

Virgin Islands Economic Development Commission
Decision Meeting of Tuesday, January 28, 2025
Summary Report

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Tuesday, January 28, 2025, the Governing Board heard recommendations from the VIEDC Team regarding six (6) application matters and two (2) compliance matters, and voted as follows:

Regular Session:

➤ **Action Items:**

A. Application:

1. KCV Associates, Inc. d/b/a St. John Brewers – New Small Business Application

KCV Associates, Inc. d/b/a St. John Brewers (“KVC”) seeks Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits under the Small Business Program to own and operate a Category II food processing, bottling, and packing company. St. John Brewers plans to brew, bottle, and package its line of beers, hard seltzers, and non-alcoholic beverages, in addition to operating two retail locations for promotion of its brand. St John Brewers is more than a craft beer company. They have expanded their business into non-alcoholic soda production as well as the recently popular hard seltzer category. To augment their brewpub and restaurant, they plan to create a line of specialty products including hot sauces, snacks, alternative healthy beverages and packaged water. St. John Brewers’ curiosity in island flavors only continues to inspire us to create new island inspired products. KVC is located on the island of St. Thomas.

KVC commits to employ a minimum of four (4) 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, and offer employee benefits that are not required under EDC Small Business Program. KVC also commits to making a minimum capital investment of \$1,425,000 in the benefitted business commencing no earlier than twelve months prior to the date the application is deemed completed by the VIEDC and ending one (1) year from the date the Chairman signs its Certificate, or within one (1) year from commencement of tax incentives, whichever is later. KVC 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 KCV Associates, Inc. d/b/a St. John Brewers is deserving of a grant of tax incentives.
2. Grant KCV Associates, Inc. d/b/a St. John Brewers tax exemptions at one hundred percent (100%) of the incentives authorized by law under the VIEDC Small Business Program for a period of 10 years in accordance with the provisions of V.I. CODE ANN. tit. 29, chapter 12.
3. Require the following to be specifically excluded from the tax incentives granted to KCV Associates, Inc. d/b/a St. John Brewers:

Revenues derived from the retail sale of products manufactured and not distributed or wholesaled by Applicant/Beneficiary; the importation, distribution, and/or sale of beer, non-alcoholic sodas, ready-to-drink canned cocktails, branded hot sauces, and other products not manufactured by Applicant/Beneficiary; and the retail sale of merchandise including t-shirts, hats, and other souvenirs.

2. LV USVI Investment and Management, LLLP – New Application

LV USVI Investment and Management, LLLP (“LV USVI”) seeks Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits to own and operate a Category IV designated services business providing investment management and advisory services, real estate development services, business management and consulting services, and family office services. LVUSVI will also reinvest for its own account. LVUSVI’s clients will be located outside the U.S. Virgin Islands (“USVI”). LVUSVI has established three wholly owned, disregarded entities, LV Hospitality Management and Development, LLLP, SB Subsidiary, LLC, LV Family Office and Investments, LLLP and may establish additional wholly owned, disregarded subsidiaries. LV USVI is located on the island of St. Thomas.

LV USVI commits to employ a minimum of five (5) full-time employees, including the owner, 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, and offer employee benefits that are not required under EDC Small Business Program. LV USVI also commits to making 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 completed by the VIEDC and completed one (1) year from the date the Chairman signs its Certificate, or within one (1) year from commencement of tax incentives, whichever is later. LV USVI 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 LV USVI Investment and Management, LLLP and its three (3) wholly owned, is regarded entities, LV Hospitality Management and Development, LLLP, SB Subsidiary, LLC, LV Family Office and Investments, LLLP are deserving of a grant of tax incentives.
2. Grant LV USVI Investment and Management, LLLP 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 services provided to U.S. Virgin Islands clients and family office clients who are not permissible “family clients” in accordance with U.S. Securities and Exchange Commission Family Office Rules to be specifically excluded from the tax incentives.

3. Margaritaville Vacation Club by Wyndham, Inc. – Name Change

Margaritaville Vacation Club by Wyndham, Inc. (“Margaritaville”) was granted Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits to own and operate a Category III timeshare resort. Margaritaville is located on the island of St. Thomas.

On November 19, 2024, Legal Counsel for Margaritaville Vacation Club by Wyndham, Inc. notified VIEDC of a name change to Margaritaville Vacation Club, Inc.

The Governing Board voted (5 – 0) to:

1. Acknowledge the name change from Margaritaville Vacation Club by Wyndham, Inc. to Margaritaville Vacation Club, Inc. effective October 22, 2024.
2. Issue a Second Modified Extended Certificate of tax incentives to Margaritaville Vacation Club by Wyndham, Inc. with the name change, Margaritaville Vacation Club, Inc.

4. TrillaMed Global, LLC – New Application

TrillaMed Global, LLC (“TrillaMed”) seeks Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits under the Small Business Program to own and operate a Category IV designated services business providing management and consulting services, marketing and advisory services and family office services. TrillaMed shall also invest for its own account. TrillaMed’s clients shall be located outside the USVI. TrillaMed’s services may be provided through one (1) or more wholly owned, disregarded subsidiaries. TrillaMed is located on the island of St. Croix.

