

- coldwellbankervi.com
- www.buyintheusvi.com
- lorine@lorinewilliams.com
- 340.690.9628 Cell

St. Croix Real Estate reviews

Featuring Real Estate Market Updates and Local News of St. Croix, USVI

SUMMER 2013

Message from Lorine...

Dear Friends,

Hope this letter finds you having a lovely summer, taking off some well-deserved time to enjoy family and friends, and re-charging your "batteries." Summer has found me enjoying some city-life experiences in Chicago and Cleveland with friends I met through real estate - one of the unintended but good consequences and great perks of this business.

On the home front progress is being made. As the St. Croix Chamber of Commerce just announced on their web site, "The Virgin Islands Water and Power Authority (WAPA) announced that it has signed an agreement with leading global energy supplier Vitol to use propane as

the primary fuel to create power for the U.S. Virgin Islands. Propane will reduce fuel costs by 30% and lead to significant savings for customers while also giving our economy a boost." Vitol is a Swiss-based, Dutch-owned multinational energy and commodity trading company. Construction of the conversion is to begin this fall or early 2014 with completion by the end of 2014.

In addition, Governor deJongh has sent the VI Senate the "HOVENSA Fourth Amendment Agreement" for their consideration. Last week the Senate held a lengthy hearing with more public hearings to be held this week. As outlined by Mark Eckerd, President of the St. Croix Chamber of Commerce, "HOVENSA must engage a reputable and experienced investment banking firm to find a deal and manage a sales process (which is limited to a duration of approximately one year)."

In exchange, the Government will temporarily permit HOVENSA to operate the refinery site as an oil storage terminal. During this temporary period, HOVENSA's obligation to pay property taxes is temporarily and partially deferred. (Under the existing agreement, HOVENSA must pay \$14mm in property taxes each year; this amount is reduced to \$7mm during the 1-year term of the sale process. If the sale process fails, HOVENSA is required to pay the deferred amount.) HOVENSA is also temporarily relieved

from its obligation to provide subsidized fuel to WAPA.

If the refinery is sold, HOVENSA will pay to the Government 20% of the sale proceeds, capped at \$50mm and HOVENSA will be released from further obligations to the Government of the Virgin Islands. If the refinery does not sell, HOVENSA will resume all of its obligations under its agreements with the Government of the Virgin Islands, including its obligation to bid to supply discounted fuel to WAPA and must immediately repay all deferred property tax amounts.

This proposed agreement incentivizes HOVENSA to sell; if it does not - it will be forced to repay deferred property taxes, will once again be required to supply WAPA with discounted fuel, and will not be permitted to enter into any new oil storage contracts. Additionally, HOVENSA will be required to either execute on the requirements of its Consent Decree with the US EPA and make required capital improvements - or surrender its Clean Air Act permits, and the Government of the Virgin Islands will resume its rights to assert breach of contract claims for periods before and after the end of the sales process.

This agreement must be ratified by the Legislature by August 15. HOVENSA has indicated that they will file for bankruptcy protection, resulting in years of costly litigation, if not ratified.

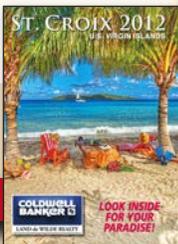
I will be able to report the VI Senate's decision in the next newsletter; for the most current news consult the St. Croix Avis or the on-line VI Source.



Hall of Fame in Cleveland. If you're state side, I highly recommend.



Flamboyant North Road



Warm regards, *Lorine*

Spotlight on... DAVID HAYES

Archaeologist with a Find

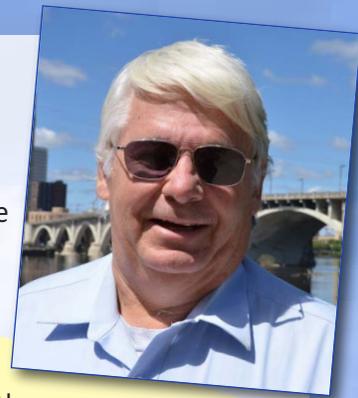


Photo by Duncan Hay

Archaeologist David Hayes expects to be on hand for many Public Works projects; he doesn't expect to come across a goldmine of Pre-Columbian artifacts. But sometimes you score.

That's what happened when the V.I. Department of Public Works and the Federal Highway Department requested his presence on their Rothschild Francis Square Enhancements project on St. Thomas. They resurfaced the market square with Italian cobblestones and repaired nearby sewer, electric, potable water, and phones lines while they were at it. Hayes monitored the work.

"Whenever they dig up new soil, they are required to have an archaeologist standing by," said Hayes, who has been with the project since January 2012. The project was nearly finished when, last January, Hayes spotted artifacts. "I started finding immense amounts of whelk shells," he said. "I saw this stuff coming out of the ground! Whelk shells, pottery, all kinds of things!"

Hayes excavated a section of the site by hand. For each cubic yard he excavated, he found roughly 200 whelk shells and a box-full of pottery shards. "We've been able to date the material as somewhere between 1500 and 2000 years old," Hayes said.

He found fish, bird and manatee bones, as well as stone tools. "I found the entire detritus of a life—pieces of a culture that was there. It's an incredibly rich site that we are going to excavate using federal funds," he said. He expects to pull 20,000 whelk shells from the site.

Enlisting 25 people for the dig (10 trade archaeologists and 15 who want the learning experience), Hayes predicts that the Kronprindsens Gade Archaeological Site, as it is called, will be a large-scale educational project. He'll involve the St. Croix Archaeological Society, which he founded, the St. Thomas Historical Trust and the St. John Historical Society.

