

Virgin Islands Economic Development Commission
Decision Meeting of Thursday, July 8, 2021
Summary Report Out

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Thursday, July 8, 2021, the Governing Board heard recommendations from staff regarding two (2) application matters and one (1) compliance matters in Executive Session and voted as follows:

Executive Session:

Action Items:

Applications:

1. Virgin Islands Paving, Inc. – Modification/Extension Application

Virgin Islands Paving, Inc. (“VI Paving”) was granted tax incentive benefits on May 5, 2007 to operate a Category II - Manufacturing Business that does material production of asphalt and concrete products and related services. VI Paving manufactures, produces and installs asphalt, concrete, and related products on St. Croix, St. Thomas, St. John and other Caribbean Islands.

On June 8, 2020 VI Paving applied for an extension of its tax incentive benefits. VI Paving is requesting an extension of tax incentives to its current VIEDC Certificate in accordance with V.I. CODE ANN. tit. 29, 713a (b)(2), (d) to receive an additional 15 years of benefits at full benefits to take advantage of the longer benefit period for VIEDC beneficiaries located on St. Croix. VI Paving’s extended benefits will commence as of the expiration of the prior VIEDC Certificate.

VI Paving commits to invest \$150,000.00 within one (1) year from the date the Chairman signs the VIEDC Certificate. VI Paving also commits to employ 55 full time employees for the duration of its extension of tax incentive benefits. All other terms and conditions of VI Paving’s VIEDC Certificate will remain the same.

The Governing Board voted (5 – 0) to:

1. Find Virgin Islands Paving, Inc. is deserving of an extension and modification of its tax incentives;
2. Find Virgin Islands Paving, Inc. will continue to promote the economic development of the U.S. Virgin Islands;
3. Grant Virgin Islands Paving, Inc.’s petition to modify and extend its tax incentives at one hundred percent (100%) of the incentives authorized by law for a period of 15 years in accordance with the provisions of V.I. CODE ANN., tit. 29, §§ 713a(b)(2), 713a(d) and 715;
4. Require Virgin Islands Paving, Inc.’s tax incentives to commence consecutively from the expiration date of the previous certificate; and

5. Require contractual services and other activities not related to the manufacturing, sales, delivery and placement of asphalt and concrete to be specifically excluded from tax incentive benefits. No benefits shall be extended to the sale of asphalt and concrete and/or asphalt and concrete products manufactured by others either in the United States Virgin Islands or elsewhere.

2. Burt Global Holdings, LLC – New Application

Burt Global Holdings, LLC (“BGH”) seeks Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits as a Category IV - Designated Services Business for its provision of financial services, business management and consulting services, investment management and advisory services, and technology development services to its clients, including without limitation clients within the online retail industry, in accordance with V.I. CODE ANN. tit. 29, § 708(a). All of BGH’s clients will be located outside the USVI. BGH’s services will be provided through one or more wholly-owned, disregarded subsidiaries in accordance with V.I. CODE ANN. tit. 29, § 714(c). To date, BGH has established two (2) such disregarded subsidiaries, Canopy Brands, LLC and Canopy Holdings, LLC, through which it will carry out the above-mentioned activities.

On May 10, BGH filed an application with the VIEDC for tax incentive benefits. BGH commits to employ a minimum of 10 full-time employees. BGH also commits to invest a minimum One Hundred Thousand Dollars (\$100,000) in the benefited business. BGH will be located on the island of St. Thomas.

The Governing Board voted (5– 0) to:

1. Find Burt Global Holdings, LLC, is deserving of a grant of tax exemption incentives.
2. Grant Burt Global Holdings, LLC tax exemption incentives at one hundred percent (100%) of the incentives authorized by law for a period of 20 years in accordance with the provisions of V.I. CODE ANN., tit. 29, and chapter 12.
3. Grant Burt Global Holdings, LLC be an extension of time to satisfy the minimum full-time employment requirement as follows:

Applicant/Beneficiary shall employ a minimum of four (4) full-time, non-owner employees within one (1) year from the date its Certificate is signed by the VIEDC Chairman, or within one (1) year from commencement of tax incentives, whichever is later. Applicant/Beneficiary shall employ an additional two (2) full-time, non-owner employees within two (2) years from the date its Certificate is signed by the VIEDC Chairman, or within two (2) years from commencement of tax incentives, whichever is later. Applicant/Beneficiary shall employ an additional four (4) full-time, non-owner employees within five (5) years from commencement of tax incentives or within five (5) years from the date the Chairman signs the Certificate, whichever is later. As such, Applicant/Beneficiary shall employ a minimum of 10 full-time, non-owner employees within five (5) years based on the phased employment schedule set forth herein.

Compliance:

• **Ferrer, LLC – Reconsideration of Board Decision**

Ferrer, LLC (“Ferrer”) was approved for VIEDC tax incentives benefits on August 3, 2012 as a Category IIA - Designated Service Business focusing on providing an evaluation center for law firms to assess potential victims of mass torts, including prescription drugs, hazardous chemicals, or other types of toxic torts, and obtain the necessary records and other supporting materials for persons who have been identified as victims. Ferrer may expand its evaluation center to include initial screening of potential victims utilizing a call center. All of Ferrer’s clients will be located outside the U.S. Virgin Islands. Ferrer is located on the island of St. Thomas.

On May 26, 2021, a request for reconsideration of Ferrer’s penalty assessment by the VIEDC Governing Board for the shortfall of its minimum full-time employment requirement for 2018, 2019, and 1st quarter 2020 compliance period was filed with the VIEDC.

The Governing Board voted (5– 0) to:

1. Reaffirm its decision of April 13, 2021 and deny Ferrer request for:
 - i. A reduction by 50 percent in the total penalty assessment from \$166,400 to \$83,200;
 - ii. Contribution of \$30,000 of the amended assessed amount to the University of the Virgin Islands (“UVI”) for the benefit of its School of Nursing; and
 - iii. Payment of the \$30,000 contribution to UVI and the remainder (\$53,200) to the Industrial Promotion Fund by later of July 31, 2021 or 15 days from the date of approval of the instant request.
2. Require Ferrer to pay a total of \$166,400.00, in accordance with the April 13, 2021 decision, for years 2018, 2019 and 1st quarter 2020 to the Industrial Promotion Fund as follows:
 - i. Pay \$83,200 to the Industrial Promotion Fund within 30 days of receipt of notice of the Governing Board Decision; and
 - ii. The remaining \$83,200 to be paid within one (1) year from receipt of notice of the Governing Board Decision.
3. Require Ferrer to adhere to all other standards and special provisions/conditions of its Certificate of Tax Incentives dated June 15, 2015.
4. Issue an order to show cause why its Certificate should not be revoked, suspended, or modified pursuant to 29 V.I.C. § 722 should Ferrer not comply with the aforementioned.