

Virgin Islands Economic Development Commission
Decision Meeting of Tuesday, February 6, 2024
Summary Report

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting started and recessed on Thursday, January 25, 2024 and continued on Tuesday, February 6, 2024, the Governing Board heard recommendations from VIEDC Team regarding nine (9) application matters and two (2) compliance matters, and voted as follows:

Regular Session:

➤ **Action Items:**

❖ **Application:**

1. 340 Worldwide, LLP – Amended Grant of Incentives

340 Worldwide, LLP (“340WW”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive to own and operate Category IV designated service business for its provision of business management, consulting, investment management, venture capital, back-office support, and family office services. All 340WW’s clients will be located outside the USVI. 340WW may establish one or more wholly owned, disregarded subsidiaries through which it will conduct its operations. 340WW is located on St. Thomas.

On December 22, 2023, 340WW submitted a petition requesting amended language to its grant of incentives.

The Governing Board voted (5 – 0) to:

1. Approve an Amended Grant of Tax Incentives to 340 Worldwide, which shall now state, in relevant part, as follows:

Business: 340 WORLDWIDE, LLC (“Applicant/Beneficiary” or “340WW”) shall own and operate a Category IV designated services business providing business management, consulting, investment management, venture capital, back-office support, and family office services on St. John. All of 340WW’s clients shall be located outside the U.S. Virgin Islands. The following four (4) wholly owned, disregarded subsidiaries were established by 340WW, through which it shall conduct its operations: (1) 340 ENERGY, LLC, (2) VM TECHNOLOGIES, LLC, (3) R2GP, LLC and (4) WHEREHOUSE, LLC.

Tuition Reimbursement: Applicant/Beneficiary shall provide its employees with tuition reimbursement for the completion of courses for an associate or bachelor’s degree pertaining to the employee’s job duties or for certification course(s) that improve the proficiency or productivity of the workplace. To be eligible for reimbursement, the employee must receive prior written approval from his/her immediate supervisor. Applicant/Beneficiary shall provide reimbursement at one hundred percent (100%) for a grade of “A” or “B”. For courses with a Pass/Fail, there will be a one hundred percent (100%) reimbursement for a grade of pass.

2. Require all other terms and provisions of the Grant of Tax Incentives to remain in full force and effect.

2. Harborside Corporation – Petition for Addition of Real Property

Harborside Corporation d/b/a Bolongo Bay Beach Resort (“Harborside”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive to own and operate a Category III Hotel/Guesthouse and all other ancillary activities normally associated with a full-service hotel. Harborside is located on St. Thomas.

On September 14, 2023, Harborside submitted a petition to the VIEDC notifying of the addition of additional units to the resort’s inventory and requested that its Certificate be modified to include the additional units.

The Governing Board voted (5 – 0) to:

1. Acknowledge and approve a one hundred percent (100%) real property exemption on the below-listed real property to be included in Harborside Certificate:

Room No.	New Room No.	Unit(s) /Apt.	Bldg.	Property No.	Parcel
9	203	2	EW	10-2	Bolongo Beach & Tennis Club 1-09401-0220-21
58	127	3	WW	2-1	52-1 Bolongo 1-09401-0116-03
58	127	5	WW	1-5	Bolongo 52-1 1-09401-0116-19
59	128	5	WW	2-5	Bolongo 52-1 1-9401-116-22

2. Require the First Extended First Modified Certificate of tax incentives to be amended and renamed the First Extended Second Modified Certificate to reflect the herein-referenced changes, effective January 1, 2024.
3. Require all other terms and provisions of the First Extended First Modified Certificate to remain in full force and effect.

3. Lovango Island Holdings, LLP – Recall of Petition for Retroactive Commencement of Tax Incentives and Amended Request for Procurement Waiver

Lovango Island Holdings, LLP (“Lovango”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits as a Category III – Hotel/Guesthouse for the construction and management of a full-service resort with ancillary activities normally associated with a resort, to include a restaurant, beach club, pool, fitness club, vacation rentals, ferry and concierge services on Lovango Cay, St. John. Lovango also stated it will establish one (1) or more wholly owned, disregarded subsidiaries through which it will hold title to the real property for the resort, and to carry out the above activities. Lovango is located on Lovango Cay, St. John.

