



[EDC, EDB Boards consider applications at public hearing, decide on cases; VIEDA Board adopts resolutions on policies](#)

Submitted by Semele George on Sat, 01/03/2015 - 8:54pm

CHARLOTTE AMALIE, St. Thomas, U.S. Virgin Islands – January 2, 2015 - The V. I. Economic Development Authority (“VIEDA”), through its Economic Development Commission's Board of Directors (hereafter the "EDC Board"), held its final regular public hearing and decision meeting for 2014 to consider one application for tax exemption benefits and decide on compliance matters pertaining to five businesses and on application matters concerning 13 businesses. The Governing Board of Directors for the Economic Development Bank (hereafter the "EDB Board") also held its final meeting for the year to decide on a small business lending matter. The public hearing and decision meetings were held on December 19 and 22 at 8000 Nisky Shopping Center, Suite 620, St. Thomas, USVI, and via video conference feed from the William D. Roebuck Industrial Park on St. Croix.

Representatives of the following business were heard at the public hearing on the following matter:

GCI Management, LLC petitioned the Economic Development Commission (“EDC”) for a modification of benefits in accordance with Act No. 7651 to receive an additional five years of benefits for additional investments exceeding \$1 million.

At the decision meeting, the EDC Board voted on compliance matters as follows:

- 1. Shoreline, Inc.:** The EDC Board voted to accept Shoreline, Inc.’s offer of a global settlement to address its non-compliance matters and vacate the Order for a Show Cause hearing.
- 2. St. Thomas Nursing Home Prime, LP:** The EDC Board voted to forgive St. Thomas Nursing Home Prime, LP's non-compliance with procurement reporting requirements from 2003 through 2010; accept St. Thomas Nursing Home Prime, LP's response to address non-compliance with procurement reporting requirements from 2011 through 2012; accept the supplemented documentation to address compliance with Special Condition No. 1 for health insurance, Special Condition No. 2 for life insurance, and Special Condition No. 3 for funeral leave; forgive the requirement to provide documentation pertaining to Special Condition No. 4 regarding retirement for the period of 2004 through 2006, and to reduce fines for Special Condition No. 5 regarding summer interns; accept this business's documentation to address Special Condition No. 6 regarding management training programs; and approve the requested payment plan to address the outstanding invoices. Failure to comply will result in an Order to show cause why the benefits of this business should not be revoked, and a Show Cause hearing shall be scheduled no later than March 31, 2015.
- 3. Belair Quartz, Inc.:** The EDC Board voted to rescind this business’s requirement to pay fines for non-compliance regarding charitable contributions and accept information to allow the charitable contribution to the Governor's special fund to be credited towards its certificate requirements and uphold the remainder of the EDC Board's decision of November 24, 2014.
- 4. International Capital Management Corporation, LLLP (ICMC, LLLP):** The EDC Board voted to accept ICMC, LLLP’s supplemented documentation to confirm its compliance with charitable contributions, 401k contributions, a management training program, and local procurement; and to forgive ICMC, LLLP’s non-compliance with the V.I. economic development program's procurement rules and regulations in 2008.
- 5. International Capital Management Corporation (ICMC, LLC):** The EDC Board voted to require ICMC, LLC, to pay assessed fines within 30 days to address its non-



compliance as it pertains to the Territory's hospital training for select employees utilizing the services and expertise of the corporate university from 2009 to 2012; require ICMC, LLC, to pay assessed fines within 30 days to address its non-compliance with the V.I. economic development program's rules and regulations regarding its failure to put out to bid. Failure to comply with the EDC Board's decision will result in an Order to show cause as to why ICMC, LLC's tax benefits should not be removed.

At the decision meeting, the EDC Board also voted on application matters as follows:

