



Hotel Development Program

The Virgin Islands Hotel Development Program is designed to assist in the development of hotels, resorts and related hotel facilities to increase opportunities in tourism enterprises in the U.S. Virgin Islands so as to facilitate and to accelerate opportunity for employment in these enterprises, particularly of unemployed and underemployed residents of the jurisdiction in which the hotel investment is to be made.

The USVI Legislature adopted the Hotel Development and Finance Program in 2011. The program allows for the use of future gains in hotel room occupancy taxes and casino taxes to assist in the development areas which would not happen solely through private investment in the reasonably foreseeable future. Monies generated from the Hotel Development and Finance Program are deposited into a separate hotel development and finance trust fund which is established for each approved project. Funds allocated and deposited into the hotel development and finance trust fund are from the hotel and casino taxes generated from the approved project.

The Hotel Development and Finance Program is administered through the Virgin Islands Economic Development Commission, which is a subsidiary entity wholly administered and operated by the Virgin Islands Economic Development Authority.

Eligibility

To be eligible for benefits under this program, the project must:

- Be located on the island of St. Croix, the island of St. Thomas or the island of St. John
- 80% of all persons employed shall be residents of the U.S. Virgin Islands, provided that after the third year of operation, at least 20% of management, supervisory and/or technical positions must be filled by residents of the U.S. Virgin Islands, unless granted a waiver by the Commission
- Obtain all of the applicable licenses or permits, permanent, temporary or otherwise as required by Title 27 of the V.I.C. and shall maintain during the term of the contract such licenses or permits
- Comply with all applicable laws, rules, ordinances and regulations
- Such other requirements as the VIEDA may require in conformity with the Hotel Development and Finance Program

The VIEDA determines certification of the Project and shall consider the materials and opinions provided with the application and the testimony of the public together with the additional criteria set forth in the V.I. law.

Once the Project Development Plan has been approved and certified for approval by the Governor and the Legislature the VIEDA shall enter into good faith negotiations with the developer for a Project Agreement between the Government of the Virgin Islands and the developers setting forth the obligations of the parties outlined in the V.I. law.

If upon consideration of the application the VIEDA decides the Project does not comply with the requirements, the VIEDA shall notify the developer in writing stating the areas the Project fails to meet the criteria, which shall be made available for public review. The VIEDA shall allow the development sponsor up to sixty (60) days to cure any defects. If the development sponsor fails to cure the defects within the sixty (60) day period, the VIEDA shall deny the certification of project, and any re-submittal of the Project shall require a new application.



Once the Project Development Plan has been approved and certified and a Project Agreement has been negotiated, the Project beneficiary shall also be required to pay the following:

- \$100,000 shall be reserved for the Board of Education exclusively for scholarships to students whose college major is Hotel Management which shall be split equally between the Districts of St. Croix and St. Thomas/St. John.
- The Project beneficiary will also be required to contribute the sum of \$2500 annually for the creation, development, management and maintenance of a database designed to recruit Virgin Islanders living abroad. This database shall be developed and managed by the Department of Labor in collaboration with the VIEDA. Payments shall be made by January 31st of each year.

Source URL (modified on 01/22/2019 - 11:37am): <http://test.usvieda.org/residents/grow/edc-tax-incentives/hotel-development-program>