

Virgin Islands Economic Development Commission
Public Hearing of Tuesday, April 13, 2021
Summary Read Out

During the Virgin Islands Economic Development Commission (“VIEDC”) Public Hearing on Tuesday, February 9, 2021, the VIEDC Governing Board heard three (3) application presentations and one (1) compliance presentation as follows:

Applications

1. Eight Tower Group, LLC – New Application

(Category IV – Designated Services Business; Investment: \$100,000.00; Jobs: 5; Location: St. Thomas, VI)

Eight Tower Group, LLC (“ETG”) seeks VIEDC tax incentive benefits as a Category IV - Designated Services Business. ETG plans to engage in a diversified array of financial analysis, operational set-ups and transformations, performance optimization, advisory, and consulting and support services for Investment Managers and Fund Groups. ETG’s clients will be located outside the USVI.

On March 12, 2021, ETG filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. ETG commits to employ three (3) full-time employees, including the owner, within one (1) year from the date the VIEDC Chairman signs the VIEDC Certificate of tax incentive benefits and potentially more as the company grows. ETG anticipates that they will obtain five (5) full time employees at this caliber of employment by no later than three (3) years after the Chairman signs its Certificate. ETG states it will invest a minimum of One Hundred Thousand Dollars (\$100,000.00) in the benefited business with a projected commencement date of May 1, 2021 and completed one year from the actual date of commencement. ETG will be located on the island of St. Thomas.

2. GGM Group, LLC – New Application

(Category IV – Designated Services Business; Investment: \$100,000.00; Jobs: 5; Location: St. John, VI)

GGM Group, LLC (“GGM”) seeks VIEDC tax incentive benefits as a Category IV - Financial Service Designated Services Business for its provision of financial advisory services, business management and consulting services, and back office and related services to clients, with a focus on serving clients within the nutraceuticals industry. GGM’s clients will be located outside the USVI. GGM’s services may be provided through one (1) or more wholly owned, disregarded subsidiaries.

On March 15, 2021, GGM filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. GGM commits to employ a minimum of three (3) full-time employees within one (1) year of the date that its VIEDC Certificate of tax incentive

benefits is signed by the VIEDC Chairman, or within one (1) year of commencement of benefits, whichever is later. GGM will hire an additional two (2) full-time employees within two (2) years of the date that its Certificate is signed by the VIEDC Chairman, or two (2) years from commencement of benefits, whichever is later, for a total of five (5) full-time employees after two (2) years. GGM states it will invest a minimum of One Hundred Thousand Dollars (\$100,000.00) in the benefited business to be completed within one (1) year from the date of commencement of benefits or one (1) year from the date the Chairman signs the Certificate, whichever is later. GGM will be located on the island of St. John.

3. RapierMed, LLC – New Application

(Category IV – Designated Services Business; Investment: \$100,000.00; Jobs: 5; Location: St. John, VI)

RapierMed, LLC (“Rapier”) seeks VIEDC tax incentive benefits as a Category IV - Financial Service Designated Services Business providing family office services, investment management and consulting services, research and product development and business management and advisory services. Rapier’s clients will be located outside the USVI.

On March 15, 2021, Rapier filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. Rapier commits to employ a minimum of three (3) full time employees within one (1) year from the date the Chairman signs the Certificate, or within one (1) year of commencement of tax incentives, whichever is later. Rapier will employ an additional two (2) full time employees within two (2) years from the date the Chairman signs the Certificate, or two (2) years of commencement of tax incentives, whichever is later for a total of five (5) full time employees. Rapier states it will invest a minimum of One Hundred Thousand Dollars (\$100,000.00) in the benefited business commencing no earlier than 12 months prior to the date the application was completed and completed within one (1) year from the date the commencement of tax incentives or one (1) year from the date the Chairman signs the Certificate, whichever is later. Rapier will be located on the island of St. Thomas.

Compliance

- **DiamondRock Frenchman’s Owner, Inc. d/b/a Frenchman’s Reef and Morning Star Marriott Beach Resort – Extension of Temporary Full-Time Employment Requirement**
(Category IV – Designated Services Business; Investment: \$100,000.00; Jobs: 5; Location: St. Thomas, VI)

DiamondRock Frenchman’s Owner, Inc. d/b/a Frenchman’s Reef and Morning Star Marriott Beach Resort (“DiamondRock”) is a beneficiary of the Virgin Islands Economic Development Commission (“VIEDC”) Economic Development Program. It was originally approved for VIEDC tax incentive benefits to conduct the operation of a Category II - Hotel/Resort and other ancillary activities normally associated with a full-service hotel/resort on the island of St. Thomas for a period of ten (10) years which commenced on February 15, 2000 and terminated on February 14, 2010. In June 2005, an extension application was approved for a five (5) years, commencing on February 15, 2010, and expiring February 14, 2015. Thereafter, another extension application

was approved for a period of fifteen (15) years in accordance with the expanded period of incentives under Act 7651.

DiamondRock is owned by DiamondRock Hospitality Company, a publicly held real estate investment trust, which owns 25 hotels across the continental United States of America. DiamondRock has been party to a long-term management agreement with Marriott International (“Marriott”) which provides management services to resorts. Marriott manages the day-to-day functions of the resort,

On December 30, 2020 the office of Marjorie Rawls Roberts, P.C. on behalf of DiamondRock filed a petition requesting for an extension of DiamondRock’s previously approved waivers as follows:

- I. Temporary full-time employment waiver for the period from January 1, 2021 through December 31, 2022;
- II. Compliance with the JOBS Financial Program waiver for calendar years 2021 and 2022; and
- III. Cash contributions waiver for calendar years 2021 and 2022. If approved, DiamondRock will contribute \$30,000 toward educational assistance, \$3,000 to the Territorial Scholarship Fund, and \$2,500 to the Department of Labor Fund.

was granted tax incentives “to conduct the operation of a Category II Full Service Hotel/Guesthouse located at Estate Bolongo Bay on St. Thomas and other ancillary activities normally associated with a full-service hotel/guesthouse.