

Virgin Islands Economic Development Authority
Public Hearing of Tuesday, October 12, 2021
Summary

During the Virgin Islands Economic Development Authority (“USVIEDA”) Public Hearing on Tuesday, October 12, 2021, the USVIEDA Governing Board heard one (1) Hotel Development Act application presentation.

Application

- **CREF3 USVI Hotel Owner, Inc, f/n/a DiamondRock Frenchman’s Owner, Inc. d/b/a Frenchman’s Reef Marriott Resort and Spa and the new Noni Beach, a St. Thomas Resort, Autograph Collection - Hotel Development Act Application**

[Category III – Hotel/Guesthouse and other ancillary businesses associated with a hotel, Location: St. Thomas, VI]

CREF3 USVI Hotel Holdings Limited ("CREF3"), an affiliate of Fortress Investment Group LLC, purchased the shares of DiamondRock Cayman Islands, Inc. ("DCI"), which is the sole shareholder of DiamondRock Frenchman's Owner, Inc. Subsequent to the acquisition, the name of owner was changed to CREF3 and the name of DCI was changed to CREF3 USVI Hotel Member Limited ("Member"). In this Application, CREF3 is requesting Virgin Islands Economic Development Authority (“USVIEDA”) approval pursuant to the Hotel Development Act ("HDA"), to secure 50% of Designated Hotel Occupancy Tax and the right to charge an Economic Recovery Fee ("ERF") of 2.5%. CREF3 also seeks approval to issue Hotel Development Notes in accordance with V.I. CODE ANN. Tit. 29, §§ 1308, 1309, and 1310 to assist, along with traditional mortgage financing procured by the Resort, with its financing of the reconstruction and renovation of the Resort. Under the Economic Development Act, the purchase of the shares in Member constitutes a transfer of ownership of the resort. Accordingly, CREF3 applies herein for formal transfer of the USVIEDA and HDA Benefits.

CREF3 is now the owner of Frenchman's Reef and the new Noni Beach, a Marriott Autograph Collection Resort (collectively referred to herein as the "Resort") located in Frenchman's Bay, St. Thomas, U.S. Virgin Islands. These properties were formerly known as the Frenchman's Reef Marriott and Morningstar Beach Resort. The brand flag presently attached to the Resort is Marriott. CREF3 reserves the right to substitute the Marriott flag for an equivalent or superior brand.