On August 24, 2023 Lovango submitted a petition requesting a January 1 2023 Commencement Date for all tax incentive benefits and a limited procurement waiver for calendar year 2023 through January 31, 2024.

Recommendation 1:

The Governing Board voted (5 – 0) to:

1. Acknowledge and accept the recall of Lovango Island Holdings, LLP’s August 23, 2023 Petition.
2. Find Lovango Island Holdings, LLP has encountered extraordinary and special circumstances relating to procuring goods and services, particularly as it pertains to construction and general operations.
3. Grant Lovango Island Holdings, LLP a temporary procurement waiver from January 1, 2023 through January 31, 2024.
4. Grant Lovango Island Holdings, LLP an extension of time to meet the applicable 2023 certificate requirements within 30 days from the date of the Compliance Orientation session.
5. Require Lovango Island Holdings, LLP to furnish a copy of its Request for Qualification to the VIEDC within five (5) business days of publication and file a copy of the selected vendors with VIEDC Compliance Division within 30 calendar days from the date of the Compliance Orientation session.
6. Reaffirm its previous decisions to extend the date to commence all tax incentives to January 1, 2023.

Recommendation 2:

The Governing Board voted (5 – 0) to:

1. Approve an Amended Grant of Tax Incentives to LIH, which shall now include the following:

Employment Requirement: Applicant/Beneficiary shall employ a minimum of 10 full-time employees within three (3) years from the date the VIEDC Chairman signs the certificate. Applicant/Beneficiary shall employ a minimum of 70 full-time employees during its peak season¹ by the fifth year after the date the Chairman signs the certificate.

Applicant/Beneficiary shall comply with the requirement that at least eighty percent (80%) of all persons it employs shall be U.S. Virgin Islands residents as defined in 29 V.I.C. § 703(e) and not less than twenty percent (20%) of management, supervisory and/or technical positions shall be held by residents of the U.S. Virgin Islands pursuant to 29 V.I.C. § 710(a). However, during the initial 10 year period of tax incentive benefits, Applicant/Beneficiary is granted a waiver of the residency requirement that at least sixty percent (60%) percent of all persons it employs shall be U.S. Virgin Islands residents as defined in 29 V.I.C. § 703(e) and not less than twenty percent (20%) of management, supervisory

¹ Applicant/Beneficiary’s peak season is from December through June and low season is from July through November.

and/or technical positions shall be held by residents of the U.S. Virgin Islands pursuant to 29 V.I.C. § 710(a).

At the end of the initial 10-year period, the temporary residency requirement that at least sixty percent (60%) of all persons it employs shall be U.S. Virgin Islands residents may be reviewed and reconsidered by the VIEDC Governing Board upon the request of Applicant/Beneficiary.

Additional Leave: Applicant/Beneficiary shall provide its employees with leave from work to vote. Employees who are required to work on general election and/or primary election days shall be entitled to two {2} hours off from their jobs without loss of pay to vote in all primaries and elections, provided that they notify their employers before such primaries or elections of their intention to be absent for the purpose of voting. See 18 V.I.C. § 3.

2. Require all other terms and provisions of the Grant of Tax Incentives approved by VIEDC at the Decision Meeting on October 8, 2019 and amended on November 19, 2019 to remain in full force and effect.

4. PL Partners, LLP – New Application

On October 13, 2023, PL Partners, LLP (“PL Partners”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits as a Category IV – Designated Services Business providing management and consulting services including financing and acquisition advisory services, marketing and analytics, claims service management, data and technology consulting, outsourced management and family offices to clients outside the USVI. PL Partners’ services may be provided through one or more wholly owned, disregarded subsidiaries. PL Partners is located on the island of St. Thomas.

