

Virgin Islands Economic Development Commission
Decision Meeting of Thursday, December 14, 2023
Summary Report Out

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting started on Thursday, December 14, 2023, the Governing Board heard recommendations from VIEDC Team regarding three (3) application matters and one (1) compliance matter in Regular Session, and voted as follows:

Regular Session:

➤ **Action Items:**

❖ **Application:**

1. 340 Worldwide, LLC – New Application

On July 19, 2023, 340 Worldwide, LLP (“340 WW”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits to own and operate Category IV designated service business for its provision of business management, consulting, investment management, venture capital, back-office support, and family office services. All 340WW’s clients will be located outside the USVI. 340WW may establish one or more wholly owned, disregarded subsidiaries through which it will conduct its operations. 340WW is located on St. Thomas.

340WW commits to employ a minimum of two (2) full-time employees, within one (1) year from the date the VIEDC Chairman signs the Certificate or within one (1) year of commencement of tax incentives, whichever is later. 340WW commits to employ a minimum of five (5) full-time employees with one (1) owner occupying a position within one (1) year of the date that its Certificate is signed by the VIEDC Chairman, or within one (1) year of the commencement of benefits, whichever is later. 340WW also commits to a minimum capital investment of \$100,000. 340WW anticipates that its minimum capital investment requirement will be completed within one (1) year from the commencement of incentives or one (1) year from the date the Chairman signs its Certificate, whichever is later. Further, 340WW commits to meeting all statutory requirements and other applicable requirements.

The Governing Board voted (6 – 0) to:

1. Find that 340 Worldwide, LLC and, its disregarded subsidiaries, 340 Energy, LLC, VM Technologies, LLC and R2GP, LLC, are deserving of a grant of tax incentives.
2. Grant 340 Worldwide, LLC tax exemptions 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, chapter 12.
3. Require that any services provided to U.S. Virgin Islands clients to be specifically excluded from the tax incentives.

2. DIAM Management, Inc. – Modification Application

DIAM Management, Inc. (“DIAM”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive benefits as a Category IV (formerly Category IIA) - Designated Service Business providing financial and management consulting and advisory services primarily within the wholesale produce industry and its spin-off

markets, and a family office. DIAM established a wholly owned, disregarded subsidiary, Asset Recovery Management, Inc., through which it carries out its family office activities. All of DIAM's clients are located outside the U.S. Virgin Islands ("USVI"). DIAM is located on St. Croix.

The Governing Board voted (5 – 1) to:

1. Acknowledge and approve Asset Recovery Management, Inc. as a wholly owned disregarded entities of DIAM Management, Inc. pursuant to V.I. CODE ANN. tit. 29 § 714(c).
2. Find that DIAM Management, Inc. with its wholly owned disregarded subsidiary, Asset Recovery Management, Inc., is deserving of a grant of modification of its tax exemption incentives.
3. Find that DIAM Management, Inc. 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.
4. Grant DIAM Management, Inc. a modification of tax incentives to take advantage of the longer benefit period at one hundred percent (100%) authorized by law for an additional period of 10 years in accordance with the provisions of V.I. CODE ANN., tit. 29, §§ 713a(b)(2), (d) and 715.
5. Modify DIAM Management, Inc.'s category designation from Category IIA - Designated Services Business to a Category IV - Designated Services Business in accordance with V.I. CODE ANN. tit. 29. § 708(a), (f)(2).
6. Grant DIAM Management, Inc. a modification of its minimum employment requirement from eight (8) full-time employees to five (5) full-time employees commencing January 1, 2023 for the duration of the tax incentive benefit period.
7. Grant DIAM Management, Inc. a modification to include family office as an approved business activity to be carried out through its wholly owned disregarded subsidiary Asset Recovery Management, Inc.
8. Require DIAM Management, Inc. to comply with the requirements of VIEDC Program Law, V.I. CODE ANN. tit. 29, Chapter 12, as amended, as of the date of this Board decision.
9. Require DIAM Management, Inc.'s VIEDC Certificate shall commence consecutively from the expiration of its prior tax incentive period.
10. Require services provided to U.S. Virgin Islands clients to be specifically excluded from the tax incentives.

3. Haven Development, LLC – New Application

On October 25, 2023, Haven Development, LLC ("Haven") filed an application with the Virgin Islands Economic Development Commission ("VIEDC") for tax incentive benefits to own and operate a Category III - Hotel. Haven is located on St. Thomas.

Haven commits to employing a minimum of 21 full-time employees within one (1) year from the date its Certificate is signed, and potentially more as the hotel operation grows. It is anticipated that Haven will also

have a significant part-time labor pool. Haven also commits to investing a minimum of \$22,000,000 in the benefited business to fully develop the hotel property. This includes investment in infrastructure, leasehold improvements in the form of construction of the hotel, and professional fees. Further, Haven commits to meeting all statutory requirements and other applicable requirements.

The Governing Board voted (6 – 0) to:

1. Find Haven Development, LLC is deserving of a grant of tax incentives.
2. Grant Haven Development, LLC tax exemptions 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, chapter 12.
3. Require concessions, retail sales and rental activities not owned and operated by Haven Development, LLC to be specifically excluded from tax incentives.
4. Delay consideration of Haven’s Development, LLC’s request for additional benefits pursuant to 29 V.I.C. § 713a(b)(4) or (5) for additional investments made over \$1M or \$10M in “New Construction, Infrastructure and Refurbishment due to amendments in the law under Act 8559 enacted on April 11, 2022, which requires the aggregate capital investment made to be determined at the expiration of the certificate.
5. Require Haven Development, LLC to shall notify VIEDC within 30 days of entering into an agreement with a Management Company and provide a copy of the agreement which shall stipulate that the Management Company shall comply with the terms of the Certificate issued by VIEDC, the program law, and rules and regulations to include but not limited to VIEDC reporting requirements, and require Haven Development, LLC to be liable for any failure to comply by its management company.

4. St. John Concrete, LLC – New Application

[Removed From the Agenda Pending the Receipt of Additional Documentation]

❖ Compliance

• RapierMed, LLC – Extension of Time to Meet Capital Investment Requirement

RapierMed, LLC (“Rapier”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentives to own and operate a Category IV Designated Services Business (Financial) providing family office services, investment management and consulting services, research and product development, and business management and advisory services to clients located outside the USVI. Rapier is located on St. Thomas

On October 17, 2023, RapierMed’s counsel filed a petition on behalf of RapierMed requesting Extension of time to August 24, 2024 to meet the minimum capital investment requirement of \$100,000.00.

The Governing Board voted (6 – 0) to:

1. Deny RapierMed, LLC’s untimely request for an extension of time to meet the minimum capital investment requirement to August 24, 2024.

2. Require RapierMed, LLC to pay \$2,500.00 to the Industrial Promotion Fund no later than December 31, 2023 for failure to comply with the capital investment requirement deadline of August 23, 2023.
3. Require RapierMed, LLC to pay the capital investment shortfall of approximately \$15,500.00 to the Industrial Promotion Fund no later than January 31, 2024.
4. Require RapierMed, LLC to provide a current detailed Fixed Asset Report, 2022 Annual Report and supporting tax return, and a year-to-date financial report by December 31, 2023.
5. THAT VIEDC require RapierMed, LLC to adhere to all other standards and special provisions of its Certificate of tax incentives.
6. Issue an Order to Show Cause why its benefits should not be revoked for non-compliance with the terms and conditions of its VIEDC Certificate pursuant to 29 V.I.C. §722 should RapierMed, LLC not comply with the recommendations required by the VIEDC Governing Board.