



United States Department of the Interior



FISH & WILDLIFE SERVICE

Boqueron Field Office
 Carr. 301, KM 5.1, Bo. Corozo
 P.O. Box 491
 Boqueron, PR 00622

MAY 02 2008

Mr. Sindulfo Castillo
 Chief, Regulatory Section
 US Army Corps of Engineers
 400 Fernandez Juncos Ave.
 San Juan, Puerto Rico 00901 - 3299

Re: SAJ-2007-6364 IP-VG, William &
 Punch, St. Croix, USVI

Dear Mr. Castillo:

The interested agencies of the Department of the Interior have reviewed the above referenced public notice. Our comments are issued in accordance with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661 et seq.) and the Endangered Species Act (16 U.S.C. 1531 et seq. as amended).

A joint site inspection was carried out on April 29 and 30 with representatives from the Service, Corps, NMFS, VI CZM and the applicant. The applicant is requesting a permit for the construction of a 594 acre development located in Estates William and Punch on the west end of St. Croix, USVI. The project will consist of marina, casino, resort, residences, golf course and other amenities.

The first day of the site inspection centered on the upland portion of the project. A man made pond, a series of small streams and other wetlands could be impacted by the project. There is a basin mangrove area located behind the existing road. This mangrove is connected to the beach via a culvert under the road. The wetland delineation was verified and found to be correct. Project drawings in the Public Notice seem to indicate that the new access road would impact this wetland. The applicant's representative stated that the drawings were incorrect and that a 10 foot buffer was to be maintained between all construction and the wetlands. New plan drawings were submitted to VI CZM indicating this.

Several ephemeral streams are located on the site. These have well defined banks and channels in the upper reaches, but when they reach the coastal plain of the project the channels become less and less defined until eventually they cannot be distinguished from the surroundings. The coastal plain was leveled in the early part of the 20th century for sugarcane production. These streams or guts simply discharge onto the coastal plain and sheet flow across the lower part of the property. Several culverts in the road collect the runoff and direct it to the sea. Hydrology for the existing mangrove is provided in this fashion. The agricultural pond was excavated for cattle. It currently provides habitat for

resident and migratory water fowl. Egrets, gallinules, and white cheeked pintail ducks were observed at the pond on the day of the inspection. This pond has no visible outlet. The applicant stated that they planned to keep the pond and possibly expand it or raise the level. They also planned to maintain as many of the existing stream channels intact although an unspecified number would be filled for the construction of the golf course.

On April 30, 2008, a joint site inspection was carried out of the marine portion of the project. The proposed inland marina will require the dredging of an entrance and flushing channel and the placement of four jetties which would directly impact about 8 acres of coral hardground habitat. A six acre beach creation is proposed which would also impact additional hardground habitat. The existing beach area is known to provide nesting habitat for green and hawksbill sea turtles. During the site inspection one juvenile hawksbill and one subadult green were seen within the project footprint.

The marine system within the project footprint consists of beach rock hardgrounds near shore. These are composed of algae covered beach rock with some scattered coral and sponge colonies. This habitat extends from the near shore to about the 5 or 6 foot contour. The numerous nooks and crannies of these rocks provide excellent juvenile fish habitat and numerous species of juvenile reef fish were observed hiding in these areas. In addition juvenile lobster also took advantage of the numerous refuges and ample food supply. This marine habitat will be completely eliminated along the length of the project by the marina construction and beach creation.

A narrow sandy plain is found beyond the shallow hardgrounds. This gives way to deeper hardgrounds found around the 10 foot contour. These hard grounds are dominated by soft corals and sponges with some individual colonies of stony corals. Individual stony coral colonies can reach about 2 feet across. Some of this habitat will be directly eliminated by the construction of the entrance and flushing channel jetties. A larger portion of this habitat may be indirectly impacted by the construction of the artificial beach. This beach will extend far beyond the existing shoreline and could be transported off the beach and onto the deeper coral hardgrounds during storm events, possibly burying these or subjecting them to scour.