PL Partners commits to employ a minimum of five (5) full-time non-owner employees, within one (1) year from the date the Chairman signs the VIEDC Certificate, or within one (1) year of commencement of tax incentives, whichever is later. PL Partners also commits to invest a minimum capital investment of \$100,000 in the benefitted business commencing no earlier than 12 months prior to the date the application is deemed complete and completed within one (1) year from commencement of tax incentives or one (1) year from the date the Chairman signs its Certificate, whichever is later. PL Partners further agrees to meet all statutory, and special conditions, and other applicable requirements for the grant of tax incentive benefits.

The Governing Board voted (5 – 0) to:

1. Find PL Partners, LLP is deserving of a grant of tax incentives.
2. Grant PL Partners, LLP 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 services provided to U.S. Virgin Islands clients to be specifically excluded from the tax incentives.

5. Sail Rock Investment, LLC – New Application

On October 31, 2023, Sail Rock Investment, LLC (“Sail Rock”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. Sail Rock shall own and operate a Category IV –

Designated Services Business for a family office that will employ a multi-dimensional strategy of investing in traditional marketable securities, real estate, and private equity investment. Sail Rock will serve the investment, financial/accounting, fiduciary, philanthropic, and administrative interests of this multigenerational family and its related entities. Sail Rock is located on the island of St. Thomas.

Sail Rock commits to employ a minimum of five (5) full-time employees within one (1) year from the date the Chairman signs the VIEDC Certificate, or within one (1) year of commencement of tax incentives, whichever is later. Sail Rock also commits to making a minimum capital investment of \$100,000.00 in the benefitted business. Sail Rock further agrees to meet all statutory and special conditions, and other applicable requirements for the grant of tax incentive benefits. Sail Rock is located on the island of St. Thomas.

The Governing Board voted (5 – 0) to:

1. Find Sail Rock Investments, LLC is deserving of a grant of tax incentives.
2. Grant Sail Rock Investments, 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. Grant Sail Rock Investments, LLC a waiver of the 80% residency requirement to allow for the employment of two (2) non-resident Pilots and one (1) non-resident Director of Aircraft Maintenance.
4. Require Sail Rock Investments, LLC to Five Thousand Dollars (\$5,000.00) annually to the Territorial Scholarship Fund for each non-resident it employs above the 20% non-resident allowed.
5. Require Services provided to U.S. Virgin Islands clients and clients who are not permissible “family clients” in accordance with the U.S. Securities and Exchange Commission Family Office Rules shall be specifically excluded from tax incentive.

6. St. John Concrete, LLC – New Application

Removed from agenda pending receipt of additional information.

7. United Investors, LLC d/b/a Concrete Masters, LLC – New Application

On September 25, 2023, United Investors, LLC d/b/a Concrete Masters, LLC (“United Investors”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. United Investors shall own and operate a Category II – Manufacturing Business to build and operate a state-of-the-art ready-mix concrete plant facility located at Estate Cottage, Christiansted, VI. United Investors is located on the islands of St. Croix.

United Investors commits to employ a minimum of 10 full-time employees within one (1) year from the date the Chairman signs the VIEDC Certificate, or within one (1) year of commencement of tax incentives, whichever is later. VI Electron also commits to making a minimum capital investment of \$525,000 in the benefitted businesses. United Investors further agrees to meet all statutory and special conditions, and other applicable requirements for the grant of tax incentive benefits. United Investors is located on the islands of St. Croix.

The Governing Board voted (5 – 0) to:

1. Find United Investors, LLC d/b/a Concrete Masters is deserving of a grant of tax incentives.

2. Grant United Investors 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 retail business sales, contractual services, and other activities not related to the manufacturing, sale, or delivery of concrete to be specifically excluded from the tax incentives.

