

Virgin Islands Economic Development Commission
Decision Meeting of Tuesday, April 12, 2022
Summary Report Out

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Tuesday, April 12, 2022, the Governing Board heard recommendations from staff regarding six (6) application matters and one (1) compliance matter, and voted as follows:

Regular Session:

Action Items:

Applications:

1. Morabeza Capital Management, LLC – Petition: Admission of New Member

On July 22, 2021, Morabeza Capital Management, LLC. (“Morabeza”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits to conduct the operation of a Category IV – Designated Services Business (Financial) engaging in a diversified array of financial analysis, advisory, consulting and family office support services for high-net-worth families located outside the U.S. Virgin Islands. The Certificate was granted for a period of 20 years. Morabeza is located on the island of St. Thomas.

The Governing Board voted (5 – 0) to:

1. Table the petition for the change in ownership structure of Morabeza Capital Management, LLC and the admission of the two (2) new members¹.
2. Require Morabeza Capital Management, LLC to present on the merits of its petition, and the promotional material entitled “Morabeza Capital Management Opportunities abound in the U.S. Virgin Islands” at a scheduled public hearing.

2. Perfected Claims, LLC – New Application

On December 17, 2021, Perfected Claims, LLC (“Perfected”) submitted an application for Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits to conduct the operation of a Category IV - Designated Services Business providing business management and consulting, data management, claims processing and management, and public policy consulting and advocacy services to its clients. In addition, Perfected will engage in family office services. Perfected will serve clients located outside the USVI with a focus on providing an evaluation center for law firms to assess potential victims of mass torts and to obtain the necessary records and other supporting material to support their claims. Perfected’s services may be provided through one (1) or more wholly owned, disregarded subsidiaries. Perfected is located on the island of St. Thomas.

Perfected commits to employing a minimum of 10 full-time, non-owner employees within four (4) years from the date its Certificate is signed by the EDC Chairman or within four (4) years of commencement of benefits, whichever is later. Perfected will employ four (4) full-time employees during the first year, with an additional two (2) full-time employees to be added during each of the second, third and fourth years and investing One Hundred Thousand Dollars (\$100,000.00) in the benefited business.

¹ The two (2) proposed new members are as follows: 1) Blair Lampert -- 100% Class C membership interest; and 2) The Lampert Investment Fund -- 100% Class B membership interest.

On January 10, 2022, the VIEDC Governing Board voted to approve UEIS's modification application in regards to the longer benefit period provided by Act No. 7651, but tabled its decision on UEIS's request that its eligible revenue streams include income derived from the design and development of intellectual property pending receipt of additional information.

The Governing Board voted (5 – 0) to:

1. Find that Perfected Claims, LLC is deserving of a grant of tax incentives;
2. Grant Perfected Claims, LLC tax exemptions at one hundred percent (100%) of the incentives authorized by law for a period of 20 years in accordance with the provisions of V.I. CODE ANN. tit. 29, chapter 12.
3. Grant Perfected Claims, LLC an extension of time to satisfy the minimum full-time employment requirement as follows:

Applicant/Beneficiary shall employ a minimum of four (4) full-time, non-owner employees within one (1) year from the date the VIEDC Chairman signs the Certificate or within one (1) year of commencement of incentives, whichever is later. Thereafter, an additional two (2) full-time employees in each of the second, third, and fourth year, for a total of 10 full-time, non-owner employees by the end of year four.

3. Rock City Brewing Company, LLC – Petition: Extension of Time to Commence Incentives

On March 28, 2019, Rock City Brewing Company, LLC ("Rock City") was granted Virgin Islands Economic Development Commission ("VIEDC") tax incentive benefits to conduct the operation of a Category III as a Category II craft brewery manufacturing business. Rock City was granted incentives to mass-produce a single-style beer for world-wide distribution to include the U.S. Virgin Islands and the Caribbean. Rock City will also indicated they would operate a "Brewtique", a world-class tourist attraction, whereby tourists and locals can learn about the brewing process, sample locally made craft beers, and register for tours of the larger brewing facility. The Certificate was granted for a period of 20 years. Rock City is located on the island of St. Thomas.

The Governing Board voted (5 – 0) to:

1. Find Rock City Brewing Company, LLC has not shown good cause for a grant of additional time to commence its tax incentives;
2. Deny Rock City Brewing Company, LLC an extension of time to commence its tax incentives noting the following: 1) that Rock City did not execute its certificate of tax incentives; 2) that Rock City did not timely apply for an extension of time to commence tax incentives; and 3) that Rock City's corporate registration was "Administratively Dissolved" in the Office of the Lieutenant Governor, Division of Corporations and Trademarks in 2021;
3. Find that the tax incentives granted to Rock City Brewing Company, LLC are Null and Void; and
4. Require Rock City Brewing Company, LLC to file a new application if tax incentives are sought henceforth.