The applicant's representative made it very clear that all parts of the project are interrelated. The marina, beach hotel, golf course and residences all need to be constructed as one cohesive project.

Based on the information provided we have the following comments and recommendations:

- 1) The PN concentrates exclusively on the marina portion of the project. However the applicant has made it very clear that the project is interrelated, we recommend that the scope of analysis be extended to include the entire project and how runoff from the uplands will impact the marine environment and existing wetlands.

- 2) While the applicant proposes to maintain a 10 foot buffer from the existing mangrove wetlands, we recommend that the buffer start at the toe of the proposed road fill or right of way. This buffer should be surveyed and fenced prior to any earth movement. The buffer should be left in natural vegetation.
- 3) The project proposes two sets of jetties or breakwaters to protect the marina entrance channel and flushing channel. Placement of hard structures perpendicular to a shoreline usually results in increased loss of the shoreline in neighboring areas. The applicant states that sand transport in the area is minimal and most of the sand moves offshore during heavy seas and is re-deposited on the shore during calmer seas. If true, this type of sand transport validates the Service's concern regarding indirect impacts to off shore coral hardgrounds found in close proximity to the proposed new beach. The Corps should verify the coastal studies conducted to verify that the project would not impact long shore sand transport. Impacts to sand transport would not only impact sea turtle nesting habitat but also adjacent residential and commercial structures.
- 4) As discussed at the site visit, we requested that the applicant overlay the marina design on a current aerial photo of the site in order to better visualize potential impact to the marine environment.
- 5) Beaches along the west coast of St. Croix are mostly composed of a sandy beach over a rock substrate; this rock substrate extends out into the Caribbean Sea creating a shelf that supports a coral hardground marine habitat. The applicant proposes to enhance and restore the beach segment between the two marina channels. However there is no information provide to substantiate that this particular section of beach is in need of enhancement or restoration. The proposal is more of a beach creation, which will extend the beach well beyond the existing natural beach line and fill about 6 acres of coral hardground habitat. The length of the jetties seems to be more related to maintaining this beach in place than navigation or flushing. Because of the amount of manipulation being proposed, this beach will probably no longer be suitable hawksbill sea turtle nesting habitat.
- 6) The applicant should consider altering the design of the jetties and artificial beach, shorter structures would have fewer impacts on the offshore coral hardground areas. The applicant should also consider relocating the marina entrance and aligning it with an existing sand channel rather than locating it over coral hardgrounds.
- 7) The current PN does not offer any minimization or compensatory mitigation for any of the impacts stated above. We believe it does not comply with COE RGL 02-02 or RGL 06-03.


- 8) With regards to federally listed threatened or endangered species, the Corps has identified the brown pelican, hawksbill turtle, and green turtle as being known in the vicinity of the project. The Corps has determined that the project may affect, but is not likely to adversely affect the above species. The Corps should initiate consultation under Section 7 of the Endangered Species Act under separate letter.
- 9) The applicant provided the Service with a CD containing the existing EA and supporting documentation on April 30, 2008. The Service will review this additional information and provide additional comments in a separate letter.

Based on the limited information provide, we believe that the project as proposed in the public notice is a major construction project with significant impacts to various habitats without attempts at avoidance, minimization, or compensatory mitigation.

