Virgin Islands Economic Development Commission
Decision Meeting of Thursday, September 8, 2022
Summary Report Out

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Thursday, September 8, 2022, the Governing Board heard recommendations from VIEDC Team regarding two (2) application matters and three (3) compliance matters, and voted as follows:

Regular Session:

Action Items:

Applications:

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

KCV Associates, Inc. d/b/a St. John Brewers (“St. John Brewers”) is a U.S. Virgin Islands corporation that is seeking Virgin Islands Economic Development Commission (“VIEDC”) tax incentives as 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. On February 3, 2022, the VIEDC received VICR’s application for consideration of tax incentive benefits as a “new” applicant.

St. John Brewers commits to employing a minimum of 10 new full-time employees, non-owner employees within one (1) year from the date its Certificate is signed by the EDC Chairman or within one (1) year of commencement of benefits, whichever is later. St. John Brewers also commits to make a capital investment of One Million Four Hundred Twenty Five Thousand Dollars ($1,425,000) in the benefited business commencing January 1, 2022 ending on January 1, 2023. St. John Brewers also agrees to meet all statutory, and special conditions, and other applicable requirements for the grant of tax incentive benefits. St. John Brewers is located on the island of St. John.

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 incentives at one hundred percent (100%) of the benefits authorized by law for a period of 20 years in accordance with the provisions of V.I. CODE ANN. tit. 29, § 713a(b)(1).

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. **Neltjeberg Bay Enterprises, LLC – Modification Application**

*Neltjeberg Bay Enterprises, LLC ("NBE") owns and operates a Category IV - Designated Services Business, which provides merchant banking and business consulting services to various businesses based in the United States. The services being provided are in the areas of business management, operations management, banking and capital finance, sales and marketing, financial transactions, risk management, billing, accounts receivable management, purchasing, accounting, investment advisory services, insurance, inventory control, strategic analysis, incentive compensation, mergers and acquisitions, valuation, executive recruitment, governance matters, customer bid preparation, competitive assessments, market assessments, and litigation support.

NBE submitted an application for modification of its Virgin Islands Economic Development Commission ("VIEDC") tax incentives to take advantage of a longer benefit period in accordance with V.I. CODE ANN. Title 29 Sections 713 Sections a(b)(1) and 713 (d) (2014). NBE proposes the same conditions, without additional capital investment requirements. NBE commits to continuing to employ 10 full-time employees to service its clients. NBE is located on the island of St. Thomas.

The Governing Board voted (5 – 0) to:

1. Find Neltjeberg Bay Enterprises, LLC is deserving of an extension and modification of its tax incentives.

2. Find Neltjeberg Bay Enterprises, LLC is of particular importance to the economy of the U.S. Virgin Islands and shall continue to promote the economic development of the U.S. Virgin Islands.

3. Grant Neltjeberg Bay Enterprises, LLC a modification of its tax incentives to take advantage of a longer benefit period at one hundred percent (100%) of the incentives authorized by law for a period of 10 years in accordance with the provisions of V.I. CODE ANN. tit. 29, §§ 713a(b)(1), 713a(d), and 715.

4. Require Neltjeberg Bay Enterprises, LLC tax incentives to commence immediately upon expiration of the previous certificate signed by the VIEDC Chairman on or about June 4, 2013.

**Compliance:**

1. **Grapetree Shores, Inc. d/b/a Divi Carina Bay Resort – Extension of Partial Waiver of Charitable Contribution Requirement**

   On June 6, 2018, Grapetree Shores, Inc. d/b/a Divi Carina Bay Resort ("Grapetree") was granted an extension of its Virgin Islands Economic Development Commission ("VIEDC") tax incentives pursuant to Act No. 7651 to conduct the business of operating a Category III - Hotel/Guesthouse and other ancillary activities normally associated with a full-service hotel. Grapetree is located on the island on St. Croix.

   On November 19, 2019, Grapetree was granted a partial waiver of its VIEDC Certificate’s Special Condition No. 1 - Charitable Contribution from $25,000.00 to $5,000.00 for the years 2019 and 2020. On November 13, 2020, Grapetree was granted an extension of its partial waiver of Special Condition No. 1- Charitable Contribution requirement from $25,000.00 to $5,000.00 cash contribution for the year 2021.

   On December 31, 2021, Grapetree filed a petition for an extension of the partial waiver of its charitable contribution requirement from $25,000 to $5,000 for the year 2022.

   The Governing Board voted (4 – 0 – 1) to:
1. Find insufficient grounds upon which to grant Grapetree Shores, Inc. d/b/a/ Divi Carina Bay Resort an extension of its waiver of Special Condition No. 1 - Charitable Contribution requirement from $25,000.00 to $5,000.00 cash contribution for the year 2022.

