

**Virgin Islands Economic Development Commission
Decision Meeting of Thursday, October 27, 2022
Summary Report Out**

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Thursday, October 27, 2022, the Governing Board heard recommendations from VIEDC Team regarding two (2) compliance matters and two (2) application matters in Regular Session and three (3) legal matters in Executive Session, and voted as follows:

Regular Session:

Action Items:

Compliance:

1. CREF3 USVI Hotel Owner, Inc. – Extension of Waiver of Full-Time Employment Requirement

CREF3 USVI Hotel Owner, Inc. (“CREF3”) is the owner of the Westin Beach & Spa at Frenchman's Reef and the Marriott Autograph Collection at Frenchman's Reef Resort located in Frenchman's Bay, St. Thomas. These properties were formerly known as the Frenchman's Reef Marriott and Morningstar Beach Resort. CREF3 was granted tax exemption incentives as a Category III - Hotel/Guesthouse Business to include ancillary activities normally associated with a full service hotel.

On September 27, 2022, a petition was filed with the VIEDC by CREF3's Counsel on behalf of CREF3 requesting an extension of CREF3's current employment waiver to December 31, 2023.

The Governing Board voted (5 – 0) to:

1. Find that it is not practical at this time for CREF3 USVI Hotel Owner, Inc. to effectively maintain the full-time employment requirement set forth in its Certificate.
2. Grant an extension of the temporary employment waiver from 415 for the period commencing January 1, 2023 through December 31, 2023 as follows:
 - i. A minimum of 150 full-time employees by March 31, 2023;
 - ii. A minimum of 225 full-time employees by June 30, 2023;
 - iii. A minimum of 300 full-time employees by September 30, 2023; and
 - iv. A minimum of 415 full-time employees by December 31, 2023
3. Require CREF3 USVI Hotel Owner, Inc. to adhere to all other standards and special provisions/conditions of its VIEDC Certificate of Tax Incentives.

2. Salt Pond Holdings, LLC – Waiver of Full-Time Employment Requirement

Salt Pond Holdings, LLC (“Salt Pond”) was granted tax incentives to conduct the ownership and operation of a Category IIA - Designated Services Business (Financial), providing private merchant banking services and family office services, which encompasses trading in stocks or securities and possible financing operations for businesses located outside the USVI. Salt Pond's activities include identifying, analyzing, and purchasing various securities and financial investments. All of its clients are located outside the U.S. Virgin Islands.

On September 15, 2022, a petition was filed with the VIEDC the President and Chief Executive Officer of Salt Pond requesting a temporary employment waiver from five (5) full-time employees to two (2) full-time employees for the period beginning January 1, 2023 through December 31, 2024.

The Governing Board voted (5 – 0) to:

1. Find that it is not practical at this time for Salt Pond Holdings, LLC to effectively maintain the full-time employment requirement set forth in its VIEDC Certificate due to the decrease in their financial activities.
2. Grant Salt Pond Holdings, LLC a temporary employment waiver from five (5) full-time of employees to a minimum of two (2) full-time employees, for the period commencing beginning January 1, 2023 through December 31, 2023.
3. Require Salt Pond Holdings, LLC to adhere to all other standards and special provisions/conditions of its Certificate of Tax Incentives.

3. Administrative Matters – Update; COVID-19 Administrative Petitions

The CEO provided and update on COVID-19 Administrative Petitions processed internally for Fiscal Years 2020 – 2022. A total of 14 petitions were processed in FY 2020, 17 in FY 2021, and 23 in FY 2022 for a grand total of 54 petitions processed over the 3-year period.

***Added to Meeting Agenda**

Applications:

1. Capture VI, LLC. – Amended Grant of Tax Incentives

Capture VI, LLC (“Capture”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentives on October 11, 2022 as a Categories IV – Designated Services Business (Financial) providing financial management and consulting, business management and venture capital services. Capture committed to employing a minimum of five (5) full-time employees, and making a capital investment of One Hundred Thousand Dollars (\$100,000. Capture also agreed to meet all statutory, and special conditions, and other applicable requirements for the grant of tax incentive benefits. Capture is located on the island of St. Croix.

On October 25, 2022, Capture requested an amendment to its Grant of incentives to the Tuition Reimbursement provision.

The Governing Board voted (5 – 0) to:

1. Approve an Amended Grant of Incentives to Capture VI, LLC, which amends the Tuition Reimbursement provision to now read as follows:

Applicant/Beneficiary shall provide its employees with financial assistance for educational pursuits. To be eligible for reimbursement, the employee must receive prior written approval from his/her immediate supervisor. Applicant/Beneficiary shall provide reimbursement at one hundred percent (100%) for a grade of “A” or “B” and one hundred percent (100%) for a grade of “Pass” in Pass/Fail courses.

On an annual basis, Applicant/Beneficiary shall provide VIEDC with a listing of employees who have participated in the tuition reimbursement program, as well as a listing of employees who have received promotions.

2. Require all other provisions of the Grant of Incentives approved on October 11, 2022 to remain in full force and effect.

2. Octavia Consulting Group, LLC – Amended Grant of Tax Incentives

Octavia Consulting Group, LLC (“Octavia”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentives on October 11, 2022 as a Categories IV – Designated Services Business (Financial) providing business management and consulting services, to include marketing, staffing, bookkeeping and back office and administrative services. Octavia committed to employing a minimum of five (5) full-time employees, and making capital investment of One Hundred Thousand Dollars (\$100,000). Octavia also agreed to meet all statutory, and special conditions, and other applicable requirements for the grant of tax incentive benefits. Octavia is located on the island of St. John.

On October 20, 2022, Octavia requested an amendment to its Grant of incentives to the Tuition Reimbursement provision.

The Governing Board voted (5 – 0) to:

1. Find an Amended Grant of Incentives to Capture VI, LLC, which amends the Tuition Reimbursement provision to now read as follows:

Applicant/Beneficiary shall provide its employees with financial assistance for educational pursuits. To be eligible for reimbursement, the employee must receive prior written approval from his/her immediate supervisor. Applicant/Beneficiary shall provide reimbursement at one hundred percent (100%) for a grade of “A” or “B” and one hundred percent (100%) for courses with a pass/fail or satisfactory/unsatisfactory grading system when the employee receives a grade of pass or satisfactory.

On an annual basis, Applicant/Beneficiary shall provide VIEDC with a listing of employees who have participated in the tuition reimbursement program, as well as a listing of employees who have received promotions.

2. Require all other provisions of the Grant of Incentives approved on October 11, 2022 to remain in full force and effect.