comments). They were generally of the nature of:

Long-Term Resident Perspective:

- Deeply value peaceful, residential character of Beeston Hill. Beeston Hill, Mount Royal, and Questa Verde are quiet, established neighborhoods with a history of slow, organic growth.
- It was suggested opposition stems from entitlement or wealth, which the public refuted, many being natives, long-term residents, and professionals

who have invested in the community. Their opposition is rooted in a desire for responsible development, not resistance to progress, and want the islands to grow while respecting the rules, preserving its beauty, and serving the people who live here- not in ways that bend laws for financial gain.

- B-2 zoning could allow for non-residential development, threatening neighborhood's integrity. Rezoning risks changing the fabric of neighborhoods and misrepresents the true intent of development. There is no way to hold applicant to their conceptual plans.

Objection to Rezoning:

- The proposed development contradicts the Comprehensive Land and Water Use Plan, which aims to prevent spot zoning. B-2 zoning is inconsistent with the stated goal of residential townhouse development. Neighbors reject idea that concessions were made from previous rezoning attempt because B-2 allows more uses than B-3. Developer claims proposal is for housing, making the business zoning seem unnecessary and potentially deceptive.
- No traffic, stormwater, environmental, or infrastructure studies have been conducted despite previous rezoning attempt. Strong objection to deferring these assessments to later permitting stages, is inadequate and irresponsible. Financial gain should not justify rezoning decisions.
- At the September 15, 2025 hearing, only one person supported the rezoning; all others opposed it. A previous petition against rezoning gathered 1,006 signatures from local voters.
- The rezoning could increase land values and reduce affordability. Creates future risks of commercial development, shrinking the supply of residential land. Quoted selling costs not feasible and does not add up. Planning had not been done regarding development financials. Will find it's not feasible at the low prices then pivot to business. The land's location—stretching from Beeston Hill's private road to the bypass—is prime for commercial use, increasing the risk for non-residential development.
- Fears that rezoning approval will lead to environmental, safety, and aesthetic issues during a prolonged construction period (estimated two years or more).
- No explanation given for why B-2 zoning is needed instead of another residential zone with residential zones being more appropriate and aligned with the project's description. The proposed development can be built under current R-1 zoning. Neighbors advocate using existing tools

(subdivision, group dwelling permit, or planned area development mechanisms) to support development while protecting community interests.

- If the property is sold, future owners could develop commercial enterprises without community input posing a long-term risk of commercial encroachment into residential neighborhoods. Proposed project on 3-4 acres seems underutilized and raises questions about future potential developments on the remaining acreage.
- No binding guarantees have been offered to prevent future commercial or mixed-use development.

Support for Housing:

- No opposition to housing or opportunity to attract and retain young workers. St. Croix faces an affordable housing crisis, but new housing must be well-planned and consider all impacts. Lack of a full site plan and unclear placement of the 24 units concerning.
- The owner has proposed 30% for purchase and 70% for short- and long-term rentals, (with half of the rental units for short-term), which contradicts claims of providing permanent housing for returning professionals and does not address needs of young professionals seeking stable, long-term housing. The project appears more commercial (like a hotel or guesthouse) than residential.
- Unclear statements about whether public funds or subsidies are involved.
- The Virgin Islands already has clear mechanisms to authorize townhouse and apartment development without resorting to commercial rezoning.
- The Planned Area Development approach has been used successfully and transparently when the Legislature approved a PAD in Estate St. Joseph and Rosendahl (Act 8994). This precedent demonstrates that where additional density is justified, a PAD is the appropriate tool, not a blanket commercial rezoning.

Environmental, Traffic & Infrastructure Concerns:

- The area is a natural drainage basin, and development could cause severe flooding. No updated runoff mitigation plans have been presented, despite past issues and heavy rainfall patterns. Prior government investment in drainage infrastructure could be undermined.
- Development would add 24 families, worsening traffic on already strained roads. Proposed access is via a narrow, privately owned road at a blind spot, strong objection to this proposal; other access points exist but are not

being used. Neighbors urge exploration of alternative access routes. The Queen Mary Highway entrance is narrow and constrained by historic structures. It has no traffic lights, poor signage, and a history of accidents.