TrillaMed commits to employ a minimum of five (5) full-time employees, including one (1) owner, within one (1) year from the date the VIEDC Chairman signs its Certificate or within one (1) year of commencement of tax incentives, whichever is later. TrillaMed also commits to making a minimum capital investment of \$100,000 in the benefitted business commencing no earlier than twelve months prior to the date the application is deemed completed by the VIEDC and ending one (1) year from the date the Chairman signs its Certificate, or within one (1) year from commencement of tax incentives, whichever is later. TrillaMed 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 TrillaMed Global, LLC is deserving of a grant of tax incentives.
2. Grant TrillaMed Global, 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 services provided to U.S. Virgin Islands clients and family offices clients who are not permissible “family clients” in accordance with the U.S. Securities and Exchange Commission’s Family Office Rules, 17 C.F.R. Part 275,¹ as may be amended from time to time, shall be specifically excluded from tax incentives.

5. VIELECTRON, LLC – Amendments to Appendix A and C

VIELECTRON, LLC (“VIELECTRON”) was granted Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits to own and operate a Category III utilities business for the construction and operation of alternative energy plants throughout the USVI (St. Croix, St. John, and St. Thomas) pursuant to V.I. CODE ANN. tit. 29 § 708(a), 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. VIELECTRON 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). VIELECTRON is located on the island of St. Croix.

KVC commits to employ a minimum of four (4) 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, and offer employee benefits that are not required under EDC Small Business Program. KVC also commits to making a minimum capital investment of \$1,425,000 in the benefitted business commencing no earlier than twelve months prior to the date the application is deemed completed by the VIEDC and ending one (1) year from the date the Chairman signs its Certificate, or within one (1) year from commencement of tax incentives,

¹ Under title 17 C.F.R. Part 275, the Securities and Exchange Commission adopted a rule to define “family offices” that would be excluded from the definition of an investment adviser under the Investment Advisers Act of 1940 (“Advisers Act”), 15 U.S.C. 80b, and thus would not be subject to regulation under the Advisers Act.

whichever is later. KVC further agrees to meet all statutory and special conditions, and other applicable requirements for the grant of tax incentive benefits.

Recommendation 1

The Governing Board voted (5 – 0) to:

1. Find sufficient grounds have not been established for reconsideration pursuant to V.I.R.R. 717-403 on any of the following basis allowed:
 - i. There has been a change in material fact or in applicable law which change occurred after the public hearing; or
 - ii. The Commission's action was based on a substantive error in material fact or in the applicable law; or
 - iii. The Commission's action was based on a finding, conclusion, or other matter upon which the petitioner has not previously had the opportunity to comment.
2. VIEDC shall not proceed to a decision on the merits of the petition or take such appropriate action as authorized by law, rules and regulations to decide this matter within the applicable timeframe set forth in V.I.R.R. 717-404.

Recommendation 2

The Governing Board voted (5 – 0) to:

- Affirm its April 11, 2024 of Amended Grant of Tax Incentives and instruct VIELECTRON, LLC to submit a modification application to include information from a credible source that supports the solar plant production of electricity is a manufacturing process and what raw materials and component parts are used in the process.

6. SK Venture Group, LLC – New Tax Incentives

SK Venture Group, LLC (“SK Venture”) seeks Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits under the Small Business Program to own and operate a IV designated services business providing business management and consulting services including operational and strategic consulting services, accounting and finance services, administrative and back-office services, property management services, investment management, and venture capital and family office services. SK Venture shall also reinvest for its own account. SK Venture’s clients shall be located outside the USVI. SK Venture’s services may be provided through one (1) or more wholly owned disregarded subsidiaries. SK Venture is located on the island of St. Thomas.

During its Decision Meeting on December 17, 2024, the VIEDC Governing Board denied SK Venture’s application for tax incentives. This matter now comes before this Governing Board to address its findings on the basis of said denial pursuant to V.I. CODE ANN. tit. 29, § 717(b).

The Governing Board voted (4 – 0 – 1) to:

1. Find the following basis for the denial of incentives as follows:
 - a. SK Venture Group, LLC presentation lacked sufficient focus; and
 - b. Mr. Keoppel’s skillsets and experience did not sufficiently demonstrate an ability to conduct the proposed services.

2. Recommend, in accordance with VIRR 717-302(c), VIEDC the following changes in the application which might lead to a more favorable consideration:
 - Provide more information to clarify and support Mr. Keoppel’s knowledge and experience to manage the proposed operation.

