

# Done Deal: V.I. Closes Agreement with Limetree for Former Hovensa Facility

January 6, 2016 - St. Croix Source

The ratified operating agreement between the Government of the Virgin Islands and Limetree Bay Terminals LLC for the sale of the former Hovensa facility on St. Croix was closed Monday January 5th, and that means, among other things, that Virgin Islanders can look forward to receiving their income tax refunds as early as this week.

At closing, many of the transactional provisions of the GVI-Limetree Bay Terminal agreement were executed. The government's escrow agent received the cash payment of \$220 million. The deeds to the real estate, land, housing, community center, and vocational school will be filed with the Office of the Recorder of Deeds on Tuesday, and the keys and security codes will be transferred to the government as well, Gov. Kenneth E. Mapp said.

Mapp directed the immediate release of \$22 million of the funds for the payment of income tax refunds. He also directed Finance Commissioner Valdamier O. Collens to pay \$50 million on the Government's line of credit, pay \$11 million to the Water and Power Authority for outstanding streetlight obligations, pay as much as \$20 million for legal and professional fees for the tax litigation claims and the operation agreement transaction costs.

The governor also directed OMB Director Nellon L. Bowry to use an amount up to \$25 million to restore the five percent allotment reduction to every executive department and agency.

"As I have said, the ratification of the operating agreement and the receipt of money does not solve the financial woes of the territorial government," Mapp said. "We have bought some time to get our financial house in order. In the coming weeks, I will announce the implementation of some long outstanding step increases due and owing to the employees of the Government of the Virgin Islands."

Mapp said the closing went as planned.

"Once again, I thank the members of my team, the 31st Legislature, ArcLight Capital Partners, LLC, and the community at large for their support in moving this important agreement forward," he said in announcing the closing of the deal.

The refinery site has stood silent since 2012, when Hovensa ceased refining operations. The closure cost St. Croix more than 2,000 jobs and plunged both the island and the territory into a financial crisis.

ArcLight Capital Partners' Limetree Bay Holdings will operate a oil storage facility and has pledged to create at least 80 fulltime jobs. Other partners in the project include Freepoint Commodities and the Chinese oil giant Sinopec.

Copyright © V.I. Source Publications, Inc.

Source URL:<http://stcroixsource.com/content/news/local-news/2016/01/04/done-deal-vi-closes-agreement-limetree-former-hovensa-facility>