- 1. Flying Fish Group, LLC:** The EDC Board voted that Flying Fish Group, LLC, is deserving of the grant of tax exemption benefits to submit its findings with a favorable recommendation to the Governor of the U.S. Virgin Islands to approve said tax benefits for a period of 30 years at 100 percent tax exemptions. This Applicant, located on St. Croix, is a designated service business that shall own and operate a family business conducting services ranging from business consulting and management services; venture capital investment; and trading, security, back-office and administrative services. The EDC Board also voted to grant Flying Fish Group, LLC, a waiver of the 80 percent residency requirement to employ two non-residents to fill the position of senior trader within one year of the execution of the certificate, and required Flying Fish Group, LLC to develop a training program in collaboration with the University of the Virgin Islands' Community Engagement and Lifelong Learning (UVICELL) Center for residents of the U.S. Virgin Islands in the area of trading or a similar activity.
- 2. Plessen Healthcare, LLC:** The EDC Board voted that Plessen Healthcare, LLC, and its wholly-owned disregarded entities Plessen II, LLC; Plessen Management Services, LLC; and Plessen Medical Group, LLC are deserving of the grant of tax exemption benefits. The EDC Board to submit its findings with a favorable recommendation to the Governor of the U.S. Virgin Islands to grant tax benefits to this business for a period of 30 years at 100 percent exemptions of benefits. This Applicant will be located on St. Croix and is a Category III health-care facility business that will own and operate an ambulatory surgical center focused on ophthalmologic outpatient surgery, internal medicine and sub-specialty services and will expand into the operation of a hemodialysis facility.
- 3. Caribbean Leasing d/b/a Drive Green VI:** The EDC Board voted to reconsider this business's application for tax exemption benefits, voted not to rehear this matter, and elected to postpone consideration on the merits to allow this business to provide a formal business plan specific to manufacturing activities and a revised five-year projection excluding revenues from the leasing of vehicles within 30 days of receipt of the notice of the EDC Board's decision. The EDC Board will rehear this matter 45 calendar days after the information has been received. This Applicant is a Category II and III business that plans to provide alternative fuel vehicle conversions, 100 percent alternately fueled automotive dealership, automobile manufacturing, and leases of 100 percent alternative fuel vehicles and will be located on the island of St. Thomas.
- 4. CBI Acquisition d/b/a Caneel Bay:** The EDC Board found that there has been a change in applicable law, specifically the intervening law of Act No. 7651 in which a change occurred after the public hearing for the certificate of benefits and voted to reconsider this business's extension application as a modification for tax exemption benefits. The EDC Board voted to modify this business's application to extend a longer benefit period of 10 years at 100 percent tax benefits and an additional term of 10 years for an investment of more than \$10 million in accordance with Act No. 7651. This Applicant is a Category III hotel operating on the island of St. John.
- 5. Denali Asset Management, LLLP:** The EDC Board voted to extend tax benefits for a period of 20 years and found that this business is deserving of the grant of benefits and could not continue to operate without a modification of benefits. It approved a reduction in the minimum employment requirement, and a temporary waiver of charitable contributions from March 20, 2013 to December 31, 2015. This Applicant is a Category IV financial service business which provides investment and advisory services on St. Croix.
- 6. Real Impact Corporation:** The EDC Board voted that Real Impact Corporation is deserving of the grant of tax exemption benefits and to submit its findings with a favorable recommendation to the Governor of the U.S. Virgin Islands to grant tax benefits to Real Impact Corporation, Inc. for a period of 20 years. This Applicant is a Category IV designated service business which will be located on St. Croix and will provide financial advisory services, back office-related services for clients in the commercial real estate market, and business management consulting services.



7. Tropico Management, LP: The EDC Board voted to vacate its decision of September 1, 2011 to terminate Tropico Management, LP's benefits effective April 30, 2011 and voted to grant suspension of benefits from May 1, 2011 to September 30, 2013. The EDC Board also voted to acknowledge this business's wholly-disregarded entities Tropico Equity Partners, LLC; Tropico Edgewood Partners, LLC; Tropico Messadonia Equity Partners, LLC; Tropico Northview Equity Partners, LLC; Tropico Taft Equity Partners, LLC; and Tropico Riverside Equity Partners, LLC, as beneficiaries under the reactivated certificate which shall be effective from October 1, 2013 to April 30, 2018. The EDC Board voted for a waiver of this business's employment and charitable contribution requirement and required Tropico to employ a minimum of eight employees, excluding its owners; make a minimum contribution of \$30,000 annually from October 1, 2013 to April 30, 2018; and be required to make the pro-rated contribution for 2013 of \$7,500 and 2014 charitable requirement within 90 days of the Board's decision. In response to this business's request for modification of benefits pursuant to Act No. 7651, the EDC Board found that this business and its wholly-owned disregarded entities are not deserving of the extended tax benefits at this time and to deny this business' application to extend its term of benefits for a period of 15 years at 100 percent of benefits according to the provisions of law. This applicant is a Category IV designated service business located on St. Croix which provides business management and investment trading and advisory services, consulting services, accounting and tax services, financial modeling, and related business services to clients outside the U.S. Virgin Islands.

