

The Virgin Islands Consortium

Governor Mapp Denies Carambola Golf Club EDA Benefits

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ST. CROIX -- Governor Kenneth Mapp has decided not to reinstate economic development benefits for Carambola Golf Club, LLC, Government House has revealed through a press release issued on Thursday afternoon.

The Carambola Golf Club is a separate entity from the Carambola Resort.

The governor had previously given notice that he had refused two companies that applied for extension of benefits, however the names of said companies were not released, and *VI Consortium* decided to wait for more details before publishing.

The other company denied benefits has been revealed as Plessen Healthcare, LLC.

"The application submitted to me for review recommending approval does not include information necessary for me to act favorably on the application to award an extension and modification of benefits," Mapp said in his response to the EDA board. "The application submitted revealed that as part of their renewal application, Carambola Golf requested that its original commitment to maintain employment for 39 employees be reduced to 18 employees; that there be a cut back in their requirement to pay for health insurance, and that all compliance issues be waived."

Mapp said throughout all of Carambola Golf's benefit period, "they remained non-compliant in several areas: employment, charitable contributions, and health insurance. Additionally the EDC acknowledges that Carambola Golf grossly overstated their projections.

"For instance, Carambola Gold projected that it would have direct expenditures of \$11.1 million. The actual direct expenditure was \$4.9 million. Carambola Golf projected \$26.5 million in indirect and induced outputs. The actual amount was \$12 million."

Mapp holds strong to the belief that economic development benefits should only be granted when it is necessary to attract major investments, create jobs and spur opportunity for business creation. The governor also stated that beneficiaries seeking extensions must prove that they have contributed to the growth of the EDC program and more specifically to the territory's economy.

"If the EDC had granted a reduced amount of benefits and term, I may have acted differently. For these reasons I do not approve or endorse the grant of extended or modified economic development benefits to Carambola Golf Club, LLC at this time" concluded Mapp