B. Compliance:

1. Virgin Bay Capital, LLC – Temporary Waiver to Meet its Minimum Charitable Contribution

Virgin Bay Capital, LLC (“Virgin Bay”) was granted tax incentives as a Category IV designated services business providing financial management, consulting services, mortgage services, and investment to clients primarily within the residential and commercial loan sectors on St. Thomas. Beneficiary originates, brokers, finances, purchases, manages, and sells residential and other loans and mortgages and offers consulting services to clients in the same space. Beneficiary’s clients are required to be located outside the U.S. Virgin Islands. Beneficiary’s services are provided through one or more wholly owned, disregarded subsidiaries in accordance with 29 V.I.C Section 714(c). Virgin Bay is located on St. Croix.

On May 21, 2024, Legal Counsel submitted on behalf of Virgin Bay a request for a temporary waiver to meet Virgin Bay’s minimum charitable contribution requirement for a three-year period from May 1, 2022, to April 30, 2025.

The Governing Board voted (5 – 0) to:

1. Find Virgin Bay Capital, LLC operates on a calendar year and was not required to make a charitable contribution from May 1, 2022 to December 31, 2022.
2. Find that the petition was untimely filed for the calendar year 2023 (January 1, 2023 to December 31, 2023; and that Virgin Bay Capital, LLC’s financial position was sufficient to cover the charitable contribution requirement for this period.
3. Deny Virgin Bay Capital, LLC’s request for a temporary waiver of fifty percent (50%) of its minimum contribution requirement for the three-year period requested, beginning May 1, 2022, through April 30, 2025.
4. Require Virgin Bay Capital, LLC to submit documentation to support charitable contributions made in 2023 and require any shortfall to be paid to the Industrial Promotion Fund for its failure to comply with its 2023 charitable contribution requirement, within 30 days of receipt of notice of the VIEDC Governing Board Decision.
5. Grant Virgin Bay Capital, LLC an extension to December 31, 2025, to fulfill the required charitable contributions beginning calendar year January 1, 2024, through December 31, 2024, in the amount of \$42,500.
6. Require Virgin Bay Capital, LLC to adhere to all other standards and special provisions/conditions of Tax Incentives.
7. Require an Order to Show Cause why its Certificate should not be revoked, suspended or modified may be issued pursuant to V.I. Code ANN. Tit. 29, § 722 should Virgin Bay Capital, LLC not comply with recommendations within the period required by the VIEDC Board.

2. Westin St. John Hotel Company, Inc. – Resolution of Non-Compliance 2002

Westin St. John Hotel Company, Inc. (“Westin”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive to own and operate a Category III full service “hotel/guesthouse” located at Estate Chocolate Hole, St. John and other ancillary activities normally associated with a full-service hotel, as well as the ownership, sale, and operation of vacation ownership interest (timeshare units) pursuant to VJ. CODE ANN. tit. 29, § 708(a). Westin is located on St. John.

A compliance review for the period January 1, 2022 to December 31, 2022 was completed on September 27, 2024 and transmitted to the Beneficiary on October 3, 2024.

The Governing Board voted (5 – 0) to:

1. Find that Westin St. John Hotel Company Inc. failed to comply with Standard Provision No. 5 (Athletic Leave) and require that Westin St. John Hotel Company, Inc. provide proof of inclusion of the Athletic Leave policy in its employee manual within 30 days of the Board’s decision.
2. Require Westin St. John Hotel Company Inc. to provide compliance clearance from the Virgin Islands Department of Labor within 10 days of receipt of clearance.
3. Require Westin St. John Hotel Company Inc. to submit the general ledger detail of its purchases in the areas of supplies and repairs and maintenance for the period January 1, 2022 to December 31, 2022 within 30 days of the receipt of the Board’s decision.
4. Find that Westin St. John Hotel Company Inc.’s in-kind charitable contributions totaling \$46,017.10 for the period January 1, 2022 to December 31, 2022 resulted in a shortfall of \$53,982.90, while its cash contributions resulted in a \$6,000.00 overage for the same period.
5. Qualify the overage of \$6,000.00 made in cash contributions against the shortfall of in-kind contributions and require Westin St. John Hotel Company Inc. to contribute \$47,982.90² to the Industrial Promotion Fund within 30 days of receipt of the Board’s decision, to satisfy compliance with the shortfall of charitable contributions required by Special Provision No. 2 for the period January 1, 2022 to December 31, 2022.
6. Find Westin St. John Hotel Company Inc. is in compliance with the reporting requirements of the VIEDC for the period January 1, 2022 to December 31, 2022.
7. Find Westin St. John Hotel Company Inc. is in compliance with Standard Provision No. 12 (Reasonable Requests), No. 18 (Easement), and No. 19 (Coastal Zone).
8. Find Westin St. John Hotel Company Inc. is in compliance with Special Provisions No. 4 (Employer Paid Health and Dental Insurance), No. 5 (Short-term Disability Coverage), and No. 8 (Paid Time Off).

² Represents the shortfall of in-kind contributions, offset by the overage in cash contributions.

9. Require an Order to Show Cause why its benefits should not be revoked, suspended or modified to be issued pursuant to 29 V.I.C. § 722, should Westin St. John Hotel Company, Inc. not comply with recommendation Nos. 1, 2, 3, and 5 above.