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Two New Businesses Seek EDC Approval to Establish Operations in USVI

Applications highlight promises of job creation, community contributions, and economic growth

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Monte Koch is an established businessman who co-founded [auction.com](#).

On Tuesday, the Economic Development Commission met to consider two new applications from businesses looking to establish themselves in the territory.

First on the agenda was an application from TVCA USVI, LLP. The company is owned by Monte Koch, a private investor with decades of experience in the field. Having previously served as the head of mergers and acquisitions at Deutsche Bank, Mr. Koch also co-founded [Auction.com](#), an online real estate company, along with several other appointments and partnerships along the way,

all in the area of investment, private banking, and financial advising. He now serves on the Choice Hotels International board of directors and is also chairman emeritus of the National Business Aviation Association, on whose board he served for 18 years.

Mr. Koch, who moved to the USVI from Nashville, Tennessee, now wants to use his business acumen to establish a management consulting firm here in the territory. If approved for tax benefits under the EDC, TVCA USVI promises to invest at least \$100,000 in the business within the first 12 months, in addition to hiring at least five full-time employees, one of which would be Mr. Koch in the capacity of chief executive officer. The company promises to cover health insurance for employees and their dependents, as well as providing term life insurance and a 401K or similar plan, contributing at least 2% of the employee's annual salary.

TVCA also promises to make charitable contributions of at least \$40,000 per year to various entities, including \$5500 to the Department of Education for public school programs and initiatives. Additional sums will go towards other educational initiatives, including \$10,000 annually to the Territorial Scholarship Fund, as well as \$2500 to the Department of Labor.?

The business intends to provide "business investment and management consulting services such as advice on corporate strategy, mergers and acquisitions, activity management and government transitions and leadership development," according to TVCA's representative Marjorie Roberts.?

EDA board members were curious to know how Mr. Koch would approach the issue of finding local talent for the business. "I am anxious to get some exposure to UVI in particular, in the business and economics departments, to understand what kind of resources are there to leverage off of for training," he responded. "The other training that occurs is really on the job, and it's getting a chance to watch more senior people do their job," he continued, noting that this was how he himself gained much of his experience. "Those are skills that you can't open up in a book and read, it's not like there's an instruction manual for that. That's all. There's a lot of that by osmosis," he declared.

Mr. Koch also answered questions about whether he believes in climate change (he does), and why if so does he champion the use of private jets for business purposes. "The entire aviation industry, commercial, private, all military aviation is estimated to account for two to 3% of the global CO2 output today," he said in response, noting that in contrast, the real estate industry produces somewhere in the region of 40% of total global carbon dioxide emissions.?

Mr. Koch was also asked to speak about his experience in facilitating public-private ventures, to which he responded with an anecdote about his involvement in the development of a secondary airport in northern Washington state. With increasing demand at the Seattle-Tacoma International Airport, he said that he helped to co-ordinate the combination of private investment and public funds through bond sales into the construction of a terminal at an airport in Snohomish County. "You had a public-private entity that came together that ended up developing what has been a very, very successful airport in Snohomish County, and has solved a whole lot of problems," he said. "That's a great example of where probably public private partnership can work."?

The second business entity to come under consideration was PMX1, LLC, another company seeking to do business in the private investment and consulting space. The company principal, Michael Cribari, was described by representative Erica Kellerhals as a "seasoned entrepreneur and expert in internet marketing" who has run several startups. The goal of PMX1, Ms. Kellerhals says, is to provide investment capital to small and middle-market businesses in the early development stages, which may otherwise struggle to attract funding from commercial banks due

to their lack of substantial assets. Additionally, “PMX1 will provide consulting services, drawing from Michael's vast experience and wealth of knowledge, and he'll develop a team of Virgin Islanders who can provide PMX1's clients a platform of marketing, online advertising, business development and client retention services,” Ms. Kellerhals told commissioners.

In exchange for receiving EDC benefits, the company has promised to invest at least \$100,000 in capital to establish a presence in the territory, and hiring at least five full-time staffers within the first year, of which Mr. Cribari will be one. These employees will be provided with health insurance coverage, including dental, while dependents' premiums will be split equally between the company and the covered employee. PMX1 has also committed to contributing 3% of each employee's annual salary to a 401k or similar plan. Philanthropic giving will be a minimum of \$50,000 annually, and a further \$10,000 per year will go towards the territorial scholarship fund, and \$2,500 annually to the Department of Labor.

Mr. Cribari told EDA board members that opportunities would exist for Virgin Islands to work in customer support roles, and as analysts and other roles “in the actual investment side of the company as well.” He has already made his first hire, he indicated – an individual that is currently attending the University of the Virgin Islands. Mr. Cribari also stated that he has been looking for a suitable space to establish a physical office, but has not yet made any firm decisions on the matter.?

In response to questions about what kind of skills would prospective employees need, Mr. Cribari said that he is hopeful that UVI is already exposing its students to training on how to craft effective prompts to obtain the best results from artificial intelligence platforms, as he anticipates that to form an integral part of employee functions in the business.?

With his business endeavors spanning continents, Mr. Cribari highlighted that the geographical placement of the territory can help bridge the divide between his operations on the west coast of the United States mainland and his business interests in Europe.

A further application for tax benefits under the STARS Act for Scheme Queens, LLC, was discussed during a meeting of the Economic Development Authority. The film production company recently wrapped two and a half weeks of shooting on St. Thomas for their latest venture, spending approximately \$300,000 and hiring around 160 Virgin Islanders. EDA officials discussed the application in executive session.