

**Virgin Islands Economic Development Commission
Decision Meeting of Thursday, May 13, 2021
Summary Report Out**

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Thursday, May 13, 2021, the Governing Board heard recommendations from staff regarding three (3) application matters and one (1) compliance matter in Executive Session and voted as follows:

Executive Session:

Action Items:

Applications:

1. Cinnamon Bay Resort, LLC d/b/a Cinnamon Bay Resort & Campground – Admission of Member/Partner and Extension of Time to Commence Tax Incentive Benefits

MOTION #1

The Governing Board voted (5 – 0) to:

1. Acknowledge and approve a change in the ownership structure and interest of Cinnamon Bay Resort, LLC d/b/a Cinnamon Bay Resort & Campground pursuant to 29 V.I.C. § 714(b) as follows:

<u>Shareholder</u>	<u>Address</u>	<u>Ownership Percentage</u>
CinnOpCo, LLC	909 Third Ave. 16th Floor New York, NY 10022	99%
CinnOpCo 1, Inc.	909 Third Ave. 16th Floor New York, NY 10022	1%

2. Require the admission of the shareholders/owners indicated above be effective May 6, 2019.
3. Require all other terms and provisions of the grant of tax incentives delineated in the VIEDC approval letter of May 30, 2018 remain in full force and effect.

MOTION #2

The Governing Board voted (5 – 0) to:

1. Acknowledge Cinnamon Bay has shown good cause for the grant of additional time to commence its tax incentives due to the COVID-19 global pandemic and resulting work delays.
2. Approve an extension of time to January 1, 2021 for Cinnamon Bay to commence its tax incentives.

3. Require the tax incentives granted to Cinnamon Bay be null and void should said incentives not commence on or before January 1, 2021.
4. Require all other terms and provisions of the grant of tax incentives delineated in the VIEDC approval letter of May 30, 2018 remain in full force and effect.

2. Eight Tower Group, LLC – New Application

The Governing Board voted (5 – 0) to:

1. Find Eight Tower Group, LLC is deserving of a grant of tax exemption incentives.
2. Grant Eight Tower Group, LLC be 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 Eight Tower Group, LLC be granted an extension of time to satisfy the minimum full-time employment requirement as follows:

Applicant/Beneficiary shall employ a minimum of three (3) full-time employees, inclusive of owner, within one (1) year from the date its Certificate is signed by the VIEDC Chairman, five (5) full-time employees, inclusive of owner, within two (2) years from the date its certificate is signed by the VIEDC Chairman, and five (5) full-time employees, excluding owner, no later than three (3) years after the Chairman signs its Certificate.

3. St. Croix Renaissance Group, LLC – Reconsideration of Charitable Contribution Provision

MOTION #1

The Governing Board voted (5 – 0) to:

1. Acknowledge sufficient grounds for reconsideration have been established pursuant to V.I.R.R. 717-403 based on change in material fact which occurred after the public hearing.
2. Require VIEDC proceed to a decision on the merits of the petition and take such appropriate action as authorized by law, rules and regulations to decide this matter within the applicable timeframe set forth in V.I.R.R. 717-404.

MOTION #2

The Governing Board voted (5 – 0) to:

1. Approve the requested changes to the Charitable Contribution provision of the March 11, 2021 amended grant of incentives to St. Croix Renaissance Group, LLLP to now state as follows, with amended language in bold: Applicant/Beneficiary shall make a minimum charitable contribution of Ten Thousand Dollars (\$10,000.00) annually to broad-based charitable causes and non-profit organizations in the Territory, of which Five Thousand Dollars (\$5,000.00) shall be contributed toward educational programs

or initiatives. Applicant/Beneficiary shall contribute a minimum of Forty Thousand Dollars (\$40,000.00) annually in in-kind charitable contributions to USVI organizations. The valuation of the in-kind contribution shall be based on fair market value in accordance with Internal Revenue Service guidelines.

In lieu of Forty Thousand Dollars (\$40,000.00) in in-kind contributions annually and Five Thousand Dollars (\$5,000.00) in cash contributions to broad-based charitable causes and non-profit organizations annually, Applicant/Beneficiary may donate, in fee simple, approximately **4.35** U.S. acres (“Drag Strip Land” and “Road Plots”), valued no less than the aggregate value of the in-kind and cash contributions over the term of this certificate, to the Government of the Virgin Islands to be used for sports and recreation activities.

Applicant/Beneficiary shall submit **appraisals** of the approximately **4.35** U.S. acre **plots** from a duly licensed U.S. Virgin Islands appraiser along with the fully executed transfer agreement/deed within 30 days of said transfer.

2. With the exception of the above-referenced amendments, require all other terms and provisions of the amended grant of incentives approved by VIEDC on March 11, 2021 remain in full force and effect.

Compliance:

• **Sugar Bay Club & Resort Corp. – Notice to Showcause**

The Governing Board voted (5 – 0) to:

1. Accept that Sugar Bay Club & Resort Corp. failed to comply with reporting requirements over 151 days pursuant to VIEDC Rules and Regulations, Section 723.
2. Require Sugar Bay Club & Resort Corp. to submit all outstanding reports and reporting requirements for the period January 1, 2015 to date of their request for termination no later than May 31, 2021.
3. Require Sugar Bay to submit an amended petition indicating the exact date of its anticipated voluntary termination, and any recommendation for resolution of non-compliance, no later than May 31, 2021.
4. Require Sugar Bay Club & Resort Corp.’s petition for voluntary termination be presented upon compliance with the aforementioned filing requirements.
5. Should Sugar Bay Club & Resort Corp not comply with the aforementioned within the time period required by the VIEDC Board an order to show cause why its certificate should not be revoked, suspended, or modified may be issued pursuant to 29 V.I.C. § 722.