

**Virgin Islands Economic Development Commission**  
**Public Hearing of Tuesday, September 10, 2020**  
**Summary Read Out**

During the Public Hearing on September 10, 2020, the VIEDC Board heard one (1) application presentation and (1) compliance presentation as follows:

**Application**

❖ **Roncan, Inc. d/b/a Sand Castle on the Beach - Extension of Tax Incentives**

(Category III – Hotel/Guesthouse and other ancillary Businesses associated with a hotel, Location: St. Croix, VI),

Roncan, Inc. d/b/a Sand Castle on the Beach (“Roncan”) applied for initial tax incentive benefits on September 11, 2003 and was issued a tax exemption certificate from the Virgin Islands Economic Development Commission on August 5, 2005 for a 15-year term which commenced on May 1, 2004 and terminated on April 30, 2019. Tax incentive benefits were granted to Roncan to conduct the operation of a full service hotel/guesthouse and other ancillary businesses associated with a hotel.

On July 12, 2019, Roncan filed an extension, modification, and transfer application with the VIEDC for tax incentive benefits. The application was reviewed by staff, and on July 22, 2019 staff wrote to the Roncan requesting additional information. On August 7, 2019, Roncan provided the missing information with the exception of the VIEDC compliance clearance; and VIDOL clearance letter. By letter dated July 27, 2020, VIDOL advised Roncan was in compliance with the U.S. Virgin Islands labor laws during the period of January 1, 2016 to December 31, 2016.

In its modification application, Roncan commits to continue to employ a minimum of 10 full-time employees for the duration of the tax incentive benefit period. Roncan committed to invest a minimum of Three Hundred Fifty Thousand Dollars (\$350,000.00) commencing July 15, 2018 and completed within two years from commencement of tax incentive benefits.

**Compliance**

❖ **Real Impact Corporation - Temporary Employment Requirement**

(Category IV - Designated Service Business providing financial service, business management and consulting services, and back office and related services, with a focus on serving clients within the commercial real estate market. The Beneficiary shall own, manage and develop proprietary intellectual property, including trademarks. Location: St. Croix, VI)

The office of Marjorie Rawls Roberts, P.C. filed a petition dated May 8, 2020 on behalf of Real Impact Corporation (“Real Impact”) with the V.I. Economic Development Commission requesting the following:

- Temporary waivers for the period from February 1, 2020 through January 31, 2021 for:
  - A full-time employment waiver from ten (10) full-time employees to five (5) full-time employees; and
  - A residency requirement waiver from the eighty percent (80%) residency requirement.

*Note: The above temporary waivers request was amended to extend from February 1, 2020 through December 31, 2021 during the Public Hearing testimony by Attorney Renee Andre on behalf of Real Impact.*

According to the petition, on February 8, 2020 Real Impact lost an employee due to attrition, taking the full-time employment down to eight (8) and below its minimum employment requirement under the Certificate. While ordinarily Real Impact would advertise to fill the open position, doing so in the current economy is not economically or practically feasible for the Beneficiary. On March 13, 2020, Governor Albert Bryan, Jr. declared a State of Emergency in the USVI in response to the world-wide pandemic caused by the COVID-19 virus. On both the local and national level, mandates have been issued for social distancing and for the closure of non-essential businesses. As of May 4, 2020, Governor Bryan has issued a Safer At Home Order, which sees the re-opening of non-essential businesses, but still mandates social distancing, and recommends that non-essential employees continue to work from home as much as possible.

It is unknown when the self-quarantine and social distancing policies will be lifted across the nation and worldwide. Due to the social distancing, Real Impact is unable to hire a new employee and provide the necessary training for the employee at this time. Further, even before the COVID-19 pandemic struck the US, Real Impact began to experience a significant decline in the real estate management market. While Real Impact does not have any plans to terminate employees at this time, a waiver of the full-time employment requirement is necessary to provide the Beneficiary the flexibility in the event there are any further separations due to attrition.

Based on the review of the employment information, Real Impact met the full-time employment requirements in 2015 through 2019. The Beneficiary also met the residency requirement for these periods.