A St. Croix native, Hayes earned a bachelor's degree in computer science from the University of California at Berkley and a master's in industrial archaeology from Michigan Technological University.

"We've been able to date the material as somewhere between 1500 and 2000 years old."

ConnectSpace.vi Imports 200 Telework Opportunities



Photo by Anne Salafia

Alexis George, Project Coordinator

There, on the quaint little Frederiksted waterfront, ConnectSpace.vi is preparing Virgin Islanders for the telework world. "Our focus is job pairing; we bring jobs into our community," said Alexis George, Project Coordinator at ConnectSpace.vi. Just last month,

ConnectSpace.vi announced 200 remote telework positions available with Support.Com, a Silicon Valley based outfit that supplies online technical support. "We have been afforded the opportunity to fill some of these jobs right here in the Virgin Islands," said George.

"Outsourcers are expanding their base to capture talented individuals here. It's a win-win situation," he said.

With the new (viNGN) high speed fiber optics nearly in place, the Territory stands to do business across the globe. "The key point is talent and skill, said George.

"Companies are looking for talent." George conducts in-house Telework Careers Boot Camps, teaching technical skills and know-

how. He helps students get their feet wet. "But it requires total engagement to find employment opportunities—like any job search," he said. Convinced that the internet will become integrated into every facet of our lives, George wants Virgin Islanders in on the action.

"It's important for people to retrain and retool themselves to meet the demands of jobs that are becoming available around the world. Location no longer matters in this new age; it's what you have to offer—your knowledge and your skills," he said.

George believes the Virgin Islands can be global players.

ConnectSpace.vi operates under a grant from viNGN.

Court Decision Strengthens VI EDC Programs



Last month, the U.S. Tax Court in Washington, D.C. ruled that a Virgin Island resident filing income taxes with the VI Bureau of Internal Revenue initiates the three-year federal statute of limitations at that time and is not required to further file with the IRS.

"This is a huge win for the Virgin Islands Economic Development program and for all Virgin Islands taxpayers," said Governor John de Jongh, in a prepared statement. "The court's decision sends a strong message to the IRS that our EDC program is a lawful, congressionally sanctioned program that must be afforded respect..."

The case concerned former Virgin Island resident and EDC beneficiary, Arthur Appleton. When the IRS disputed tax credits that Appleton had claimed for years already outside the normal statute of limitations and filed a notice of tax deficiency against him, Appleton challenged the action. He had duly filed with the Virgin Islands Bureau of Internal Revenue.

Because the case implicitly questioned the scope and boundaries of the Virgin Island tax jurisdiction, Governor de Jongh asked Attorney General Vincent Frazer to intervene.

The court found in favor of the government and of Appleton.

According to De Jongh, the ruling will have "ripple effects far beyond the ultimate tax liability of a single taxpayer."

Feature Property of the Month

416 The Reef Condo

For the avid (and aspiring!) golfer! Live where you play with this move-in ready 2 Bedroom, 2 Bathroom condo on the Golf Course at The Reef. Sunny interiors with vaulted ceilings, roomy kitchen, fully furnished with tropical flair. Impressive views overlook the Reef golf course, out to Buck Island and the azure Caribbean waters. Convenient dining and deli plus a perfect, popular white sandy beach only seconds away, and just a moment's drive to the St Croix Yacht Club.

MLS 13-1294 **\$188,895**



ISLAND PROPERTIES

42 Catherine's Rest

Bank owned fixer upper perfect for the first time home-buyer or handyman.
3 Beds/2 Baths.
MLS 12-1270
\$133,000



108 Judith's Fancy

All plans and permits in place to build in a coveted community on 1-acre lot just across the street to the beach! Owner financing available.
MLS 13-1224 **\$249,000**



August DEAL OF THE MONTH

C6 Maison DePoincy

Save \$11K at Closing! The motivated seller is offering \$11,000 credit at closing to pay for one full year of condo fees! This Maison dePoincy condo offers all the conveniences of mid-island living, in a lush and serene tropical garden setting. The modern kitchen has all BRAND NEW granite counters, glass tiling, sink, stove, and fridge. Relax on the cool, covered gallery overlooking the pool or enjoy the tropical breezes inside with cathedral ceilings and windows to let in the light. Amenities include rare attic storage, whole house surge protection, UV water filtration and an 8.5 kw generator. 2 bd/2 ba.
MLS 11-2129 **\$184,000**

Q1 Cruzan Princess Condo

No Steps! Easy one-level living 1/1 condo with dazzling pool, tropical grounds, white sandy beach.
MLS 13-1293
\$91,500



ST. CROIX REAL ESTATE MARKET WATCH

CLOSED SALES COMPARISON : 5/31/11 - 5/31/12 VERSUS 5/31/12 - 5/31/13

	2011-2012 SOLD	AVERAGE DAYS ON MARKET	MEDIAN SOLD PRICE	2012-2013 SOLD	AVERAGE DAYS ON MARKET	MEDIAN SOLD PRICE
Home Sales	92	301	\$275,000	109 ↑	287	\$275,000
Condo Sales	42	310	\$132,000	53 ↑	322	\$135,000 ↑
Land under \$39,900	25	299	\$29,000	27 ↑	381	\$26,000
Land over \$40,000	41	356	\$64,900	33	382	\$79,000 ↑
Commercial	13	363	\$300,000	6	325	\$172,000

The Good News...

The number of homes sold during this period is UP 19% over last year.

Information from the St. Croix Multiple Listing Service * The average sales price and the average days on market could be skewed greatly by only one sale or because of the small number of annual sales.