



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

JAN 21 2016

Col. Alan M. Dodd
District Commander
U.S. Army Corps of Engineers
Jacksonville District
P.O. Box 4970
Jacksonville, FL 32232-0019

RE: Proposed Marina in Coral Bay, St. John, USVI

Dear Col. Dodd:

This is in reference to **Permit Application No. SAJ-1982-05019 (SP-JCM)** by Mr. Rory Calhoun for the proposed construction of a private commercial offshore marina and ancillary facilities at Coral Bay, St. John, U.S. Virgin Islands. The Environmental Protection Agency (EPA) has reviewed the public notice for this project and referenced it to available information regarding environmental resources at Coral Bay, as well as to other commercial marina facilities being proposed for this general area. Based on our review, **EPA is very concerned that the proposed project will result in significant impacts to the aquatic resources present at Coral Bay. EPA therefore recommends the denial of a Department of the Army permit for this project. This letter is intended to satisfy the requirements of both Part IV 3(a) and 3(b) of the Section 404(q) MOA between our two agencies.**

The proposed project entails the construction of a 92-slip marina for vessels ranging from 35 to 70 feet, the placement of precast concrete decking panels and piles of various sizes for a total area of approximately 38,670 square feet, the placement of 582 cubic yards of fill material over 14,955 square feet of shoreline at Coral Harbor in order to extend the shoreline, the construction of an approximately 20-foot wide concrete boat ramp, and two 60-foot long queuing docks (one on each side of the proposed boat ramp). The proposed project would also require the dredging of approximately 3,890 cubic yards of material from 40,210 square feet of sea floor in order to create a six foot deep basin and launch channel for the proposed boat ramp. The proposed marina would also include a boat lift, sewage pump-out facilities, fuel facilities, a boat servicing yard, accommodations for transient boaters, a dock master building with associated retail and provisioning facilities, parking areas, a wastewater treatment plant, brackish wells with a reverse-osmosis plant, a cistern, underwater fuel tanks, and an emergency generator. The total direct impacts of the proposal are 0.1465 acre of mangroves, and 1.236 acre of seagrass (total impacts from piling placement, dock shading, and vessel shading). The applicant has agreed to minimize such impacts by removing and transplanting seagrass from the areas to be impacted by the installation of 420 pilings to construct the marina decking. In addition, up to 300 square meters of nearby shoreline would be seeded with red mangrove propagules to compensate for impacts to this resource. The applicant also proposes to remove trash and debris from seagrass beds in the area, and the removal of sunken and derelict vessels from Coral Bay.

EPA is very concerned that the described work will result in significant impacts to the aquatic resources present at Coral Bay. Coral Bay is an enclosed harbor surrounded by mangroves. The bay serves as a nursery ground and provides habitat for numerous species. It also contains extensive seagrass beds and submerged aquatic vegetation that provide food and foraging habitat to endangered sea turtles and serve as nursery for commercially valuable fish stocks. Numerous coral species are found in the area, and the bay has been documented as a black tip, lemon and nurse shark nursery area. In addition to the seagrass and mangrove habitats at Coral Bay, numerous coral species are found nearby, including *Acropora palmata*, *Acropora cervicornis*, and *Orbicella annularis*, which are listed as threatened under the Endangered Species Act. Despite these valuable resources in the area, the U.S. Virgin Islands Department of Planning and Natural Resources (VIDPNR) designated Coral Bay as a mooring area because of its enclosed nature that provides storm and hurricane protection to boaters. However, the continued intense use of Coral Bay without a formal management plan has resulted in impacts from improper mooring and anchoring of vessels, plus additional impacts associated with improper waste disposal. In addition, developments on the lands surrounding the bay have increased the levels of pollutants and sedimentation that reach the harbor. EPA believes that the construction of the proposed marina has a significant potential to escalate the environmental impairment of Coral Bay.

Coral Bay was selected as a priority site for a U.S. Coral Reef Task Force Local Action Strategy due to its valuable environmental resources and the significant environmental impacts occurring by human activities in the area. Such designation led to significant investments by the National Oceanic and Atmospheric Administration (NOAA) and EPA in an effort to reduce and reverse environmental impacts at Coral Bay. For example, EPA awarded a Community Action for a Renewed Environment grant to the Coral Bay Community Council to initiate hydrological assessments and develop strategies for improving the watershed. NOAA also awarded approximately \$1.5 million to the Coral Bay Community Council through the American Recovery and Reinvestment Act of 2009 for the implementation of best management practices for stabilizing erosion and sediment runoff that were impacting Coral Bay habitats. These projects resulted in measureable improvements to the watershed and the water quality at Coral Bay. However, EPA is highly concerned about the potential effects of the proposed marina on water quality, seagrasses and corals in this area.

With respect to seagrass, the applicant has estimated that the installation of pilings and other structures may result in impacts of 1.236 acre of seagrass, including shading impacts. But a comprehensive benthic survey of seagrass for the complete project area is needed. The survey should include the transit routes that would be used by vessels entering or exiting the marina, as well as any other areas of the bay that would be affected by the proposed upland elements of the project. EPA is concerned that impacts on seagrass and other submerged aquatic vegetation in the bay may also result in indirect impacts to endangered sea turtles and other marine species that use these aquatic resource of national importance for refuge, foraging and spawning. While EPA defers to the expertise and statutory responsibilities of the U.S. Fish and Wildlife Service and the National Marine Fisheries Service regarding sea turtles and corals, the available information suggests that these threatened/endangered species, as they occur within the project area, are likely to be negatively affected by the construction and operation of the proposed marina. Seagrasses, which are aquatic resources of national importance, may also be substantially affected by the potential degradation of water quality that may occur from the construction and operation of the proposed facilities, the potential for fuel and wastewater spills, the increases in runoff from the associated upland development, and the overall increase of human activity in the area.

