

COMBINED PUBLIC NOTICE

NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS AND FINAL NOTICE AND PUBLIC EXPLANATION OF A PROPOSED ACTIVITY IN A FEDERAL FLOOD RISK MANAGEMENT STANDARD FLOODPLAIN

June 11, 2024

Virgin Islands Housing Finance Authority
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To: All interested Agencies U.S. Army Corps of Engineers, Federal Emergency Management Agency Office of the Governor, Region II Environmental Protection Agency, National Oceanographic and Atmospheric Administration, U.S. Fish and Wildlife Service Department of Planning and Natural Resources, Territorial Emergency Management Agency, Department of Public Works, Economic Development Authority, Virgin Islands Port Authority, Groups and Individuals

PROJECT DESCRIPTION

Application ID number: No. B-18-DP-78-0002

Project Title: Acquisition of LPG Infrastructure St. Thomas, U.S. Virgin Islands

Location: Parcel Nos. 35, 35E, Tract 1 of Rem 35, and 35A-1 Subbase Crown Bay and Tract 4 of 4 Estate Krum Bay, in Charlotte Amalie, St. Thomas (18°.327431N Latitude and - 64°962033W Longitude)

The total estimated project cost is \$145,000,000 for acquisition of LPG Infrastructure at two facilities, St. Thomas and St. Croix, U.S. Virgin Islands

The proposed action is the acquisition of the Liquid Propane Gas (LPG) infrastructure at the Virgin Island Water and Power Authority (VIWAPA) Randolph Harley Power Plant in Charlotte Amalie, St. Thomas. The LPG infrastructure is currently owned by Vitol LLC. Community Development Block Grant- Mitigation funds are proposed for the acquisition of the existing LPG infrastructure at the Randolph Harley Power Plan including the fuel loading arms, LPG pipelines from the fuel dock to the LPG storage tanks, LPG pipelines from the storage tanks to the vaporizer, the fire suppression system, and the control system. The LPG infrastructure is in place and in operation and no modifications are proposed. The proposed acquisition will allow VIWAPA to continue operating on LPG which will result in cost savings for St. Thomas and St. John residents and businesses and lower the discharge of greenhouse gases and maintain significant storage of fuel during periods of emergency. The acquisition of the LPG infrastructure will help address the current state of emergency without any expansion or additional impacts to or occupation of the floodplain.

Notice of Intent to Request Release of Funds

This Notice is related to the use of Community Based Development Grant – Mitigation (CDBG-MIT) funds in response to the locally declared energy emergency through Executive Order No 537-2024 issued by U.S. Virgin Island Governor Albert B Bryan, Jr. on April 22, 2024. This notice shall satisfy two separate but related procedural requirements for activities to be undertaken by the Virgin Islands Housing and Finance Authority (VIHFA).

Per 24 CFR 58.33(b), and 24 CFR 55.20(b)(1), the combined Notice of Intent to Request Release of Funds (NOI-RROF), and the Final Notice and Public Explanation of a Proposed Activity in a Federal Flood Risk Management Standard (FFRMS) Floodplain will be published simultaneously with the submission of the RROF. The funds are needed on an emergency basis due to a declared State of Energy Emergency in the United States Virgin Islands to Avert an Energy Crisis (Executive Order). United States Virgin Islands (USVI) Governor Albert Bryan, Jr., declared the State of Emergency on April 22, 2024 citing rising energy costs and the inability to pay critical vendors for fuel resulting in the curtailment of power generation thereby causing rotating power outages that threaten the health, safety, and economic stability of the residents of the USVI. As a result, the comment periods under 34 CFR 58.45 for NOI/RROF and the HUD objection period have been combined to occur simultaneously. The NOI/RROF and Final Notice and Public Explanation of a Proposed Activity in a FFRMS Floodplain comment period will conclude 7 days after publication, and the HUD objection period will conclude 15 days after the publication of the NOI/RROF. Commenters may simultaneously submit comments to VIHFA and objections to the U.S. Department of Housing and Urban Development (HUD) to ensure they will receive full consideration.

REQUEST FOR RELEASE OF FUNDS

On or about June 12, 2024, simultaneous with the start of the public comment period initiated on June 11, 2024 with the publication of this notice of the NOI-RROF as allowed by 24 CFR 58.33, VIHFA will submit a request to HUD for the release (CDBG-MIT) grant, Grant Number B-18-DP-78-0002 funds under the Further Additional Supplemental Appropriations Disaster Relief Requirements Act, 2018 (Division B, Subdivision 1 of the Bipartisan Budget Act of 2018, Public Law 115-123, approved February 9, 2018 to undertake a project known as the acquisition of (LPG) infrastructure for the purpose of securing the fuel supply for energy production on the island of St. Croix. The RROF would ask for HUD authorization to release \$145,000,000 of CDBG-MIT funds for the acquisition of the LPG infrastructure at the Richmond Power Plant on the island of St. Croix and the Randolph Harley Power Plant in Charlotte Amalie, St. Thomas.

