

Enterprise Zone Expansions Approved for Charlotte Amalie, Frederiksted, and Cruz Bay

The EZC Board has greenlit plans to expand zones in Charlotte Amalie and Frederiksted, and introduce a commercial zone in Cruz Bay, offering targeted tax credits and revitalization incentives for historic, residential, and commercial area.

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St. Thomas, USVI. By. ERNICE GILBERT, V.I. CONSORTIUM.

Should Governor Albert Bryan Jr. agree, the existing enterprise zones in Charlotte Amalie and Frederiksted will be expanded, while Cruz Bay will be the site of a new commercial zone, as members of the Enterprise Zone Commission voted in favor of the proposed expansions during their meeting on Tuesday.

In Frederiksted, the enterprise zone expansion is set to include Estate Two Brothers. Now that the Frederiksted pool has reopened, “This thoroughfare is now going to be used even more,” Ms. Marchena said. With a “beautiful beach, this area is also an area that we would like to expand the Frederiksted Enterprise Zone to,” Ms. Marchena indicated. The current anchor client in the zone is the Padilla Agro and Food Innovation Center, which received an initial \$2 million in grants to secure and improve the facility. Eight other beneficiaries also operate in this zone. “This area specifically is a residential area but has home-based businesses and older family homes in need of revitalization,” Ms. Marchena said.

In the territory's capital, the expansion will enlarge the Garden Street/Upstreet enterprise zone. “Droningens Gade Step Street is located, really, in the center of the zone,” said Nadine Marchena Kean, Managing Director of the EZC. However, “the northern side of the step street is within the zone area, but the southern side of that step street is not,” Ms. Marchena continued.

She noted that discussions were had with local historic preservation authorities in making the decision to expand the zone, which currently has nine beneficiaries, including the Virgin Islands Museum Cultural and Civic Center. “It's an area that's traversed quite a bit,” she said, explaining that this is the main thoroughfare cruise visitors traverse on their way to places including Magens Bay. “They're seeing it as they're leaving and going back to the ship,” she said. Currently, the EZC is expending more than \$500,000 in grants to improve this area, Ms. Marchena disclosed.

Not only will the Upstreet Enterprise Zone be expanded to include the south of Droningens Gade Step Street, but a new zone has been recommended for Charlotte Amalie as well, right downtown. “This area is not an enterprise zone,” said Ms. Marchena, explaining that enterprise zones surround the downtown area to the west, north and east. “It is..an area that is not heavily populated by residential, although we would like it to be.”

In the meantime, “the goal is really to move this historic downtown area from old-looking to a refreshed, active historic site with more residential activities and activities that will promote growth in our economic understanding and our community development,” she noted.

A commercial zone designation for Cruz Bay is also being considered. “It provides benefits that are stackable up to 35% of your tax credits towards income or gross receipts,” Ms. Marchena noted. Because of its relative lack of residential activity “to the level where we could determine poverty in a specific area,” it was decided to name the area a commercial zone – contiguous with the bounds of the historic district – instead. “The buildings are beginning to look old,” said Ms. Marchena, especially as you move inland away from the waterfront. They “need a little sprucing up and revitalization,” hence the proposed designation.

Much of the discussion by the EZC board focused on the necessity of careful planning in an area with limited space such as Cruz Bay. “We're to the point in this territory where a lot of it is butting up against the reality that we don't have space identified, or in some cases, space at all,” said José Penn, EZC chair and St. John's representative on the board. “The rest of the island has to be part of the process as ancillary services, whether it's parking or whatever, to make things work,” he suggested.

Should the governor assent to the zone expansions and creations of new zones, “applicants can come to this commission to be granted tax relief in the area of tax credits...for things like activities, creation of parking, the manufacturing and sale of traditional or historic activities, for entertainment, for residential activities within the zone,” Ms. Marchena explained. The zone “enhances, it promotes the things that have been indicated in [the 2040 Vision \[plan\]](#)”, she

continued. Existing businesses committed to investing in the revitalization of their premises will be eligible to apply for benefits once other requirements including employment are met.

Ultimately, the recommendations were unanimously approved by the EZC board.

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