



U.S. Virgin Islands Enterprise Zone Commission

Economic Development Authority Town Hall Meeting





EZC Mandate

Title 29 VIC, Chapter 19

- **Provide the necessary means** to the assist local communities, the residents, and the private sector in creating the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed Enterprise Zone areas.

- In achieving this objective, **the Territory will seek to provide appropriate investments, tax benefits and regulatory relief of sufficient importance** to encourage the business community to commit its financial participation.
- The intent is to accomplish these goals by **removing unnecessary governmental regulatory barriers** to economic growth, and **to provide for tax incentives and economic development program benefits.**



Tax Benefit Programs

| | Enterprise Zone Tax Credit Program | Enterprise Zone Plan Program | Commercial Zone Program |
|---------------------|--|---|---|
| Virgin Islands Code | Title 29 V.I.C., Chapter 19 §§ 1001-1017h | Title 29 V.I.C., §1014 (2) with sunset of March 9, 2024 | Title 29 V.I.C., §1017 sunset April 28, 2019) |
| Eligibility | <ul style="list-style-type: none"> • Must be a licensed business or an owner-occupied residence within the zone. • Be a resident of the U.S. Virgin Islands ("USVI") • Be the actual investor in the Enterprise Zone. ("EZ") • Meet the standards of ecological compatibility. | In addition to the requirements of the Enterprise Zone Tax Credit program, those applying for this program must have businesses/activities that are in accordance with the incentivized activities in the adopted plan for the zone in which one is applying. | Establish and continue to maintain a business with a valid licenses and permits |
| Benefits | <p>A Nonrefundable gross receipts or income tax credit equal to 25% of the actual value expended within the fiscal year for construction or rehabilitation of building within the zone.</p> <p>A nonrefundable gross receipts or income tax credit equal to 10% of the expenditures within a fiscal year for investment in machinery and equipment for the beneficiary business.</p> <p>A gross receipt tax rate of 3% for gross receipts derived from the EZ business.</p> <p>A one-time nonrefundable \$500 income tax credit for every job created with the for USVI residents.</p> <p>A property tax credit against taxes imposed equal to the increase in property taxes assessed due to renovation, rehabilitation or construction property within the zones.</p> | <p>An income tax exemption of 90%;</p> <p>An exemption from gross receipts of 100%; and</p> <p>An exemption from property taxes of 100%.</p> | <p>A non-refundable gross receipts tax credit or an income tax credit equal to 10% of the actual value expended within a fiscal year for construction /rehabilitation of a building or other real property.</p> <p>Additional percentages may be stacked, but may not exceed 35%. (Off Street Parking 5-15%, Entertainment 5%, New Residential 10%, Retail carrying predominantly cultural or locally made products 10%).</p> <p>A gross receipts tax rate of 3% for gross receipts derived by the Commercial Zone business.</p> <p>A property tax credit against taxes imposed equal to the increase in property taxes assessed due to renovation, rehabilitation or construction property within the zones.</p> |
| Employment | Employ at least two residents of the USVI directly or through a contractor. | Employ at least two residents of the USVI directly or through a contractor. | Employ at least 4 residents of the USVI & 1 paid apprentice directly or through a contractor. |
| Investment | Invest a minimum of \$10,000 in the rehabilitation, renovation or construction of the building. | Invest a minimum of \$10,000 in the rehabilitation, renovation or construction of the building. | Requires a minimum investment of \$75,000. |
| Years of benefits | 10 years in accordance with the issued certificate. | 5 years as specified in the certificate. | 5 years as specified in the certificate. |
| Zone | Christiansted, Frederiksted, Garden Street & Upstreet, Savanne & Downstreet zones. | Christiansted, Frederiksted, Garden Street & Upstreet, Savanne & Downstreet zones | |



Community Plans & Opportunities

| Virgin Islands Code | Christiansted | Frederiksted | Garden Street—Upstreet | Savanne—Downstreet |
|---|--|--|--|---|
| | Title 29 V.I.C., Chapter 19 §1014 (2) | | | |
| Goal | To achieve an 80% ratio of residential units to 20% commercial units within the Christiansted Enterprise Zone and surrounding area ultimately having 5,000 residents residing in the town of Christiansted. | To increase the amount of buildings in use by reducing the number of derelict buildings within the Frederiksted Enterprise Zone. | To revitalize from within creating an environment that is the "good community" for the residents of the community and utilizing its core strengths to engage the larger community to participate in the activities of the Garden Street-Upstreet neighborhoods. | To re-imagine and redevelop the components that historically are the hallmarks of these neighborhoods including correcting the issues that challenge livability in these communities and increasing the interconnectivity of the public spaces known as yards. The new Big Yards will have use a historic idea with a twist— Technology, Environmental or Cultural business activities. |
| Theme | College Town | FreedomNet | The Good Community | The Big Yard |
| Anchors & Projects | <ul style="list-style-type: none"> Academy of Architecture, Building Crafts and Cultural Heritage Greenbelt Development Accelerators Museum & Arts centers Marine Activity Generators 5 star, 4 star and boutique hotels Water park with aquarium component and adjacent cultural village on the western expansion of boardwalk. | <ul style="list-style-type: none"> FREEDOMNET The Experiences Paul E. Joseph Stadium & Sports Complex Establish a Student Restaurant Cultural Center The Save-A-Building Program Urgent Care Services Brugal Rum Factory | <ul style="list-style-type: none"> Lionel Roberts Stadium Garden Street & Major Gut Create lighting in, strengthen the walls of and clean the guts. Identify and improve public spaces— Community park/Green Area to promote neighborhood togetherness. Increase safety by staffing an Emergency Response Center to include fire, police and ambulance. Install a supplemental Fire Protection System Create the cultural corridor with a school of the performing arts and a museum. | <ul style="list-style-type: none"> Learning Centers with cultural elements Producers and retailers of the Virgin Islands cultural products Innovation and Technology Start-up businesses involved in the environment, technology or VI culture. |
| Date of Expirations | March 9, 2024 | March 9, 2024 | March 9, 2024 | March 8, 2025 |
| Eligible Activities for Tax Benefits | <ul style="list-style-type: none"> Infill Housing/Artisan Live Work Museums and Art Galleries Greenbelt Businesses Cultural Businesses | <ul style="list-style-type: none"> History and Culture Technology Sports and Wellness Culinary Arts | <ul style="list-style-type: none"> Experiential Tourism Live Work (Garden Street) Good Community Sports and Entertainment (Upstreet) Arts & Restaurants | <ul style="list-style-type: none"> Start-up businesses involved in the environment, technology or VI culture Innovation and Technology Learning centers with cultural elements Producers of retailers of Virgin Islands cultural products |
| Stakeholders | Christiansted Community Alliance & St. Croix Foundation | Frederiksted Economic Development Association & Our Town Frederiksted | Garden Street—Long Path Association & We From Upstreet | Communication Action Now & Downstreet People |



Challenge

- Multiple Ownership
- Funding

MADE IN THE



USVI

Popping up
in
St. Croix!!

In March 2020



And there are more programs

Estate Planning Conference,
EntrepreNow,
Accelerator programs, Etc!!!

BROUGHT TO YOU BY THE U.S. VIRGIN ISLANDS ECONOMIC
DEVELOPMENT AUTHORITY'S ENTERPRISE ZONE
COMMISSION IN PARTNERSHIP WITH THE VIRGIN ISLANDS
DEPARTMENT OF AGRICULTURE

For more information contact ezc@usviedo.org