

Virgin Islands Economic Development Commission
Decision Meeting of Thursday, January 26, 2023
Summary Report Out

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Thursday, January 26, 2023, the Governing Board heard recommendations from VIEDC Team regarding five (5) application matters Regular Session and voted as follows:

Regular Session:

Action Items:

Application:

1. Cypress Mortgage Capital, Inc. – Extension of Time to Commence Benefits Petition

Cypress Mortgage Capital, Inc. (“CMC”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits as a Category IV – Designated Service Financial Business providing business and management consulting services, financial management services, and venture capital management and investment to clients primarily within the residential and commercial loan industries pursuant to V.I. CODE ANN. tit. 29, § 708(a). In particular, CMC will acquire, service, hold, manage, and sell residential loans and other secured and unsecured debts nationwide, to include buying, selling, holding, originating, servicing, and financing consumer and commercial loans, including rights, obligations, hedges and other financial assets. All clients will be located outside the USVI. CMC’s services may be provided through one or more wholly owned, disregarded subsidiaries in accordance with V.I. CODE ANN. tit. 29, § 714(c). CMC is located on the island of St. Croix.

On January 12, 2023, CMC submitted a petition for an extension of time to commence tax incentives.

The Governing Board voted (5 – 0) to:

1. Find Cypress Mortgage Capital, Inc. has shown good cause for the grant of additional time to commence its tax incentive benefits.
2. Grant Cypress Mortgage Capital, Inc. an extension of time to commence its tax incentives to January 13, 2024.
3. Require Cypress Mortgage Capital, Inc.’s tax incentives to be null and void should said incentives not commence on or before January 13, 2024.
4. Require all other terms and provisions of the amended grant of incentives delineated in the VIEDC approval letter of January 13, 2022 shall remain in full force and effect.

2. Hibiscus Beach, LLC – New Application

Hibiscus Beach, LLC d/b/a Hibiscus Beach Hotel (“Hibiscus Beach”) seeks Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits as a Category III – Hotel/Guesthouse to own and operate a boutique hotel and amenities normally associated with a hotel on the island of St. Croix. Hibiscus Beach may establish one or more wholly owned disregarded subsidiaries through which it may carry out the above business activities. Hibiscus Beach is located on the island of St. Croix.

Hibiscus Beach commits to employ a minimum of twelve (12) full-time employees within one (1) year from the date the VIEDC Chairman signs the Certificate or within one (1) year of commencement of hotel operation, whichever is later. Hibiscus Beach shall employ an additional twelve (12) full-time employees within one (1) year of completion of Phase III. Hibiscus Beach also commits to invest a minimum of Four Million Five Hundred Ten Thousand Dollars (\$4,510,000.00) in the benefited business commencing September 8, 2021, and completed within one (1) year from commencement of tax incentives or one (1) year from the date the VIEDC Chairman signs the Certificate, whichever is later. Additionally, Hibiscus Beach has agreed to meet all statutory requirements and other applicable requirements for a grant of benefits.

The Governing Board voted (5 – 0) to:

1. Find Hibiscus Beach, LLC is deserving of a grant of tax incentives.
2. Grant Hibiscus Beach, LLC 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 the following be specifically excluded from the tax incentives granted to Hibiscus Beach, LLC:

Retail sales, concessions, and rental activities not owned and operated by Hibiscus Beach, LLC shall be specifically excluded from the tax incentives.

3. Maritain LLC – New Application

Maritain, LLC (“Maritain”) seeks Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits as a Category IV – Designated Financial Services Business providing financial management and consulting services, risk management, data management, claims processing and management, general administrative services, and family office services. All of Maritain’s clients will be located outside the U.S. Virgin Islands. Maritain has established BaseLayer Marketing, Inc. through which it will provide services. Maritain’s services may be provided through one or more wholly-owned subsidiaries. Maritain is located on the island of St. Croix.

Maritain commits to employ a minimum of five (5) full-time employees, including the owner Jeffrey Meyer as CEO, within one (1) year from the date the VIEDC Chairman signs the Certificate or within one (1) year of commencement of tax incentives, whichever is later. Maritain also commits to invest a minimum of One Hundred Thousand Dollars (\$100,000.00) in the benefited business commencing July 6, 2021 and completed within one year from the commencement of tax incentives or one year from the date the VIEDC Chairman signs the Certificate, whichever is later. Additionally, Maritain has agreed to meet all statutory requirements and other applicable requirements for a grant of benefits.

The Governing Board voted (5 – 0) to:

1. Find Maritain, LLC is deserving of a grant of tax incentives.
2. Grant Maritain, 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 be specifically excluded from the tax incentives granted to Maritain, LLC:

Services provided to U.S. Virgin Islands clients shall be specifically excluded from the tax incentives.

4. Spyglass Capital, LLC – New Application

Spyglass Capital, LLC (“Spyglass”) seeks Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits as a Category IV - Designated Service Business providing financial management and consulting services. Spyglass shall serve the investment, financial/accounting fiduciary, philanthropic, and administrative interests of a multi-generational family and its related entities. Spyglass is located on the island of St. Thomas.

Spyglass commits to employ a minimum of five (5) full-time employees, excluding any principals that may be employees, within one (1) year from the date the VIEDC Chairman signs the Certificate. Spyglass also commits to invest a minimum of One Hundred Thousand Dollars (\$100,000.00) in the benefited business commencing January 1, 2022 and completed by December 31, 2022. Additionally, Spyglass has agreed to meet all statutory requirements and other applicable requirements for a grant of benefits.

The Governing Board voted (5 – 0) to:

1. Find Spyglass Capital, LLC is deserving of a grant of tax incentives.
2. Grant Spyglass Capital, 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 be specifically excluded from the tax incentives granted to Spyglass Capital:

Services provided to U.S. Virgin Islands clients shall be specifically excluded from the tax incentives.

5. Tysam Tech, LLC – New Small Business Application

Tysam Tech, LLC (“Tysam”) seeks Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits as a Category IV - Designated Service Business for its provision of engineering and environmental services that meet the unique needs of island-based businesses, government agencies and industrial facilities pursuant to V.I. CODE ANN. tit. 29, § 708(a), and as a small business pursuant to V.I. CODE ANN. tit. 29, § 708b. Most of Tysam’s clients are located in the USVI. Tysam is located on the island of St. Croix.

Tysam commits to employ a minimum of four (4) non-owner full-time employees, excluding any principals that may be employees, within one (1) year from the date the VIEDC Chairman signs the Certificate or one year from commencement of benefits, whichever is later. Tysam also commits to invest a minimum of Four Hundred Nineteen Thousand Dollars (\$419,000.00) in the benefited business within one year from the date the Chairman signs the Certificate or one year from commencement of benefits, whichever is later. Additionally, Tysam has agreed to meet all statutory requirements and other applicable requirements for a grant of benefits.

The Governing Board voted (5 – 0) to:

1. Find Tysam Tech, LLC is deserving of a grant of tax incentives.
2. Grant Tysam Tech, LLC be granted tax exemptions at one hundred percent (100%) of the incentives authorized by law under the small business program for a period of 15 years in accordance with the provisions of V.I. CODE ANN. tit. 29, chapter 12.

3. Require the following be specifically excluded from the tax incentives granted to Tysam Tech, LLC:

Revenues derived from staffing services to non-USVI clients and USVI clients and all other services, with the exception of waste minimization and management services, to USVI clients shall be specifically excluded from the tax incentives.