Virgin Islands Economic Development Authority
Governing Board Meeting
Tuesday, August 9, 2022
Meeting Summary

During the Virgin Islands Economic Development Authority (“USVI EDA”) Governing Board Meeting on Thursday, July 7, 2022, the Governing Board heard from the staff regarding one (1) Hotel Development Program application matter in regular session and one (1) legal matter in Executive Session and voted as follows:

Regular Session
Action Item:

✓ CREF3 USVI Hotel Owner, Inc. f/n/a DiamondRock Frenchman’s Owner, Inc. d/b/a Frenchman’s Reef Marriott Resort & Spa and the New Noni Beach, a St. Thomas Resort, Autograph Collection – Amendments to Redevelopment Agreement

CREF3 USVI Hotel Holdings Limited, an affiliate of Fortress Investment Group LLC (CREF3”), purchased the shares of DiamondRock Cayman Islands, Inc. (“DCI”), which is the sole shareholder of DiamondRock Frenchman’s Owner, Inc., and is now the owner of Frenchman’s Reef and the new Noni Beach, a Marriott Autograph Collection Resort (collectively referred to herein as the “Resort”) located in Frenchman’s Bay, St. Thomas, U.S. Virgin Islands. These properties were formerly known as the Frenchman’s Reef Marriott and Morningstar Beach Resort. CREF3 is requesting Virgin Islands Economic Development Authority (“USVI EDA”) approval pursuant to the Hotel Development Act (“HDA”), to secure 50% of Designated Hotel Occupancy Tax (“DHOT”) and the right to charge an Economic Recovery Fee (“ERF”) of 2.5%. CREF3 also seeks approval to issue Hotel Development Notes in accordance with V.I. CODE ANN. Tit. 29, §§ 1308, 1309, and 1310 to assist, along with traditional mortgage financing procured by the Resort, with its financing of the reconstruction and renovation of the Resort.


This matter comes before the Board for consideration of amendments to the Redevelopment Agreement Redevelopment Agreement between the Government of the Virgin Islands of the United States and CREF3 USVI Hotel Owner, Inc., a USVI corporation.

The Governing Board voted (5 – 0) to:

1. Approve the following amendments to the Redevelopment Agreement previously considered on June 7, 2022 and transmitted to the Honorable Albert Bryan Jr. for review on or about June 10, 2022:¹

   a. Section 17.13 Assignment is amended to insert the language in bold below:

¹ To date, Governor Bryan has not approved the Redevelopment Agreement and, as such, the instant amendment is timely.
The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the USVIEDA, provided, however, that, after the issuance of the Certification, the Developer may assign its interest in this Agreement to an entity purchasing substantially all of the Developer’s assets whose collective net worth is greater or equal to that of the Developer at the time of such assignment but only upon application to and approval by the USVIEDA to such assignment (upon such procedures as the USVIEDA may then have in place). Any successor in interest to the Developer under this Agreement shall certify in writing to the USVI its agreement to abide by all terms of this Agreement for the remaining Term of the Agreement. Notwithstanding the foregoing, the holder of the mortgage on the Property, ACREFI Mortgage Lending, LLC, its successors or assigns, shall be a permitted assignee under this Agreement.

b. Insert “a minimum of” before the number of guestrooms, where it appears in Recital C: The Project, Exhibit B: Project Description, and Exhibit C: Key Program Elements.

2. Acknowledge and approve that the St. Thomas Resort Autograph Collection, presently anticipated to be named “the Seaborn” may change its name, but will remain an Autograph Collection Resort.

3. Require the Amended Redevelopment Agreement to be resubmitted to the Governor of the U.S. Virgin Islands for approval and subsequent ratification by the Legislature of the Virgin Islands pursuant to 29 V.I.C. § 1307(c).

Executive Session
Legal Matter:

❖ SMOCKLAW, P.C.: Extension of Professional Services Agreement

The Governing Board voted (5 – 0) to:

❖ Approve an extension of the professional services agreement with SmockLaw, P.C., for a period of one (1) year.