

Virgin Islands Economic Development Authority
Governing Board Meeting
Thursday, December 12, 2024
Summary Report

During the Virgin Islands Economic Development Authority (“USVIEDA”) Governing Board Meeting on Thursday, December 12, 2024, the Governing Board heard from the USVIEDA Team regarding one (1) HDA Application and voted as follows:

Regular Session

➤ **Action Items:**

❖ **Application Matter:**

● **Haven Development, LLC – New HDA Application**

Haven Development, LLC (“Haven Development”) is a U.S. Virgin Islands Limited Liability Company registered on May 9, 2022. Haven Development is developing the first new hotel project in over 20 years in the U.S. Virgin Islands. Haven Development has broken ground on the construction of a 71,000 square foot, five story, 126 room upper-midscale Hampton by Hilton adjacent to the Havensite Mall on St. Thomas. The brand flag presently attached to the project is Hilton.

On October 25, 2023, Haven Development filed an application with the V.I. Economic Development Commission (“VIEDC”) for tax incentives as Category III – Hotel/Guesthouse and other ancillary businesses associated with a hotel. Haven Development, LLC (“Haven”) is requesting Virgin Islands Economic Development Authority approval pursuant to the Hotel Development Act (HDA), to secure 100% of Designated Hotel Occupancy Tax and the right to charge an Economic Recovery Fee (ERF) of 7.5% to support payment of the debt obligation to be incurred in connection with the development.

Haven Development commits to employing a minimum of 21 full-time employees. Haven Development also commits to making a minimum capital investment of \$22,000,000.00, in an approved business. Haven Development further agrees to meet all statutory, and special conditions, and other applicable requirements. Haven Development is located on the island of St. Thomas.

The Governing Board voted (5 – 0) to:

1. Find Haven Development, LLC’s project is in the best interests of the Government and citizens of the U.S. Virgin Islands.
2. Certify Haven Development, LLC’s project in accordance with 29 V.I.C. §1307.
3. Grant Haven Development, LLC the use of the Designated Hotel Room Occupancy Tax at one hundred percent (100%) or 12.5% of room revenues to be used to reimburse a portion of the costs of the construction of said hotel; and seven and one-half percent (7.5%) Economic Recovery Fee in accordance with 29 V.I.C. §1312(c)(2), for a period of 30 years or until such time the direct investment of Thirty-Four Million Eight Hundred Thousand Dollars (\$34,800,000.00) is liquidated, whichever is earlier.

4. Require Haven Development, LLC to notify USVIEDA of the date on which it intends to begin assessing and collecting the ERF Fee, which date shall not be fewer than 60 days following the notification, prior to assessing or collecting an approved Economic Recovery Fee.
5. Require Haven Development, LLC to deliver a report to USVIEDA on or before March 31 of each year while an Economic Recovery Fee is in effect describing in reasonable detail, the prior calendar year information in accordance with 29 V.I.C. §1312(l).
6. Require Haven Development, LLC to use the Designated Hotel Room Occupancy tax and Economic Recovery Fee funds for repayment of debt financing, as applicable, to include capitalized interest.
7. Require the CEO, the USVIEDA team, and its authorized representatives to negotiate a Development Agreement with Haven Development, LLC setting forth the respective obligations of USVIEDA and Haven Development, LLC on such terms and conditions as agreed upon.
8. Require the Development Agreement shall be transmitted to the Governor or approval and, thereafter, to the Legislature for ratification pursuant to 29 V.I.C. § 1307(c).
9. Require Haven Development, LLC to pay an annual fee to the USVIEDA as set forth in the Development Agreement, provided that the annual fee shall be either 1.5% of the projected debt service payable that year, or \$100,000 per Project whichever is less pursuant to 29 V.I.C. § 1314(a).
10. Require Haven Development, LLC to reimburse USVIEDA for the costs of the independent financial assessment and any other related costs incurred by USVIEDA pursuant to V.I. CODE ANN. tit. 29, chapter 23 in reviewing the application for certification of the Haven Development Project within 30 days of this approval by the USVIEDA Governing Board.
11. Require, after the payment(s) above, any remaining third-party costs incurred by USVIEDA pursuant to V.I. CODE ANN. tit. 29, chapter 23 and/or as agreed upon in the Development Agreement to be paid by Haven Development, LLC within 30 days of invoice from USVIEDA.
12. Require Haven Development, LLC to include, as a part of its self-funded marketing plan, a component to market the Territory, which component must be approved by the Commissioner of Tourism pursuant to 29 V.I.C. §1314(b) prior to opening of the hotel, and a copy to be filed with USVIEDA within 10 business days of approval.