2. Require Grapetree Shores, Inc. d/b/a Divi Carina Bay Resort to fulfill its Special Condition No. 1 - Charitable Contribution requirement, for year 2022, of $25,000.00 as stated in its Certificate of Tax Incentives by December 31, 2022.

3. Require Grapetree Shores, Inc. d/b/a Divi Carina Bay Resort to provide proof of Standard Condition No. 1 - Department of Labor for the payment of $2,500.00 for year 2022 within five (5) days of the receipt of the Governing Board’s Decision.

4. Require Grapetree Shores, Inc. d/b/a Divi Carina Bay Resort to adhere to all other standards and special provisions/conditions of its Certificate of Tax Incentives.

2. International Capital and Management Company, LLC – Extension of Suspension of Certificate of Tax Incentives

On December 31, 2014, International Capital and Management Company, LLC ("ICMC") was granted Virgin Islands Economic Development Commission ("VIEDC") tax incentives to conduct the business of operating a Category IV - Designated Services Business providing business consulting and management services, construction management and advisory services, investment management and reporting services, accounting and private merchant banking services, and operation of a corporate university known as the Center for Learning. All clients shall be located outside the U.S. Virgin Islands. ICMC is located on the island on St. Thomas.

On June 14, 2021, ICMC was granted a suspension of its Certificate of Tax Incentives effective January 1, 2021 to December 31, 2021. Subsequently, on April 21, 2022, ICMC was granted an extension of the suspension of its Certificate of Tax Incentives effective January 1, 2022 to June 30, 2022.

On June 16, 2022, ICMC filed a petition requesting an additional suspension of tax incentives for the period from July 1, 2022 to December 31, 2022.

The Governing Board voted (5 – 0) to:

1. Grant International Capital and Management Company, LLC an extension of the suspension of its Certificate of Tax Incentives for the July 1, 2022 to December 31, 2022.

2. Require International Capital and Management Company, LLC to notify the Virgin Islands Economic Development Commission 30 days prior to termination of the suspension of any changes in its business operations, and whether they intend to reactivate the Certificate of Tax Incentives on January 1, 2023.

3. Require International Capital and Management Company, LLC to provide proof of satisfying all tax obligations for years 2021 and 2022 with the respective government agencies including, but not limited, the Virgin Islands Bureau of Internal Revenue, Department of Labor Workman’s Compensation Programs, etc., within 10 days of reactivation of its Certificate of Tax Incentives.
3. Neighborhood Establishment, LLC – Waiver and Deferment of Charitable Contribution Requirement

On July 30, 2019, Neighborhood Establishment, LLC (“Neighborhood”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentives to conduct the business of operating a Category III hotel/guesthouse providing management of two (2) affiliated full-service hotels with ancillary activities normally associated with hotels at two (2) locations on the islands of St. Croix, and a Category IV designated services business providing business management and consulting services. Specifically, Beneficiary shall provide property acquisition services, design, construction management services, asset management services, private equity investment, management consulting, and business operations services. The VIEDC tax incentives is valid for a period of 30 years commencing January 1, 2012 and terminating December 31, 2021 NBE is located on the island on St. Croix.

On May 2, 2022, Neighborhood file a petition requesting the following:

i. 2019: Deferment of the charitable contribution of $30,000 ($15,000 cash and $15,000 in-kind) to be satisfied in full over the next two years;

ii. 2020: Waiver of charitable contribution from $31,000 ($15,500 cash & $15,500 in-kind); and

iii. 2021: Waiver of the in-kind contribution of $16,000 and deferment of the cash contribution of $16,000 to be satisfied in full over the next two years.

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

1. Grant Neighborhood Establishment, LLC’ a partial waiver of its Virgin Islands Economic Development Commission Certificate’s Special Condition No. 1 – Charitable Contribution 50% In-kind requirement, totaling $46,500.00 in value, for years 2019 to 2021 as follows:

   a. $15,000.00 for year 2019;
   b. $15,500.00 for year 2020; and
   c. $16,000.00 for year 2021

2. Require Neighborhood Establishment, LLC to pay its Special Condition No. 1 – Charitable Contribution 50% cash requirement, totaling $46,500.00, for years 2019 to 2021 as follows:

   a. $15,000.00 for year 2019 by December 31, 2022;
   b. $15,500.00 for year 2020 by December 31, 2023; and
   c. $16,000.00 for year 2021 by December 31, 2023

3. Require Neighborhood Establishment, LLC to adhere to all other standard and special provisions/conditions of its Certificate of Tax Incentives.