- Business operations would likely require a traffic light, further complicating infrastructure.
- Missing Studies & Lack of Due Diligence
  - No traffic impact study has been presented to assess increased vehicle volume and congestion. No infrastructure or utility assessment (water, sewage, electrical, etc.) has been shared to confirm system capacity. No stormwater or flood risk analysis has been submitted, despite Beeston Hill's topography and recent rainfall trends. No environmental impact assessment has been provided to evaluate vegetation loss, erosion, or wildlife disruption. No socioeconomic impact study has been offered to show alignment with long-term community planning. No clear footprint shown; proximity to church and existing condos is unknown. No plan provided for the remaining ~10 acres. Unclear financials and lack of environmental studies lead to questioning legitimacy of development.
- Mortgage Issues: 70% rental occupancy would make the remaining 30% units ineligible for traditional mortgages, limiting access to cash buyers and contradicting the goal of affordability.

Analysis of Request/Reason for Recommendation: The applicant stated during the public hearing that a market study was done and it was determined that on St. Croix there is excessive commercial property that is grossly underutilized. Since there is no demand for commercial property, there is no intention to develop this property for commercial uses. It was also stated that if the zoning were compatible and rezoning not required, then the zoning map amendment phase would not be needed. Permitting would be the first phase of the development's process.

The proposed development is solely residential, consisting of approximately seven for-sale units, 8/9 long-term rental, and 8/9 short-term rental units. Long-term residents were concerned with the change to the residential character of Beeston Hill. They did indicate a desire for responsible development and growth, while respecting the Comprehensive Land and Water Use Plan, rules, regulations, and preservation. They also had a strong objection to deferring Environmental and Infrastructure studies for such a large acreage.

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.

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 the reducing of the opportunity for 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 topic of reducing spot zoning, the current zoning was assessed to determine the ability to develop the proposal while being compatible with the Comp Plan.

There are several development tools currently available that would allow the development to be compatible with the themes and goals of the Comp Plan (subdivision, group dwelling permit, and Planned Area Development (PAD)). The proposal for a clustered development of 24 units could be accomplished under a group dwelling permit or PAD option, allowing for preservation of the acreage not utilized for the development. Environmental and Infrastructure studies are required for both options.

A group dwelling permit would allow for 4 units per acre in the R-1 zone (63 dwelling units for this property). The group dwelling permit would only allow for-sale and long-term rental units.

The PAD option is "...intended to provide an opportunity for alternative variety and creative or unique design arrangements and relationships of buildings and uses of land..." (Section 232 of the Zoning Code). As an incentive to encourage use of this planning tool, a PAD is allowed commercial uses of no more than five percent of the gross area of the PAD, greater density (an R-1 zoned lot is allowed the R-2 density of eight units per acre or 127 dwelling units for this property), 30% maximum lot occupancy, and the R-3 6-story height limitation.

The petitioned B-2 zone is not compatible with the proposed development nor the Comp Plan (contradicts theme/goal of reducing/no spot zoning and development does not address housing with 8/9 short-term rental units). The intent of the B-2 zone was primarily business use with residential use being three out of 197 uses. The B-2 zoning increases the potential for incompatible, non-residential development. The Estate Orange Grove, Company Quarter hillside, if utilized as a case study, shows that commercial development will occur with a zone that is primarily for business use even though the intent of the Orange Grove rezonings were to allow for a mixed-use neighborhood.

Finally, as part of the applicant's response to public comments, it was stated the project would require significant financial investment and that conditions could be placed to prohibit commercial activity. A Certified Residential Real Estate Appraiser's statement was also provided regarding the general acceptance that zoning that provides more development options generates more marketplace value and land zoned B-2 tends to sell for more per acre than residentially zoned land.

First, rezoning decisions should be based on community land-use planning and not individual financial needs, having more development options, or marketplace value. A lender's decision to grant a loan depends on the property's existing zoning and compliance with regulations, as well as other financial factors. It would not be simply on whether a rezoning is granted. Planning and zoning decisions not governed by a comprehensive planning approach often have unintended consequences. Lastly, the placement of conditions to not allow 194 uses for a zone intended for business use does not demonstrate a comprehensive planning approach when the current zoning allows the intended development under other planning/development tools.

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 tools currently available: subdivision, group dwelling permit, and Planned Area Development.

Jozette J. Walker
Jozette J. Walker, CPM
Assistant Commissioner

10.21.2025
Date

Cc: Jean-Pierre L. Oriol, Commissioner