8. VI Electron, LLC – New Application

On November 9, 2023, VI Electron, LLC (“VI Electron”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. VI Electron shall own and operate a Category III – Utilities Business for the construction and operation of alternative energy plants (Solar Farms with battery backup) throughout the USVI and as a Category IV – Designated Services Business for its provision of business management and consulting services, investment management and consulting services, venture capital management and investment services, and family office services. VI Electron has established wholly owned, disregarded subsidiaries, Icon Solar, LLC, Ovation Solar, LLC, Symphony Solar, LLC, and Quantum Solar, through which it will provide its services in accordance with V.I. CODE ANN. tit 29 § 714(c). VI Electron is headquartered on St. Croix but will also have locations on the islands of St. John, and St. Thomas.

VI Electron commits to employ a minimum of 10 full-time employees within one (1) year from the date the Chairman signs the VIEDC Certificate, or within one (1) year of commencement of tax incentives, whichever is later. VI Electron also commits to making a minimum capital investment of \$18,000,000 in the benefitted businesses. VI Electron further agrees to meet all statutory and special conditions, and other applicable requirements for the grant of tax incentive benefits.

The Governing Board voted (5 – 0) to:

1. Find VIELECTRON, LLC is deserving of a grant of tax incentives, as it will advance the economic well-being of the Virgin Islands and its people, and assist the Territory in fulfilling its renewable energy goals.
2. Grant VIELECTRON 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 with the exception of utility provided to the Virgin Islands Water and Power Authority (WAPA), services provided to U.S. Virgin Islands clients, family office clients who are not permissible “family clients” in accordance with the U.S. Securities and Exchange Commission Family Office Rules, and all non-energy clients to be specifically excluded from the tax incentives.

9. West Indies Petroleum USVI Limited, LLC – New Application

On June 30, 2023, West Indies Petroleum USVI Limited, LLC (“West Indies Petroleum”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. West Indies Petroleum shall own and operate a Category III – Oil Bunkering Services Business. West Indies Petroleum’s services may be provided through one (1) or more wholly owned, disregarded subsidiaries. West Indies Petroleum commits to employ a minimum of 10 full-time employees within one (1) year from the date the Chairman signs the VIEDC Certificate, or within one (1) year of commencement of tax incentives, whichever is later. West Indies Petroleum is located on the island of St. Thomas.

West Indies Petroleum also commits to make a minimum capital investment of \$125,000.00 in the benefitted business commencing May 18, 2022 and completed December 31, 2024. West Indies Petroleum further agrees to meet all statutory, and special conditions, and other applicable requirements for the grant of tax incentive benefits.

The Governing Board voted (5 – 0) to:

1. Find West Indies Petroleum USVI Limited, LLC is deserving of a grant of tax incentives.
2. Grant West Indies Petroleum USVI Limited, LLC be granted 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 retail business sales to be specifically excluded from the tax incentives.

10. YHG Hotel, LLC – Petition for Fourth Extension to Commence Incentives

On March 28, 2019, YHG Hotel, LLC (“YHG”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits to conduct the operation of a Category III - Hotel/Guesthouse Business, specifically as a full-service business class hotel including ancillary activities normally associated with a full-service hotel. The Certificate was granted for a period of 20 years. YGH is located on the island of St. Thomas.

On December 5, 2023, YHG’s counsel requested a fourth extension of time for YHG Hotel to activate benefits.

The Governing Board voted (5 – 0) to:

1. Acknowledge YHG Hotel, LLC has shown good cause for a grant of an extension of time to commence its operations in the U.S. Virgin Islands due to the impending sale of 100% membership interest, and anticipated transfer of tax incentives.
2. Grant YHG Hotel, LLC a fourth extension of time to commence its tax incentives no later than December 31, 2024.
3. Require YHG Hotel, LLC’s existing tax incentives shall be nullified and YHG Hotel, LLC or its predecessor to file a new application for tax incentives should YHG Hotel, LLC does not commence its tax incentives by December 31, 2024.

❖ Compliance

1. Fintrac, Inc. – Resolution of Non-Compliance and Voluntary Termination of Tax Incentives

On May 21, 2006, Fintrac, Inc. (“Fintrac”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits to conduct the operation of a Category IV - Designated Services Business operating as an agriculture consulting firm. Fintrac provides market-led production, post-harvest processing, and quality assurance support to the agribusiness sector worldwide with special focus on developing countries. Fintrac primarily works in developing tropical countries through long-term country specific contracts funded by the United States Agency for International Development (“USAID”) and other donor organization. Fintrac is located on the island of St. Thomas.

