

**Virgin Islands Economic Development Commission**  
**Decision Meeting of Thursday, May 12, 2022**  
**Summary Report Out**

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Thursday, May 12, 2022, the Governing Board heard recommendations from staff regarding six (6) application matters and two (2) compliance matters, and voted as follows:

**Regular Session:**

**Action Items:**

**Applications<sup>1</sup>:**

**1. Century Wealth Advisors, LLC – New Application**

*On November 15, 2021, Century Wealth Advisors, LLC (“CWA”) filed an application of the Virgin Islands Economic Development Authority (“VIEDC”) for consideration of tax incentive benefits as a “new” applicant under the small business program. CWA is seeking VIEDC tax incentives as a Category IV - Designated Services Business for its provision of business management, consulting, and financial advisory services pursuant to V.I. CODE ANN. tit. 29, § 708(a), and as a small business pursuant to 29, § 708b. All of CWA’s clients will be located outside the U.S. Virgin Islands.*

*CWA commits to make a minimum capital investment of at least Twenty Nine Thousand Eight Hundred Dollars (\$29,800). CWA commits to employ a minimum of two (2) full-time employees, including the owner within one (1) year from the date the Chairman signs the Certificate or one (1) year from commencement of benefits, whichever is later. CWA commits to hire one (1) additional full-time employee within three (3) years of commencement of benefits or three (3) years from the date the Chairman signs the Certificate, whichever is later. CWA is located on the island of St. Thomas.*

The Governing Board voted (5 – 0) to:

1. Find Century Wealth Advisors, LLC is not deserving of a grant of tax incentives at the level of commitment and that Century Wealth Advisors, LLC can continue to operate profitably without the economic development incentives.
2. Deny Century Wealth Advisors, LLC a grant of incentives in accordance with the provision of 29 V.I.C. § 717(b) and find the basis for the denial of benefits as follows:
  - a. Cost benefit ratios suggest that Century Wealth Advisors, LLC is unlikely to provide sufficient fiscal benefits to the U.S. Virgin Islands to justify the cost of providing it with tax incentives; and
  - b. Century Wealth Advisors, LLC is an existing business in the U.S. Virgin Islands, has been in operation for over four (4) years; and its removal from the tax roll will not result in increased tax revenues to the U.S. Virgin Islands’ Treasury.

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<sup>1</sup> Governing Board Member Penn was absent for the votes on the Application Matters.

## **2. Digital Lending Innovation, LLC – New Application**

*On January 28, 2022, Digital Lending Innovation, Inc. (“Digital Lending”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. Digital Lending shall own and operate a Category IV - Designated Financial Service Business providing financial consulting and technology consulting and development services to its clients, including clients serving the mortgage lending and financial industries. All of Digital Lending’s clients will be located outside the U.S. Virgin Islands. Digital Lending’s services may be provided through one or more wholly owned disregarded subsidiaries.*

*Digital Lending commits to invest a minimum of One Hundred Thousand Dollars (\$100,000.00) in the benefited business commencing February 28, 2021 and completed within one (1) year from the date of commencement of tax incentives or one (1) year from the date the Chairman signs the VIEDC Certificate, whichever is later. Digital Lending commits to employ a minimum of six (6) full-time employees, including the owner, within two (2) years from the date the Chairman signs the VIEDC Certificate or within two (2) years of commencement of tax incentives, whichever is later. Digital Lending is located on the island of St. Thomas.*

The Governing Board voted (5 – 0) to:

1. Find Digital Lending Innovation, Inc. is deserving of a grant of tax incentives.
2. Grant Digital Lending Innovation, Inc. 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 Digital Lending an extension of time to satisfy the minimum full-time employment requirement as follows:

Applicant/Beneficiary shall employ a minimum of six (6) full-time employees, including the owner, Anthony P. Jenkins, within two years from commencement of tax incentives or two years from the date the Chairman signs the Certificate, whichever is later.

## **3. Northside Ventures, LLC – New Application**

*On February 4, 2022, Northside Ventures, LLC (“Northside”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for consideration of tax incentive benefits as a “new” applicant under the small business program. Northside seeks VIEDC tax incentives as a Category IV - Designated Services Business for its provision of a full range of management and consulting, fundraising and financial advisory services, with a focus on venture capital funds that specialize in Late-Stage and Growth Equity investments in high-tech companies, pursuant to V.I. CODE ANN. tit. 29, § 708(a), and as a small business pursuant to 29 V.I.C., § 708b. All of Northside’s clients will be located outside the USVI.*

*Northside commits to make a minimum capital investment of at least Twenty Thousand Dollars (\$20,000.00). Northside will employ a minimum of two (2) full-time employees, including the owner, within one (1) year of the date that its Certificate is signed by the Chairman, or within one (1) year of commencement of benefits, whichever is later. Northside is located on the island of St. Thomas.*

The Governing Board voted (5 – 0) to:

1. Find Northside Ventures, LLC is not deserving of a grant of tax incentives at the level of commitment.

2. Deny Northside Ventures, LLC a grant of incentives in accordance with the provision of 29 V.I.C. § 717(b) and find the basis for the denial of benefits is Northside Ventures, LLC's levels of commitment.

