

Image not found or type unknown

# The Pink Palm Hotel and Achilles Consulting Seek Tax Benefits in USVI

**New business ventures apply for economic incentives amidst expansion plans**

Business / **Published On March 01, 2024 05:16 PM /**

Staff Consortium **March 01, 2024**

Image not found or type unknown



## The Pink Palm Hotel in St. Thomas

Two new businesses were considered for tax benefits under the territory's economic development regime, and others had requirements to maintain their benefits adjusted due to various challenges.

During the V.I. Economic Development Commission meeting on Tuesday, Achilles Consulting and Smith's Fancy came before commissioners to make their respective cases to support their applications.

Achilles Consulting will provide operational, accounting, finance, regulatory, and compliance advisory services, as well as family office services to clients outside the USVI. Owner Bart Leconey called the five prospective employees listed on the application a “conservative estimate,” with numbers expected to grow with the firm’s clientele. He also expressed enthusiasm for working with the Department of Labor and the University of the Virgin Islands to identify the pool of young talent from which he could staff the new company, which is still searching for suitable premises on St. Thomas.

Mr. Leconey himself is a new transplant, telling commissioners that he moved to the island in December.

The Pink Palm, however, has been operating in the territory for about a year. The newly-renovated hotel has been run as a guest house dating back to the late 1940s, called Smith’s Fancy in its heyday.

Attorney Renée André testified on behalf of Smith’s Fancy LLC, the hotel’s parent company. Located on one and a half acres in downtown Charlotte Amalie, the Pink Palm is a 28-room “boutique leisure hotel targeting a wide range of guests from young adults to families to the business traveler,” Ms. André noted, highlighting the that the property has already received several accolades since its opening in early 2023.

Despite the promise to provide benefits including health and life insurance as well as a retirement plan to the minimum ten employees they expect to employ, commissioners expressed initial concerns about the proposed salary scales for various positions, which they felt were low.

Brent Pelton, owner of the Pink Palm, said that the submitted figures were lower than current wages and assured commissioners that remuneration would be in alignment with the market. “We have to be competitive,” he asserted, noting that the company had been able to lure the hotel’s chef away from another property.

The Economic Development Commission voted to approve a petition from White Bay Global Inc, a business which provides trade, investment, and back-office services to its clients. Commissioners approved the establishment of a subsidiary entity, and approved a 100% exemption on a parcel of land added to White Bay Global’s VIEDC certificate. The company’s request for an additional five years of incentives was found to be premature.

Meanwhile, the Enterprise Zone Commission made modifications to the benefit requirements for four businesses to allow them to remain in compliance. Commissioners unanimously approved the reduction of 12D Bjerger Gade LLC’s employment requirement from six to two temporary employees. The request, they heard, was due to a misunderstanding of how the company’s investment numbers should be calculated.

Meanwhile, Streamline Capital LLLP, the holding company for SL Technology & Consulting, LLC, 3C Kronprindsens VAN, LLC, and 3C Kronprindsens MCC, LLC was removed from the benefit package awarded to the group. Commissioners also approved the reduction of the remaining companies’ collective investment amount from \$250,000 to \$200,000. Employment numbers for SL Technology & Consulting LLC were also reduced from 14 to 6 VI residents, in both part-time and full tie capacities.

Commissioners approved a reduction in the investment amount for Lasso Investment Holdings, LLC, from almost \$696,000 to just over \$553,000. This is due to a reduction in construction costs for the revitalization of a building on King Street, Frederiksted.

Modifications were also made to the benefits requirements for the GPL Partners LLC and Victoria House Inc, which had embarked on the rehabilitation of a building on Strand Street in Frederiksted. Although the initial idea was to house restaurants, bars and cafes as part of the project, the food and beverage operations have not yet begun. As such, commissioners approved the requested change in activities from culinary arts to promoting history and culture. The companies have pivoted to partnering with local artists and cultural organizations to host events, while still striving to get the culinary arts aspect of the project going. As such, commissioners also approved a reduction in staffing complement from 16, which included four part-time employees to 6 permanent, full-time staff.

© Viconsortium 2024