Compliance Review 1:

Fintrac’s Compliance Review for the period January 1, 2016 to December 31, 2016.

The Governing Board voted (5 – 0) to:

1. Acknowledge that Fintrac, Inc. failed to make the required charitable contributions in 2016 due to extenuating circumstances, and accept excess contributions made in 2017 towards the shortfall of \$1,096.
2. Deem Fintrac, Inc. in full compliance with the certificate requirements for the compliance period of January 1, 2016 to December 31, 2016.

Compliance Review 2:

Fintrac's Compliance Review for the period January 1, 2017 to December 31, 2022.

The Governing Board voted (5 – 0) to:

1. Acknowledge Fintrac, Inc. is in compliance with its capital investment requirement, noting that Fintrac, Inc. substantiated capital investments of \$182,871.00 during the period January 2, 2017 to December 31, 2022.
2. Acknowledge Fintrac, Inc. failed to meet the requirements of Standard Condition No. 5 (additional leave from work) and No. 7 (donated leave) for the period January 2017 to June 2018 due to extenuating circumstances.
3. Acknowledge Fintrac, Inc. failed to meet the requirements of Standard Condition No. 10 (local payroll account).
4. Acknowledge Fintrac, Inc. submitted all documentation required for clearance from the Virgin Islands Department of Labor and require that Fintrac, Inc. provide a copy of VIDOL clearance within thirty (30) days of receipt of notice.
5. Release Fintrac, Inc. from the penalty and fines for failure to comply with aforementioned Certificate requirements for the period January 1, 2017 through December 31, 2022 pursuant to 29 VIC Section 723(c).
6. Grant Fintrac, Inc. a voluntary termination of tax incentives effective December 31, 2022, pursuant to 29 V.I.C. § 719.

2. Secret Harbour Beach Resort Associates, LLLP – Resolution of Non-Compliance

Secret Harbour Beach Association, LLP (“Secret Harbour”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentives to own and operate a Category III - Condominium/Hotel and other ancillary activities normally associated with a full-service hotel. Secret Harbour is located on St. Thomas

Secret Harbour's Compliance Review for the period January 1, 2012 to December 31, 2020 was completed on October 10, 2023. Secret Harbour's Counsel responded on behalf of Secret Harbour to each instance of non-compliance on December 6, 2023.

The Governing Board voted (5 – 0) to:

1. Acknowledge that Secret Harbour Beach Associates LLLP met the employment requirement in 2015, 2016, and 2017.
2. Acknowledge that Secret Harbour Beach Associates LLLP failed to meet the requirements of Standard Condition No. 20 which required the hiring of two (2) individuals from the

Department of Human Services (“DHS”) Jobs Financial Program, but, instead, hired one (1) individual from the DHS Vocational Rehabilitation Program.

3. Reserve its right to reconsider its findings relating to Standard Condition No. 20 if Secret Harbour Beach Associates LLLP reapplies for tax incentives and commits to satisfying this hiring requirement in addition to any additional requirements under this provision, if applicable, within one (1) year from the date the VIEDC Chairman signs the certificate of incentives.
4. Acknowledge that Secret Harbour Beach Associates LLLP substantiated compliance with Special Condition No. 4 (life insurance) at a minimum of \$15,000.00 for the years 2012 to 2019.
5. Acknowledge that Secret Harbour Associates LLLP substantiated compliance with Special Condition No. 10 (Bureau of Economic Research reports) for the period the hotel was operational in 2018.
6. Acknowledge pursuant to 29 VIC Section 723(c), as amended April 11, 2022, VIEDC “shall be limited to assessing fines for violations that occurred during the calendar year of the annual compliance review being conducted”. Therefore, penalties cannot be assessed for violations found during the compliance review for the period January 1, 2012 through December 31, 2020.