8. International Capital & Management Company, LLC: The EDC Board found that International Capital and Management Company, LLC is deserving of the grant of tax exemption benefits and will continue to promote the economic development of the United States Virgin Islands; and voted to submit its findings and recommendation to the Governor of the U.S. Virgin Islands to approve a modification of benefits to extend the initial benefit period from 10 to 20 years, 10 years at 100 percent of benefits, and an additional 10 years at 100 percent of benefits for an additional investment in excess of \$10 million in the beneficiary's business to be made by International Capital and Management Company, LLC, the beneficiary or its affiliated entity, International Capital and Management Company, LLLP. This applicant is a Category IV designated service business on St. Thomas which provides business consulting and management services, construction management and advisory services, investment management and reporting services, accounting and private merchant banking services and the operation of a corporate university.

9. B & B Manufacturing, Inc.: The EDC Board voted to table this matter pending a review of the application of Act No. 7651 to extensions for tax benefits.

10. Harborside Corporation: The EDC Board voted to reconsider its grant of benefits which specifically excluded activities prior to October 9, 2013. The Board voted to change the conditions of Harborside Corporation d/b/a Bolongo Bay Beach Resort's grant of benefits for specifically excluded trade or business to exclude gross receipts tax benefits prior to June 1, 2013 and all remaining tax benefits prior to October 1, 2013; and hotel management services for Water Bay Condo units and the Villa Olga operations. Benefits also do not extend and are not available to vacation-ownership and condominium owners or to the sale of condominium or vacation-ownership units. This Applicant operates a Category III hotel on St. Thomas.

11. Sunshine Shopping Center, Inc.: The EDC Board reconsidered Sunshine Shopping Center, Inc.'s extension application based on the change in applicable law, specifically intervening law Act No. 7651, in which a change occurred after the public hearing and prior to the issuance of the certificate of benefits. The EDC Board voted to extend its application for benefits for an additional 15 years and modify benefits effective 2013. This Applicant owns and operates a shopping center on St. Croix.

12. Carambola Golf Club, LLC: The EDC Board reconsidered Carambola Golf Club, LLC's extension/modification application based on the change in applicable law, specifically intervening law Act No. 7651, in which a change occurred after the public hearing and prior to the issuance of the certificate of benefits. The EDC Board voted to extend the initial grant of benefits from a term of 10 years to a term of 30 years, for an additional 20 years at 100 percent of benefits, and to modify its grant of benefits effective January 1, 2013. This Applicant operates a Category II golf course on St. Croix.

13. Westin St. John Hotel Company, Inc.: The EDC Board reconsidered Westin St. John Hotel Company, Inc. and its wholly-owned subsidiaries WVC St. John and Westin Vacation Management Company's extension/modification application based on the change in applicable law, specifically intervening law Act No. 7651, in which a change occurred after the public hearing and prior to the issuance of the certificate of benefits. The Board voted to recommend an additional term of 10 years at 90 percent benefits for an additional investment in the beneficiary's business of more than \$10 million. This applicant operates a Category III hotel on St. John.



The Board voted to adopt the following resolutions pertaining to a tax increment financing (TIF) agreement along with new and existing VIEDA policies and procedures:

- 1. TIF - Caribbean Development Partners (CDP):** The VIEDA Board adopted a resolution to: 1) alter the portion of the project required to be completed by the developer by substituting one developed commercial lot for the medical office building, and 2) utilize the TIF for the affordable housing component of the requirement project or other components of the required project.
- 2. Economic Development Law - Act No. 7651:** The VIEDA Board voted to adopt a policy with the respective intent of Act No. 7651 as it relates to a modification of existing certificates and retention. Act No. 7651 became law on October 13, 2013 updating the previous economic development law.
- 3. Background checks on applicants of the Economic Development Commission Program:** The VIEDA Board voted to adopt a resolution on background checks of EDC program applicants. The resolution rescinded the EDC Board's decision of July 25, 2014 authorizing the transmittal of confidential background investigation reports to VIEDC applicants or their attorneys, and it further stated that this resolution shall not limit the authority of the VIEDA's legal counsel to seek additional information from the applicant or the applicant's attorney regarding any perceived negative findings in the report.

The Economic Development Bank's (EDB) Board also made a decision on one small business lending matter during executive session.

For more information, contact the V.I. Economic Development Authority, Economic Development Commission (Applications Division), and the Economic Development Bank at 340.714.1700; or the Economic Development Commission (Compliance Division) at 340.773.6499.

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