

Virgin Islands Economic Development Authority
Governing Board Meeting
Tuesday, July 16, 2024
Summary Report

During the Virgin Islands Economic Development Authority (“USVIEDA”) Governing Board Meeting on Tuesday, July 16, 2024, the Governing Board heard two (2) Discussion Items from USVIEDA’s external auditors, CFO, and its CEO, and considered three (3) Action Items, including one (1) STARS Application, from the CFO, CEO, and the USVIEDA Team, and voted as follows:

Regular Session

1. Discussion Item:

A. Presentation of the Fiscal Year 2022 Independent Financial Audit

The Governing Board heard a presentation from the USVIEDA’s external auditors, Bert Smith & Co., regarding its Fiscal Year 2022 Financial Audit.

- *Discussion was held on the Fiscal Year 2022 Independent Financial Audit with the auditors, George Willie and Keisha Bridgewater of Bert Smith & Co. The Fiscal Year 2022 Independent Financial Audit was accepted by the Governing Board.*

B. Presentation of CEO’s Q2 FY 2024 Quarterly Report

The Governing Board accepted the written CEO’s Q2 FY2024 Quarterly Report (“Report”) and indicated no verbal presentation of the Report from the CEO was required.

2. Action Items:

A. Administrative Matters:

I. Renewal of External Audit Contract – Extension of Contract with Bert Smith & Co.

The Board voted (6 – 0) to:

- Authorize the Chairman of the Board to negotiate and enter into an agreement with Bert Smith and Co. to provide audit services for the VIEDA for Fiscal Years 2023, 2024 and 2025 at terms and conditions to be agreed upon by the parties.

II. Approval of Fiscal Year 2025 Budget

The Board voted (6 – 0) to:

- Approve the Fiscal Year 2025 operating budget for the Virgin Islands Economic Development Authority in the amount of \$7,138,000.

B. Application Matter:

• **Scheme Queens, LLC STARS Act Project**

Scheme Queens, LLC (“Scheme Queens”) is a U.S. Virgin Islands limited liability company that was organized on March 5, 2024. Scheme Queens is license to do business in the U.S. Virgin Islands and submitted a 2024 business license for motion picture and video tape production valid from March 6, 2024 until March 31, 2025. On December 4, 2023, Scheme Queens filed an application seeking tax incentives benefits (cash rebates and tax credits) afforded under the STARS Act.

Scheme Queens, LLC is a production company that is eligible under the category of feature film. The project titled, Scheme Queens II, is an independent feature film set in the U.S. Virgin Islands. Scheme Queens is slated to be shot in 12 days on the island of St. Thomas. The total overall budget is projected at \$350,000 of which the anticipated USVI spend is \$300,000. Projected total employment is anticipated to be 193 persons of which approximately 83% is anticipated to be U.S. Virgin Islands residents. The total number of visiting personnel is anticipated to be 15 cast and crew members. The total number of U. S. Virgin Islands hires is anticipated to be 160 persons which includes 25 crew, 18 cast, and 117 background actors. Anticipated salary or wages is projected at \$476,644. • Applicant anticipates renting an Airbnb for 16 nights which is less than the required over 150 room nights to qualify for the reduction in Hotel Occupancy Tax rate. Ninety-five percent (95%) of the project will be produced in the USVI and the project is fully funded.

The Governing Board voted (6 – 0) to:

1. Find Scheme Queens, LLC is a Virgin Islands’ entity licensed to do business in the U.S. Virgin Islands in accordance with V.I. CODE ANN. tit. 29, § 753(a)(1).
2. Grant Scheme Queens, LLC tax incentives upon the Applicant/Beneficiary demonstrating it has met the applicable requirements of V.I. Code title 29, chapter 12, subchapter IV of the V.I. Code.
3. Require the qualified production shall commence no later than 180 days after issuance of the Certificate; and expire 180 days thereafter, unless an extension is granted by USVIEDA.
4. Require Scheme Queens, LLC to provide one print copy of promotion materials, including at least one (1) poster, and a copy of the project in DVD or Blu-ray format with evidence of the Qualified Virgin Islands Promotion to USVIEDA and the Virgin Islands Department of Tourism (“VIDOT”) within 30 days of completion of post-production or the first exhibition of the project at no charge.
5. Require Scheme Queens, LLC to allow USVIEDA and VIDOT access to the set(s) for photographing the production for promotional purposes under a collaborative effort and subject to reasonable controls or conditions.
6. Require Scheme Queens, LLC to provide production schedules, daily call sheets and crew lists to the USVIEDA and VIDOT.

7. Require Scheme Queens, LLC to have a member of the executive production crew, including but not limited to the director, producer, production supervisor, writer, and department heads make themselves available to USVIEDA to speak to local school and university students about music/film/entertainment topics pertinent to the film or video industry applicable to the applicant, where practicable pursuant to 29 V.I.C. § 753(a)(5).
8. Require Scheme Queens, LLC to submit a best practice review of Qualified Production Expenditures prepared by a Certified Public Accountant licensed in the U.S. Virgin Islands, on the Qualified Expenditures Report Form, within 90 days of receipt of notice of the instant Board action pursuant to STARS Rules & Regulations 753a-2.