To compensate for the unavoidable impacts of the project, the applicant proposes to transplant seagrass from the piling installation areas, to plant red mangroves (*Rhizophora mangle*) and to remove trash and derelict, sunken vessels from the sea floor. While these mitigation concepts may adequately compensate for some of the project's impacts, the information available does not adequately quantify the amount of seagrass to be restored, or how much red mangrove habitat would be created within the bay. In addition, detailed plans for the removal of sunken vessels from the bay, and the measures to protect subaquatic vegetation and water quality during the removal process are needed. Given the available information, it is difficult to determine whether the proposed mitigation would adequately compensate for the significant direct and indirect impacts to seagrass areas which would result from the proposed development. EPA stresses that the mitigation plan needs to include the methodology to be used for the various components of the plan (seagrass transplant, mangrove planting, debris and vessel removal), an estimate of the areas to be restored as compensation, and baseline monitoring of such areas to show potential environmental improvements, and proposed performance measures to ensure that unavoidable impacts are ultimately mitigated if the initial attempts at mitigation fail.

As EPA has previously stated for other projects proposed in this area, whatever the outcome of this proposed permit, EPA would like to work with the government of the U.S. Virgin Islands, other federal agencies and the interested public, on a strategy to remove all sunken, derelict vessels in Coral Bay and to improve waste management practices in this area. That work should continue, regardless of the outcome of the marina proposals.

EPA is also concerned about in-water and shoreline construction measures to control sedimentation and turbidity. The proposed upland components of the project (parking, restaurant, marina offices, and others) would likely involve land clearing, grading and excavation as well as major construction activity within the Coral Bay watershed. These activities may result in contaminated water and sediments reaching Coral Bay, as well as in the development of additional impervious surfaces and increased runoff flows that increase the risk of pollutants entering the water column. According to the information furnished by the applicant, these potential impacts would be minimized and abated through the implementation of a sediment and erosion control and storm water management plans. The project will require a permit under the Territorial Pollutant Discharge Elimination System (TPDES) program administered by VIDPNR for the discharge of storm water runoff from the proposed construction activities. The establishment of sediment controls and the diversion of storm water flows to control water velocity and the transport of sediments will be important factors in reducing the potential impacts from sedimentation in the bay. EPA reiterates the need to prepare a Storm Water Pollution Prevention Plan addressing all storm water and sedimentation issues pursuant to the requirements of the TPDES General Permit. The development and establishment of controls prior to the start of any earth movement activities is highly important, since they are critical to ensure adequate management of storm water erosion and sedimentation.

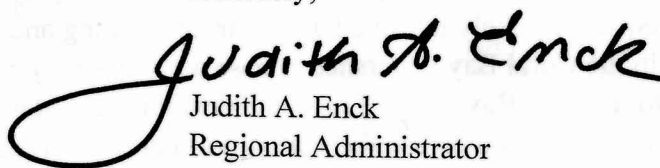
Land based sources of pollution, such as erosion and sedimentation, are major threats to corals and seagrass. In the case of Coral Bay, the surrounding steep slopes and erodible soils contribute to high sediment loads. The Coral Bay Community Council received funding to develop and implement watershed stabilization techniques specific to Coral Bay. Through these efforts, the ghuts in the area now receive less sediment laden flows, reducing the threats from land based sources of pollution to corals and seagrass beds. EPA believes that the proposed marina may affect the improvements that have been achieved through these efforts. For these reasons, we request that the water quality data at the site

be benchmarked, and that a regular monitoring plan be developed and implemented. These initiatives may assist all concerned parties in the determination of the marina's impacts on water quality.

Given the significant direct and indirect impacts that the proposed project would have on the seagrass beds at Coral Bay, the relative large scale of the project, as well as its potential impacts on water quality and endangered species, EPA believes that the construction of this marina will have a substantial and unacceptable impact on aquatic resources of national importance. This is based on the potential infrastructure needs of the project, its potential for significant water quality degradation, its effects on aquatic resources of national importance (seagrasses and corals), its indirect impacts on endangered/threatened species and the consideration of the values and functions of the special aquatic sites within the project area. In addition, the applicant has failed to comply with the Clean Water Act Section 404(b)(1) Guidelines due to the potential for additional impact minimization measures and the lack of a detailed mitigation plan that adequately compensates for the project's unavoidable adverse impacts to the greatest extent possible. EPA therefore recommends the denial of a Department of the Army permit for this project. This letter is intended to satisfy the requirements of both Part IV 3(a) and 3(b) of the Section 404(q) MOA between our two agencies.

If you have any questions regarding this matter, please contact me at (212) 637-5000, or have your staff contact Mr. Jose C. Font, Acting Director of EPA's Caribbean Environmental Protection Division at (787) 977-5870 or font.jose@epa.gov. Thank you for considering this information from EPA.

Sincerely,


Judith A. Enck
Regional Administrator

cc: Sindulfo Castillo, Regulatory Section
U.S. Army Corps of Engineers, San Juan, PR

Edwin Muñiz, Field Supervisor
U.S. Fish and Wildlife Service, Boqueron, PR

Lisamarie Carruba
National Marine Fisheries Service, Boqueron, PR

Brion FitzGerald, Park Superintendent
National Park Service, St. John, Bryon

Commissioner Dawn Henry
Virgins Islands Department of Planning and Natural Resources