Final Notice and Public Explanation of a Proposed Activity in a Federal Flood Risk Management Standard Designated Floodplain

This is to give notice that VIHFA as the Responsible Entity has conducted an evaluation as required by [Executive Order 11988, as amended by Executive Order 13690, in accordance with

HUD regulations at 24 CFR 55.20 in Subpart C Procedures for Making Determinations on Floodplain Management and Wetlands Protection. The activity is funded under Urban Development Community Development Block Grant-Mitigation (CDBG-MIT) Grant Number No. B-18-DP-78-0002. The proposed project(s) is located on Parcel Nos. 35, 35E, Tract 1 of Rem 35, and 35A-1 Subbase Crown Bay and Tract 4 of 4 Estate Krum Bay, in Charlotte Amalie, St. Thomas (18° 32'43.1"N Latitude and -64° 9'20.33"W Longitude) and is located in the Federal Flood Risk Management Standard (FFRMS) floodplain.

The extent of the FFRMS floodplain is 0.5 acre as determined by the Freeboard Value Approach (FVA). The facility is a Critical Action as defined by 24 CFR 55.2(b)(3)(i) (the acquisition of facilities which store highly volatile materials for a power generating plant). The FFRMS floodplain as determined by the FVA was determined to be 13 ft. An ABFE map that was used to define the base flood elevation for the freeboard value approach can be found here: <http://fema.maps.arcgis.com/home/webmap/viewer.html?webmap=a92ce1763cb5416dafa01b84757a5af9>. The 0.5 acres of FFRMS floodplain includes areas of the existing fuel pier which is located in VE1% EL: 10ft which encompasses all of Krum Bay and extends along the shoreline to the north and south. The VE 1% EL:10ft is where it has been determined that there is a 1% chance of coastal flooding with velocity (wave action) to elevation 10ft. Moving inland the site is within FEMA flood Zone X where 100-year coastal flooding is not expected. However, in order to address increasing hazards utilizing the FVA for critical actions, the FFRMS floodplain extends to 13ft of elevation. The fuel loading arms, part of the LPG pipelines from the fuel dock to the LPG storage tanks, and the fire suppression system, are within the VE flood zones and part of the LPG pipelines from the fuel dock to the LPG storage tanks are within the FFRMS floodplain.

The LPG infrastructure to be acquired is on 0.1 acres of the 0.5-acre FFRMs floodplain. The assets that will be acquired include the marine loading arm, piping (supply lines) from the dock to the tanks, vaporizing skids as well as firefighting equipment. The occupied 0.1-acre floodplain is a highly altered filled coastline adjacent to an industrial plant and as such does not provide habitat for flora or fauna. The shoreline is filled land and does not have any historic or cultural use and is not used for any recreational purposes. The site does allow for erosion control and has a water quality function as sheet flow passes across the graveled shoreline. The existing LPG infrastructure does not have a negative impact on the floodplain as the piping and loading arm and related mechanical equipment is all elevated above ground level and does not impede stormwater or runoff.

VIHFA has considered the following alternatives and mitigation measures to minimize adverse impacts and to restore and preserve natural and beneficial functions and intrinsic values of the existing floodplain/wetland:

The criteria for meeting the goal of supplying LPG for the VIWAPA Randolph Harley Plant are:

1. The infrastructure must be compatible with the existing LPG generating equipment;
2. The infrastructure must be compatible with the LPG delivery vessels and be able to access the closest point of navigable water to the plant;
3. And the infrastructure must not impact the surrounding housing communities and businesses, especially Environmental Justice (EJ) Communities.

Considered alternatives:

1. Develop new LPG delivery infrastructure on an adjacent site outside the existing plant.

There is only one available site which could be developed to create the infrastructure necessary for the delivery of LPG to the power generating facility (i.e. creating the same LPG infrastructure proposed to be acquired) and this is the land immediately south of the VIWAPA Plant. The southern property is in a floodplain with a higher elevation than the existing infrastructure, at VE 1% El: 25ft. A new pier would have to be built to place the LPG infrastructure on which would extend into the VE 1% EL: 25ft zone, therefore the LPG infrastructure would be in the FFRMS up to an elevation of 28ft. Creating new LPG infrastructure would directly impact protected environmental resources including seagrass beds, coral critical habitat and ESA coral species as well as habitat for other marine species. The LPG Infrastructure like the existing LPG Infrastructure proposed for acquisition could be designed and constructed to have a negligible impact on the FFRMS floodplain like the existing LPG Infrastructure and capable of delivering LPG to the plant, however, this alternative would result in significant environmental impact and a significantly greater monetary cost since it would require the permitting and development of a new pier. This action would result in impacts to a flood zone which has not been altered.

2. Locating the Infrastructure outside the Floodplain but within the plant.

This is not a practicable alternative; the vessel delivery infrastructure must be located offshore. All coastal waters surrounding the island of St. Thomas are in the VE 100-year flood plain. Therefore, there is no alternative to locating the loading arms and fire suppression system outside the FFRMS. All of the Randolph Harley Power Plant to elevation of 13ft on the southern end and 11ft to the north is within the FFRMS and there is nowhere within the plant where the LPG Infrastructure could be located which would be outside the FFRMS and be able to accomplish the delivery of LPG to the Randolph Harley power generating equipment.