4. Tree Limin' Extreme, LLC – Petition for 2nd Extension of Time to Commence Tax Incentives

On July 5, 2018, Tree Limin' Extreme, LLC ("Tree Limin'") was granted Virgin Islands Economic Development Commission ("VIEDC") tax incentive benefits to conduct the operation of a Category III recreation business consisting of a zipline park, together with other ancillary activities associated with a tourism-related business located on St. Peter Mountain, St. Thomas. The Certificate was granted for a period of 20 years. Tree Limin' is located on the island of St. Thomas.

The Governing Board voted (5 – 0) to:

1. Acknowledge and approve the admission of wholly-owned disregarded entity, SRI PARAMJYOTHI, LLC.
2. Acknowledge that SRI PARAMJYOTHI, LLC shall hold property used to operate a zipline and related activities.
3. Require the admission of SRI PARAMJYOTHI, LLC shall be effective January 1, 2022.²
4. Require the Certificate of tax incentives to be amended to reflect the admission of wholly-owned disregarded entity, SRI PARAMJYOTHI, LLC and the inclusion of the applicable real property.

5. Virgin Bay Capital, LLC – Corrected Motion

On March 10, 2022, Virgin Bay Capital, LLC ("Virgin Bay") was granted Virgin Islands Economic Development Commission ("VIEDC") tax incentive benefits to conduct the operation of a Category IV - Designated Services Business (Financial) providing financial management, consulting services, mortgage services, and investment to clients primarily within the residential and commercial loan sectors. Virgin Bay shall originate, broker, finance, purchase, manage, and sell residential and other loans and mortgages and shall offer consulting services to clients in the same space. Virgin Bay is located on the island of St. Thomas.

The Governing Board voted (5 – 0) to:

1. Approve an Amended Grant of Tax Incentives to Virgin Bay Capital LLC, which shall now provide for nine (9) full-time employees stating, in relevant part, as follows:

Employment: Applicant/Beneficiary shall employ a minimum of two (2) full-time employees, excluding the owner, within one (1) year from commencement of tax incentives or one (1) year from the date the Chairman signs the Certificate, whichever is later. Thereafter, in the second year of incentives, Applicant/Beneficiary shall employ an additional three (3) full-time employees; and in the fifth year of incentives, an additional four (4) full-time employees for a total of nine (9) full-time non-owner employees in the fifth year of incentives.

2. Require all other terms and provisions of the Grant of Tax Incentives approved by VIEDC at the Decision Meeting on March 10, 2022 to remain in full force and effect.

² Due to the COVID-19 pandemic, Tree Limin' Extreme, LLC requested and was granted three (3) suspensions of tax incentives, the first from March 23, 2020 through October 31, 2020, the second from November 1, 2020 through October 31, 2021, and the third from November 1, 2021 through December 31, 2021.

6. YHG Hotel, LLC – Petition: Extension of Time to Commence Tax Incentives

On March 28, 2019, YHG Hotel, LLC (“YHG”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits to conduct the operation of a Category III - Hotel/Guesthouse Business, specifically as a Full Service Business Class Hotel to include ancillary activities normally associated with a full-service hotel. The Certificate was granted for a period of 20 years. YGH is located on the island of St. Thomas.

The Governing Board voted (5 – 0) to:

1. Acknowledge YHG Hotel, LLC has shown good cause for a grant of additional time to commence its operations in the U.S. Virgin Islands due to the impact of the COVID-19 pandemic that affected the planned development.
2. Grant YHG Hotel, LLC a second extension of time to commence its tax incentives to December 31, 2022.
3. Require YHG Hotel, LLC’s existing tax incentives be null and void and it shall be required to file a new application for incentives should YHG Hotel, LLC not commence its tax incentives by December 31, 2022,

Compliance:

❖ **Fintrac, Inc. – Petition: Admission of New Member**

On May 21, 2006, Fintrac, Inc. (“Fintrac”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits to conduct the operation of a Category IV - Designated Services Business operating as an agriculture consulting firm. Fintrac provides market-led production, post-harvest processing, and quality assurance support to the agribusiness sector worldwide with special focus on developing countries. Fintrac primarily works in developing tropical countries through long-term country specific contracts funded by the United States Agency for International Development (“USAID”) and other donor organization. Fintrac is located on the island of St. Thomas.

The Governing Board voted (5 – 0) to:

1. Find that it is not practical for Fintrac, Inc. to complete its capital investment requirement of \$250,000.00 set forth in its Certificate, by December 31, 2022, due to the previous expiration of its major contracts and the remaining contracts to conclude in 2022.
2. Grant Fintrac, Inc. a waiver of the minimum capital investment requirement from \$250,000.00 to \$182,871.00.
3. Require Fintrac, Inc. to adhere to all other standard and special provisions/conditions of its Certificate of Tax Incentives.
4. Require a show cause order to explain why its certificate should not be revoked, suspended, or modified may be issued pursuant to 29 V.I.C. § 722 should Fintrac, Inc. not comply with recommendation No. 3 required by the VIEDC Board.