**4. Sunshine Shopping Center, Inc. – Petition for Admission of Shareholder**

*On July 10, 1992, Sunshine Shopping Center, Inc. (“Sunshine”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits to conduct the operation of a Category III - Shopping Center located in Estate Cane on St. Croix. On December 22, 2014, the Governing Board approved Sunshine’s application by extending its tax incentives from 15 to 30 years, an additional 15 years at 100% tax incentive benefits.*

*By letter dated January 27, 2022, Sunshine submitted a petition to request a change in its ownership structure. Sunshine is located on the island of St. Croix.*

The Governing Board voted (5 – 0) to:

- Table the petition for the change in ownership structure of Sunshine Shopping Center, Inc. pending additional information regarding VIEDC background finding.

**5. Tamarind Reef Resort & Marina, Inc. – Petition for Admission of Shareholder**

*In 2004, St. Croix Financial Center, Inc. (“SCFC”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits to conduct the operations of a Category II and III - Hotel and Marina. SCFC was the owner of the Tamarind Reef Hotel and the Green Cay Marina, Inc.*

*On February 11, 2019, SCFC submitted a Certificate of Amendment issued from the Division of Corporations which stated that SCFC amended its Articles of Organization to change its name to Tamarind Reef Resort & Marina, Inc. The Beneficiary requested that the VIEDC approved the change from St. Croix Financial Center, Inc. to Tamarind Reef Resort & Marina, Inc. (“Tamarind Reef”) effective November 17, 2019 and that SCFC Modified VIEDC Certificate be amended to reflect the name change. On May 30, 2019, VIEDC approved the petition for name change.*

*On February 15, 2022, Tamarind Reef submitted a petition for transfer of ownership. Tamarind Reef is located on the island of St. Croix.*

The Governing Board voted (5 – 0) to:

1. Approve the change in ownership of Tamarind Reef pursuant to 29 V.I.C. § 714(b) as follows:

| Owner                     | Address                                   | Ownership Percentage |
|---------------------------|---|----------------------|
| Lifestyle Properties, LLC | 5000 Southgate<br>Christiansted, VI 00820 | 100%                 |

2. Require the change in ownership to be effective October 22, 2021.
3. Require the Certificate of Tax Incentives to be amended to reflect the new owner, Lifestyle Properties, LLC and its sole member, John Alexander.

**6. United Electronics Industries Services, LLC – Reconsideration Petition**

*United Electronics Industries Services, LLC (“UEIS”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits to conduct the operation of a Category II - Manufacturing Business providing full service Surface Mount Technology and Through Hole Manufacturing and Rework & Engineering*

*Change Order Implementation. Additionally, UEIS also operates a sales, marketing, and support and product servicing components for its clients. UEIS is located on the island of St. Thomas.*

*On March 15, 2021, UEIS submitted a modification application to the VIEDC for an additional 10 years of incentives in accordance with Title 29 VIC § 713a(d) such that its original Certificate is modified to reflect 20 years of incentives. UEIS requested that its eligible revenue streams include income derived from the design and development of intellectual property that is installed in its products for sale to third parties. On January 10, 2022 the VIEDC Governing Board voted to approve the modification application, and table its consideration to amend its approved business activities to include the design, development, and sale of intellectual property, regardless of whether that intellectual property is installed in its products for sale to third parties pending additional information. On March 10, 2022, the VIEDC Governing Board voted to deny an amendment of UEIS' approved business activities to include the design, development, and sale of intellectual property not installed in its products for sale to third parties.*

*On March 14, 2022, the UEIS submitted a petition for reconsideration of the board's action.*

**MOTION 1 – Reconsideration:**

The Governing Board voted (5 – 0) to:

- Find United Electronics Industries Services, LLC has established sufficient grounds for reconsideration pursuant to V.I.R.R. 717-403 based on a finding, conclusion, or other matter upon which the petitioner has not previously had the opportunity to comment; and
- 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 – Amend Eligible Activities:**

The Governing Board voted (5 – 0) to:

- Rehear United Electronic Industries Service, LLC's petition at the next VIEDC scheduled meeting, but no later than 45 days from the date of this decision pursuant to V.I.R.R. 717-404(b).

