

Virgin Islands Economic Development Commission
Decision Meeting of Tuesday, October 11, 2022
Summary Report Out

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Tuesday, October 11, 2022, the Governing Board heard recommendations from VIEDC Team regarding three (3) application matters, and voted as follows:

Regular Session:

Action Items:

Applications:

1. Capture VI, LLC – New Application

Capture VI, LLC (“Capture”) is a U.S. Virgin Islands limited liability corporation that is seeking Virgin Islands Economic Development Commission (“VIEDC”) tax incentives as a Categories IV – Designated Services Business (Financial) providing financial management and consulting, business management and venture capital services. All of Capture’s clients will be located outside the U.S. Virgin Islands. Capture’s services may be provided through one or more wholly owned, disregarded subsidiaries. On May 25, 2022, the VIEDC received Capture’s application for consideration of tax incentive benefits as a “new” applicant.

Capture commits to employing a minimum of five (5) full-time employees, including the owner, within one (1) year from the date its Certificate is signed by the EDC Chairman or within one (1) year of commencement of benefits, whichever is later. Capture also commits to make a capital investment of One Hundred Thousand Dollars (\$100,000) in the benefited business commencing May 9, 2021 ending on May 9, 2024. Capture also agrees to meet all statutory, and special conditions, and other applicable requirements for the grant of tax incentive benefits. Capture is located on the island of St. Croix.

The Governing Board voted (% – 0) to:

1. Find Capture VI, LLC is deserving of a grant of tax incentives.
2. Grant Capture VI tax exemptions at one hundred percent (100%) of the incentives authorized by law for a period of 30 years in accordance with the provisions of V.I. CODE ANN., tit 29, chapter 12.
3. Require services provided to U.S. Virgin Islands clients to be specifically excluded from the tax incentives granted to Capture VI, LLC.

2. Octavia Consulting Group, LLC – New Application

Octavia Consulting Group, LLC (“Octavia”) is a U.S. Virgin Islands limited liability corporation that is seeking Virgin Islands Economic Development Commission (“VIEDC”) tax incentives as a Categories IV – Designated Services Business (Financial) providing business management and consulting services, to include marketing, staffing, bookkeeping and back office and administrative services. All clients of Octavia will be located outside the USVI. Octavia’s services may be provided through one or more wholly owned, disregarded subsidiaries. On May 31, 2022, the VIEDC received Octavia’s application for consideration of tax incentive benefits as a “new” applicant.

Octavia commits to employing a minimum of five (5) full-time employees, including the owner, within one (1) year from the date its Certificate is signed by the EDC Chairman or within one (1) year of commencement of benefits,

whichever is later. Capture also commits to make a capital investment of One Hundred Thousand Dollars (\$100,000) in the benefited business. Octavia also agrees to meet all statutory, and special conditions, and other applicable requirements for the grant of tax incentive benefits. Octavia is located on the island of St. Thomas.

The Governing Board voted (5 – 0) to:

1. Find Octavia Consulting Group, LLC is deserving of a grant of tax incentives.
2. Grant Octavia Consulting Group, 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. Require services provided to U.S. Virgin Islands clients to be specifically excluded from the tax incentives granted to Capture VI, LLC.

2. WVJD, LLC – New Application

WVJD, LLC (“WVJD”) a U.S. Virgin Islands limited liability corporation that is seeking Virgin Islands Economic Development Commission (“VIEDC”) tax incentives as a Categories III – Boutique hotel and amenities normally associated with a full-service hotel/resort. WVJD may establish one or more wholly-owned disregarded subsidiaries through which it will carry out the business activities. On May 31, 2022, the VIEDC received Octavia’s application for consideration of tax incentive benefits as a “new” applicant.

WVJD commits to employing a minimum of seven (7) full-time employees, excluding the owner, within one (1) year from the date its Certificate is signed by the EDC Chairman or within one (1) year of commencement of benefits, whichever is later. WVJD commits to employ an additional three (3) full-time employees within three (3) years of commencement of tax incentives or three (3) years from the date the Certificate is signed by the Chairman, whichever is later and regardless of whether Phase II is completed or not. WVJD also commits to make a capital investment of Three Million Dollars (\$3,000,000) in the benefited business commencing within the first year of tax incentives and completed three (3) years from the date of commencement of tax incentives or three (3) years from the date the Certificate is signed by the Chairman, whichever is later. WVJD also agrees to meet all statutory, and special conditions, and other applicable requirements for the grant of tax incentive benefits. Octavia is located on the island of St. John.

The Governing Board voted (5 – 0) to:

1. Find WVJD, LLC is deserving of a grant of tax incentives.
2. Grant WVJD, 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. Require the following to be specifically excluded from the tax incentives granted to WVJD, LLC:
 - Retail sales, concessions, and rental activities not owned and operated by WVJD, LLC.

***Added to Meeting Agenda**

Compliance:

❖ Neighborhood Establishment, LLC – New Application

On July 30, 2019, Neighborhood Establishment, LLC (“Neighborhood”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentives to conduct the business of operating a Category III - Hotel/Guesthouse providing management of two (2) affiliated full-service hotels with ancillary activities normally associated with hotels at two (2) locations on the islands of St. Croix, and a Category IV - Designated Services Business providing business management and consulting services. Specifically, Beneficiary shall provide property acquisition services, design, construction management services, asset management services, private equity investment, management consulting, and business operations services. The VIEDC tax incentives is valid for a period of 30 years commencing January 1, 2012 and terminating December 31, 2021. Neighborhood is located on the island on St. Croix.

On September 21, 2022, Neighborhood filed a petition requesting an extension of its outstanding charitable cash contribution payments from 2019-2021 as follows:

- i. \$15,000.00 for year 2019 by December 31, 2023;*
- ii. \$15,500.00 for year 2020 by December 31, 2024; and*
- iii. \$16,000.00 for year 2021 by December 31, 2025.*

The Governing Board voted (5 – 0) to:

1. Require Neighborhood Establishment, LLC to pay its Special Condition No. 1-Charitable Contribution 50% cash requirement, totaling \$46,500.00, for years 2019 to 2021 as follows:
 - a. **\$15,000.00 for year 2019 by December 31, 2023;**
 - b. **\$15,500.00 for year 2020 by December 31, 2024; and**
 - c. **\$16,000.00 for year 2021 by December 31, 2025**
2. Require Neighborhood Establishment, LLC to adhere to all other standards and special provisions/conditions of its Certificate of Tax Incentives.