



**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**

**TESTIMONY BY DWAYNE A. BENJAMIN, SR.**

**COMMITTEE OF THE WHOLE**

**36<sup>th</sup> LEGISLATURE OF THE VIRGIN ISLANDS**

**ST. THOMAS, VIRGIN ISLANDS**

Good morning, Senate President Milton E. Potter, members of the Committee of the Whole of the 36<sup>th</sup> Legislature of the Virgin Islands, Legislative staff, the Virgin Islands Economic Development Authority (“USVIEDA” or “the Authority”) team, and the viewing and listening audience. I am Dwayne A. Benjamin, Sr., Assistant Chief Executive Officer of the Virgin Islands Economic Development Authority. I appear before you on behalf of Wayne L. Biggs, Jr., Chief Executive Officer of the Virgin Islands Economic Development Authority, who is unable to attend today. Accompanying me in the well are members of the USVIEDA team: Tracy Lynch Bhola, Esquire, General Counsel, and Margarita Benjamin, Managing Director, Economic Development. Also in attendance are Kelly Thompson-Webbe, Chief Financial Officer, and Celina Morris, Director, Marketing. It is my honor to provide testimony in support of ratification of the Hotel Development Agreement between the Government of the Virgin Islands and Haven Development, LLC (“Haven Development” or the “Developer”).

The Virgin Islands Hotel Development Program is administered by the Virgin Islands Economic Development Commission, a subsidiary of the Authority. It was established under the Hotel Development and Finance Program Act (HDA) of 2011, to encourage investment in the development, reconstruction, and renovation of hotels, resorts, and related facilities in the U.S.

24 Virgin Islands. The HDA program's primary goal is to stimulate tourism-based economic growth  
25 while creating employment opportunities for Virgin Islands residents, particularly those who are  
26 unemployed or underemployed in communities where hotel investments are made.

27 HDA was subsequently amended in 2018 through Act 8030, and again in 2019 through Act 8056  
28 to strengthen the program and introduce provisions such as the Economic Recovery Fee ("ERF")  
29 Incentives. The program allows for the use of future revenues from hotel room occupancy taxes  
30 and casino taxes to support hotel development projects that would not likely occur solely through  
31 private investment in the reasonably foreseeable future. Monies generated through the HDA  
32 Program are deposited into separate hotel development trust funds established for each approved  
33 project. Funds allocated and deposited into each trust fund are sourced from the hotel and casino  
34 taxes generated by that specific project.

35 Developers may receive incentives as follows:

36 (1) For new hotel projects, 100% of the revenues generated from the Designated Hotel Room  
37 Occupancy Tax ("Hotel Occupancy Tax"), Designated Casino Tax on Gross Revenue ("Casino  
38 Tax"), and the ERF, if applicable, shall be allocated to and deposited into the Project's Fund.

39 (2) For hotel projects where 70% or more of the units have remained unoccupied due to natural  
40 disasters or related impacts, 50% of the revenues generated from the Hotel Occupancy Tax and  
41 Casino Tax, as well as 100% of the revenues generated from the ERF, if applicable, shall be  
42 allocated to and deposited into the Project's Fund; and

43 (3) For reconstruction and renovation of existing hotel sites where less than 70% of the units have  
44 been unoccupied due to natural disasters or related impacts, 100% of the revenues generated  
45 from the ERF shall be allocated to and deposited into the Project's Fund. This project would not  
46 be entitled to revenues generated from the Hotel Occupancy and Casino taxes.

47 The Hotel Occupancy Tax and Economic Recovery Fee are granted for a period of 30 years, or  
48 until such time the direct investment is liquidated, whichever is earlier. The amount of the  
49 Economic Recovery Fee for any approved ERF project shall not exceed 7.5% of the hotel room  
50 charge.

51 Prior to Haven Development, USVIEDA approved two (2) HDA applications: RC Hotels (Virgin  
52 Islands), Inc. d/b/a The Ritz Carlton St. Thomas, and CREF3 USVI Hotel Owner, Inc. d/b/a The  
53 Westin St. Thomas Beach Resort & Spa and Bouy Haus Beach Resort St. Thomas, Autograph  
54 Collection. As a result of the Hotel Occupancy Tax and/or Economic Recovery Fee, these  
55 Developers were able to reinvest and upgrade the existing properties which were shuttered due  
56 to Hurricanes Irma and Maria resulting in direct, indirect, and induced activities spurring economic  
57 growth in the Territory.as a result of Hurricanes Irma and Maria resulting in direct, indirect, and  
58 induced activities spurring economic growth in the Territory.

59 On March 6, 2024, Haven Development, the third applicant filed an application with the Authority.  
60 Haven Development requested approval to impose a seven and one-half percent (7.5%) ERF in  
61 addition to the dedication of the hotel occupancy tax revenues of twelve and one-half percent  
62 (12.5%) to support payment of the debt obligation to be incurred in connection with the  
63 development. Haven Development entered into a management agreement with Equities Hotel  
64 Group, LLC to manage and operate the hotel as a Hilton Worldwide Hotel. Notably, Haven  
65 Development, LLC was granted a limited, non-exclusive license to use the name Hampton by  
66 Hilton St. Thomas, the first newly constructed hotel in over 30 years in the U.S. Virgin Islands,  
67 adding 126 rooms to the hotel inventory.

68 At its decision meeting on December 12, 2024, the USVIEDA Governing Board approved Haven  
69 Development for the full 12.5% Hotel Occupancy Tax on room revenues to reimburse a portion of

70 the hotel construction costs, along with a 7.5% ERF in accordance with 29 V.I.C. § 1312(c)(2).  
71 These incentives were granted for a period of 30 years, or until the direct investment of \$34.8  
72 million is liquidated, whichever comes first.

73 On April 10, 2025, Haven Development submitted a request to increase its direct investment over  
74 the initial budget to incorporate additional costs. Based on the USVIEDA's October 3, 2024  
75 independent financial analysis prepared by CBRE, Inc., the Developer's debt of \$44,105,254.61  
76 will be liquidated in less than the 30-year period authorized by law, resulting in the USVI  
77 recapturing the Hotel Occupancy Tax within approximately 18 years. It was determined that the  
78 project is still feasible at the increased cost.

79 On July 15, 2025, USVIEDA approved the increase in the direct investment to be made by Haven  
80 Development, LLC, along with the Development Agreement establishing the obligations of the  
81 Government of the U.S. Virgin Islands and Haven Development, LLC.

82 On July 30, 2025, the Development Agreement was transmitted to the Honorable Albert Bryan Jr.,  
83 Governor of the U.S. Virgin Islands for consideration. Thereafter, following Governor Bryan's  
84 approval, the Development Agreement was submitted to the 36<sup>th</sup> Legislature for ratification  
85 pursuant to 29 V.I.C. § 1307(c).

86 Hence, I am here today on behalf of USVIEDA to respectfully support ratification of the  
87 Development Agreement. We believe that Haven Development's project is in the best interest of  
88 the Government and residents of the United States Virgin Islands, and we look forward to this  
89 body's favorable consideration. My team and I are available for any questions that you may have.  
90 Thank you.