**Compliance<sup>2</sup>:**

**1. CREF3 USVI Hotel Owner, Inc. – Petition to Amend Retirement Plan Provision**

*CREF3 USVI Hotel Owner, Inc. ("CREF3") is now the owner of Frenchman's Reef and the new Noni Beach, a Marriott Autograph Collection Resort located in Frenchman's Bay, St. Thomas. These properties were formerly known as the Frenchman's Reef Marriott and Morningstar Beach Resort.*

*On October 12, 1999, MIFR (Virgin Islands), Inc. ("MIFR") applied to the VIEDC and was approved for 10 years of tax incentives. In June 2005, MIFR was sold to DiamondRock Frenchman's Owners, Inc. ("DiamondRock") which then submitted an extension application to the Virgin Islands Economic Development Commission ("VIEDC") which was approved for a five (5) year tax incentive period. Thereafter, DiamondRock submitted another extension application for a period of 15 years in accordance with the expanded period of incentives under Act 7651. On April 17, 2018, DiamondRock submitted a modification/extension application for an additional 10 years of tax incentives for capital investments made in excess of \$10 million at 100% of benefits. DiamondRock was*

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<sup>2</sup> Governing Board Member Penn was present for the votes on the Compliance Matters.

*granted tax exemption incentives as a Category III - Hotel/Guesthouse Business to include ancillary activities normally associated with a full service hotel.*

*On March 24, 2022, VIEDC received a request to amend CREF3's Second Modified and Fourth Extended Certificate reflecting the current structure of Aimbridge Hospitality's applicable employee 401(k) benefit plan.*

The Governing Board voted (6 – 0) to:

1. Approve the amendment of CREF3 USVI Hotel Owner, Inc.'s Special Condition No. 4 - Retirement Plan requirement to read as follows:

For each payroll period, Applicant/Beneficiary shall make matching contributions to the account of each eligible employee equal to no less than fifty percent (50%) of the employee's tax-deferred contributions, excluding catch-up contributions, up to a maximum amount of the employee's Tax-Deferred Contributions of six percent (6%) of the employee's compensation. Therefore, the maximum Matching Contribution cannot exceed three percent (3%) of an employee's compensation.

Notwithstanding the paragraph above, if an employee is covered under a collective bargaining agreement, and such collective bargaining agreement provides for a different Matching Contribution formula, or different Matching Contribution eligibility requirements, the terms of the collective bargaining agreement will control with respect to that employee. Accordingly, with respect to such an employee there may be no Matching Contribution.

2. Require CREF3 USVI Hotel Owner, Inc. to adhere to all other standard and special provisions/conditions of its Certificate of Tax Incentives.

## **2. Tramway Properties, Inc. – Petition for Reconsideration**

*On November 17, 2016, Tramway Properties, Inc. ("Tramway"), applied for the Virgin Islands Economic Development Commission ("VIEDC") tax exemption incentives. On May 25, 2018, Tramway was granted the tax incentives to own and operate a Category III - Tourism Recreational Business consisting of an aerial tramway system that transports passengers from the base of Flag Hill to Paradise Point, located 700 feet above sea level. Tramway also operates related activities that include a restaurant and bar, nature trail, observation deck, concessions and retail sales. Tramway is located on the island of St. Thomas.*

*During its Governing Board Decision meeting on December 8, 2020, the Board reaffirmed its decision of July 15, 2020 to deny Tramway a waiver of its minimum full-time employment requirement from 14 full-time employees to 11 full-time employees commencing January 1, 2019 to December 31, 2019, and required Tramway to pay a total of \$47, 840.00 for the average shortfall of two (2) full-time employee for the 2019 compliance period.*

*On January 7, 2022, Tramway filed a petition requesting forgiveness, a waiver, or reduction of the \$47,480.00 assessment.*

The Governing Board voted (6 – 0) to:

1. Find Tramway Properties, Inc. has not presented any new grounds for the VIEDC to reverse its previous decision.

2. Reduce Tramway Properties Inc.'s previously assessed fine of \$47,840.00 for the shortfall of the full-time employment requirement in 2019 by fifty percent (50%) to \$23,920.00.
3. Require Tramway Properties, Inc. to remit the assessed value of \$23,920.00 within 30 days of notice of the VIEDC Governing Board's decision.
4. Require Tramway Properties, Inc. to adhere to all other standards and special provisions/conditions of its Certificate of Tax Incentives.
5. Require a show cause order to be issued pursuant to 29 V.I.C. § 722 to explain why its Certificate should not be revoked, suspended, or modified should Tramway Properties, Inc. fail to comply with recommendation numbers 3 or 4 above.