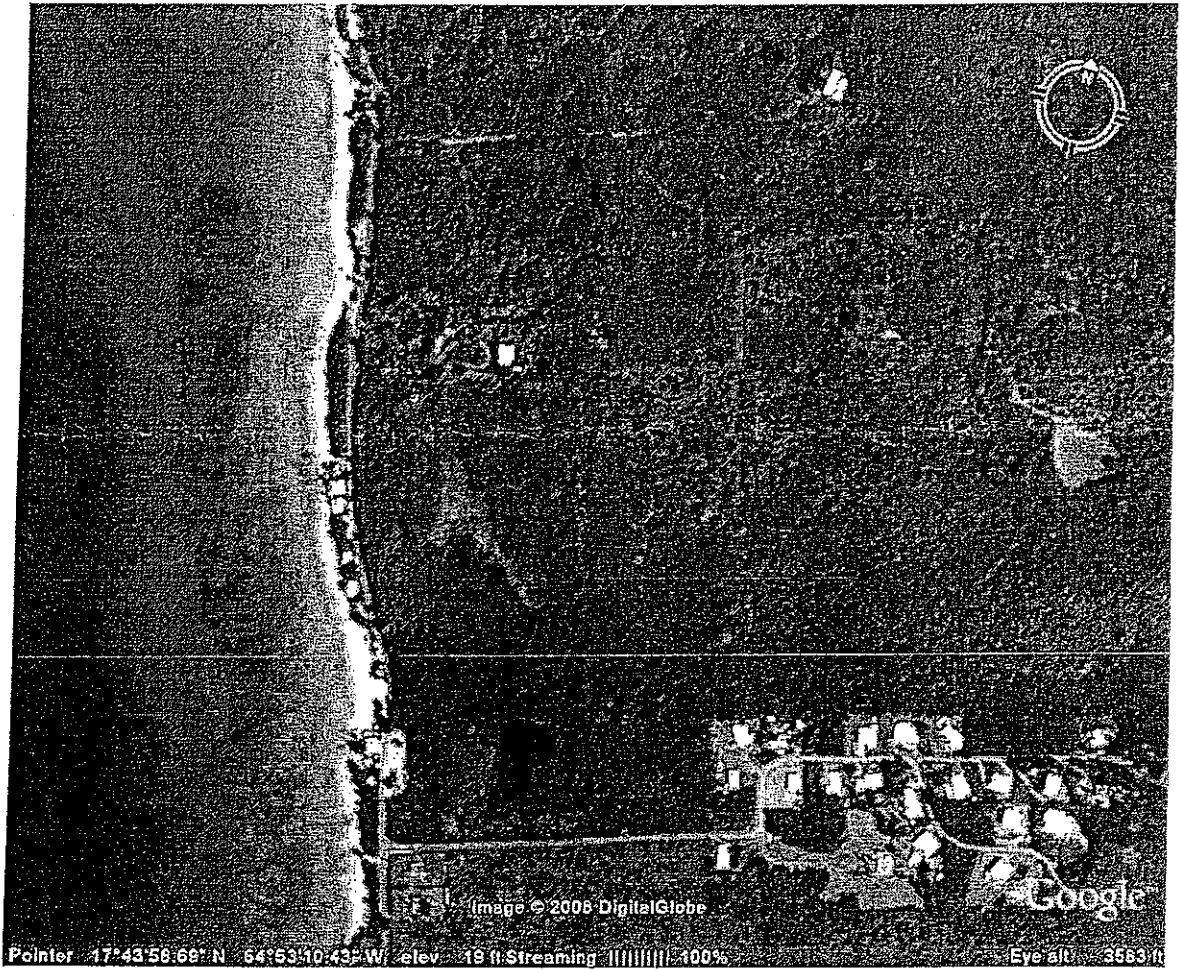
In accordance with Part IV, Section 3(a) of the current 404 MOA, we believe that the issuance of this permit may result in substantial and unacceptable impacts to resources of national importance. We recommend that the Corps not issue a permit for this action as currently designed.

Thank you for the opportunity to comment on this project, if you have any questions please contact Felix Lopez of my staff at 787 851-7297 x 226.

Sincerely yours,


Edwin E. Muniz
Field Supervisor

fhl
cc:
EPA, San Juan
NMFS, Boqueron
DPNR, CZM, St. Croix
DPNR, DFW, St. Croix
NPS, St. Croix.
USFWS, St. Croix



Site of proposed William & Punch project. Note wetland area southern part, also note large pond in the western part. Shoreline is narrow with a large coral hardground complex near shore. This coral hardground complex will be impacted by the two sets of jetties and the beach creation being proposed.