

Virgin Islands Economic Development Authority
Governing Board Meeting
Tuesday, July 15, 2025
Summary Report

During the Virgin Islands Economic Development Authority (“USVIEDA”) Governing Board Meeting on Tuesday, July 15, 2025, the Governing Board heard the Fiscal Year 2026 Budget Request presentation, one (1) Hotel Development Act (HDA) application matter, and the Fiscal Year 2023 Audit presentation, and voted as follows:

Regular Session

1. Action Items:

A. Administrative Matter:

❖ **Approval of Fiscal Year 2026 Budget**

The Governing Board heard a presentation from USVIEDA’s CFO and CEO regarding its Fiscal Year 2026 Budget Request.

The Board voted (6 – 0) to:

- Approve the Fiscal Year 2026 operating budget for the Virgin Islands Economic Development Authority in the amount of \$7,316,891 funded from the following sources:
 - \$6,613,000 from the Government of the Virgin Islands General Fund appropriation;
 - \$678,891 from a transfer from the Industrial Promotion Fund;
 - \$15,000 in unrestricted income, including loan origination/application fees, interest earned from savings accounts and certificates of deposit (CDs), and other miscellaneous fees; and
 - \$10,000 in other miscellaneous revenue.

B. 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 December 12, 2024, Haven Development was granted V.I. Economic Development Commission ("VIEDC") tax incentives as a Category III – Hotel/Guesthouse and other ancillary businesses associated with a hotel. Haven Development, LLC ("Haven") was granted 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 committed to employing a minimum of 21 full-time employees. Haven Development also committed to making a minimum capital investment of \$22,000,000.00, in an approved business. Haven Development further agreed to meet all statutory, and special conditions, and other applicable requirements. Haven Development is located on the island of St. Thomas.

On April 10, 2025, Haven Development submitted a request to increase the direct investment initially anticipated at Thirty-Four Million Eight Hundred Thousand Dollars (\$34,800,000.00) to Forty-Four Million One Hundred Five Thousand Two Hundred Fifty-Four Dollars and Sixty-One Cent (\$44,105,254.61) an increase of almost Ten Million Dollars (\$10,000,000.00) over the initial budget to incorporate additional costs.

The Governing Board voted (5 – 0 – 1) to:

1. Amend its decision of December 12, 2024 to specifically allow for an increase in the direct investment to be made by Haven Development, LLC from Thirty-four Million Eight Hundred Thousand Dollars (\$34,800,000.00) to Forty-four Million One Hundred Five Thousand Two Hundred Fifty-four Dollars and Sixty-one Cents (\$44,105,254.61).
2. 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 Forty-Four Million One Hundred Five Thousand Two Hundred Fifty-Four Dollars and Sixty-One Cent (\$44,105,254.61) is liquidated, whichever is earlier.
3. Approve the Development Agreement setting the respective obligations of the Government of the U.S. Virgin Islands and Haven Development, LLC on such terms and conditions USVIEDA and the Developer agreed upon.
4. Transmit the Development Agreement to the Governor of the U.S. Virgin Islands for approval and subsequent ratification by the Legislature.
5. Require all other terms and provisions of the December 12, 2024, grant of incentives to remain in full force and effect.

2. Discussion Item:

➤ **Presentation of the Fiscal Year 2023 Independent Financial Audit**

The Governing Board heard a presentation from USVIEDA's external auditors, Bert Smith & Co., regarding its Fiscal Year 2023 Financial Audit.

- *Discussion was held on the Fiscal Year 2023 Independent Financial Audit with the external auditors, George Willie and Keisha Bridgewater of Bert Smith & Co. The Fiscal Year 2023 Independent Financial Audit was accepted by the Governing Board.*