3. No Action Alternative

The no action alternative will not have any change on the floodplain as the infrastructure is already in place and will remain even if the infrastructure is not acquired. Today LPG supplies almost 80% of the power to the USVI. If the infrastructure is not acquired VIWAPA will have to revert to operating on fuel oil (diesel) for producing electricity and water. Requiring the plant to convert back to utilizing diesel would increase of fuel supply costs which would be transferred to residents thereby the no action alternative would have a direct adverse economic impact on residents of St. Thomas and St. John. The use of diesel fuel would also increase environmental impacts through air emissions. Diesel produces 17% more carbon dioxide than propane (U.S. Energy Information Administration (www.eia.gov/environment/emissions/co2_vol_mass.php)).

On April 22, 2024, Governor Albert Bryan, Jr. declared a State of Energy Emergency in the United States Virgin Islands to Avert an Energy Crisis (Executive Order No 537-2024). The declaration lays out the current crisis in USVI due to the rising energy cost and inability to pay critical vendors for fuel which is resulting in having to curtail power generation leading to rotating power outages which threatens the health, safety and economic stability of the residents of the USVI. The declaration lays out how this is impacting both residents and businesses in the USVI. The

acquisition of the LPG infrastructure improves the reliability of propane fuel supply to customers and businesses.

Relying on a single fuel source puts the island at risk for island-wide power outages. By acquiring the LPG Infrastructure, it maintains the Randolph Harley facility's fuel storage. It can take weeks to have fuel delivered after a major storm and the LPG infrastructure directly mitigates this by keeping full storage capability. Not acquiring the LPG Infrastructure means that the facility will not be able to use its newest, most efficient and most reliable power generation. Without access to the LPG Infrastructure the facility would be forced to run on older, less efficient and less reliable units that can operate on diesel. Losing access to the propane facilities would render the newest generators useless, delaying payments to vendors working towards making the USVI less fossil fuel dependent.

VIHFA has reevaluated alternatives to building in the FFRMS Floodplain and has determined that there is no practicable alternative to the acquisition of the LPG infrastructure in the FFRMS floodplain. Environmental files documenting compliance with [Executive Order 11988, as amended by Executive Order 13690], are available for public inspection, review and copying upon request at the times and location delineated in the last paragraph of this notice for receipt of comments.

There are three primary purposes for this notice. First, people who may be affected by activities in the FFRMS floodplain and those who have an interest in the protection of the natural environment should be given an opportunity to express their concerns and provide information about these areas. Second, an adequate public notice program can be an important public educational tool. The dissemination of information and request for public comment about FFRMS floodplain can facilitate and enhance Federal efforts to reduce the risks and impacts associated with the occupancy and modification of these special areas. Third, as a matter of fairness, when the Federal government determines it will participate in actions taking place in the FFRMS floodplain, it must inform those who may be put at greater or continued risk.

PUBLIC COMMENTS

Written comments on the **Final Notice and Public Explanation of a Proposed Activity in a Federal Flood Risk Management Standard Designated Floodplain** must be received by the VIHFA at the following address on or before **June 18, 2024**: Virgin Islands Housing Finance Authority, 3202 Demarara Plaza, Suite 200, St. Thomas, VI 00802-6447 and (340)777-4432). Attention: Ms. Dayna Clendinen, Chief Disaster Recovery Officer. A full description of the project may also be reviewed at 56A King Street Christiansted, St. Croix, VI 00820 from the hours of 9:00 AM to 5:00 PM at the address above. Comments may also be submitted via email at media@vihfa.gov. Comments should specify which Notice they are addressing.

Written comments on the **NOI/RROF**: Any individual, group, or agency disagreeing with this determination or wishing to comment on this project may submit written comments to Virgin Islands Housing Finance Authority, Attention: Ms. Dayna Clendinen, Chief Disaster Recovery Officer at the address listed above. A full description of the project may also be reviewed from

the hours of 9:00 AM to 5:00 PM at the above address and cdbgdr.vihfa.gov. Comments may also be submitted via email at media@vihfa.gov and to HUD's Office of Disaster Recovery at disaster_recovery@hud.gov. All comments received by June 18, 2024, or seven days (7) days from the actual date of publication, whichever is later, will be considered by VIHFA. Comments should specify which Notice they are addressing.

ENVIRONMENTAL CERTIFICATION

The Virgin Islands Housing Finance Authority certifies to HUD that Ms. Dayna Clendinen in her capacity as, Chief Disaster Recovery Officer consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows VIHFA to use CDBG-MIT funds.

OBJECTIONS TO RELEASE OF FUNDS

HUD will accept objections to its release of funds and DCA's certification for a period of fifteen (15) days following the anticipated submission date of the RROF (June 12, 2024) or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of DCA; (b) DCA has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR Part 58; (c) the grant recipient has committed funds or incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by HUD; or (d) another Federal agency, acting pursuant to 40 CFR Part 1504, has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58.76) and shall be emailed to disaster_recovery@hud.gov. Potential objectors should contact HUD to verify the actual last day of the objection period.



Ms. Dayna Clendinen
Chief Disaster Recovery Officer
Virgin Islands Housing Finance Authority