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## EDA and EDPC Staff to Receive Salary Increase; Ritz-Carlton Given Clearance to Charge Extra 7.5 Percent Hotel Fee

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### Ritz- Carlton, St. Thomas

All workers at the V.I. Economic Development Authority whose collective bargaining agent is the local chapter of United Steel Paper and Forestry Rubber Manufacturing Energy Allied Industrial, and Service Workers International Union are set to receive a salary increase.

The governing board of the E.D.A., the V.I. Economic Development Bank, and V.I. Economic Development Park Corporation have agreed to increase staff salaries for the period October 2021 to September 2023.

The decision was among the outcomes announced following an executive session of the Governing Board Decision Meeting held on Tuesday.

The two-year collective bargaining agreement was negotiated between the E.D.A.'s and the union's negotiating teams on September 30. Local Chapter 8249 membership ratified the agreement on October 20, and the authority was notified of the ratification on October 21.

At the meeting, the governing board voted unanimously to approve the collective bargaining agreement for the period October 01, 2021, through September 30, 2023, and to authorize a 5 percent salary increase for union and non-union staff for the fiscal year 2022 effective October 01, 2021.

The board also authorized a two-step advance (equivalent to 4 percent) on the applicable E.D.A. Grade and Step Pay Plan effective October 1, 2022, for the fiscal year 2023 for all union and non-union staff; a 3 percent salary increase for supervisory, senior, and executive management effective October 1, 2021, for the fiscal year 2022 and a two percent (2 percent) salary increase for supervisory, senior, and executive management effective October 1, 2022, for the fiscal Year 2023.

The governing board voted unanimously to authorize a 5 percent salary increase for staff of the Economic Development Park Corporation (EDPC) for the Fiscal Year 2022 effective October 1, 2021, and to authorize a two-step advance (equivalent to 4 percent) on the applicable EDA Grade and Step Pay Plan for FY 2023 effective October 1, 2022, for staff of the EDPC.

### **Ritz-Carlton VI receives ERF incentive approval**

The board also approved an application for RC Hotels (Virgin Islands), Inc. to be granted Economic Recovery Fee (ERF) Incentives. RC Hotels Virgin Islands, also known as the Ritz-Carlton was granted a "7.5 percent Economic Recovery Fee for a 30-year period in accordance with 29 V.I.C. §1312(c)(2) or until such time the direct investment cost of \$32,600,000 is liquidated, whichever is earlier."

The ERF is part of the Hotel Development Act [signed into law](#) in Oct. 2019 by Governor Albert Bryan. Among other things, the law allows existing hotels and resorts in the territory to add a new charge of up to 7.5 percent to guests' bills. This Economic Recovery Fee is separate and distinct from the hotel occupancy tax, which will not change under the new law.

According to the approval, Ritz-Carlton shall notify the EDA of the date on which it intends to begin assessing and collecting the ERF fee, which date shall not be fewer than 60 days following the approval notification.

The hotel's management will also have to deliver a report to EDA describing, in reasonable detail, for the prior calendar year information in accordance with V.I. law on or before March 31 of each year while an ERF is in effect.

According to the Hotel Development Rules and Regulations, the purpose of the Economic Recovery Fee is to encourage and promote the recovery, improvement, and expansion of the territory's hotel sector.

Developers of hotels located or to be located in the U.S. Virgin Islands may apply for authorization to impose and collect an Economic Recovery Fee to finance, fund, or cover the costs incurred for renovation or reconstruction, construction, improvement, and development of hotel

properties and related facilities or infrastructure. The scope of the facilities and infrastructure that may be financed, funded, or covered and authorized includes the scope of the facilities and infrastructure described in the definition of project pursuant to section 1303 of title 29 V.I. Code, chapter 23.

The rules and regulations say that the amount of the Economic Recovery Fee for any ERF Project shall be the difference between a percentage rate of the Designated Hotel Room Occupancy Tax to be selected by the applicant, which rate, notwithstanding provisions 33 V.I.C. § 54 (b)(1), maybe increased up to twenty percent (20%), and the percentage rate of Designated Hotel Room Occupancy Tax established by 33 V.I.C. § 54(b)(1) applicable at the time of the application, provided that such difference may never be greater than seven and a half percent (7.5%).

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