

*St. Croix* **Real Estate**  
*reviews*

Featuring real estate market updates and local news of St. Croix, USVI

SEPTEMBER, 2008

**NEW MID-ISLAND COMPLEX**



**B**ella Collina Development, a Puerto Rican company, recently presented plans to build an 800-dwelling planned community on 78 acres in Estate Orange Grove, south of Richmond Post Office. Route 70, also known as Contentment Road, abuts the property's southern side and Golden Rock Shopping Center is roughly to the property's northwest. The entire development is called Orangestaad Village, and should take between four and five years to complete, said Carlos Cacciamani, Bella Collina's chief executive officer.

Cacciamani wants to develop a "town center" named after Anna Heegard, consort of Danish Gov. Peter von Scholten. Heegard's grave was found within the property during pre-development archeological surveys. The town center will include a bank, a hotel, post office, markets, restaurants, stores, underground parking, a school and 200 of the total 800 housing units.

Half of the housing units are to be affordable housing, which in this instance means residences starting at \$175,000.

The development is to be "totally pedestrian," Cacciamani said. "Apartments, especially in town center, will be able to experience the lifestyle."

"We hope this will be the first community like this in the entire Caribbean. It is a residential element and a lifestyle needed today."

**SMALL BUSINESS  
RELIEF**

**T**here is no sales tax in the Virgin Islands. Instead, everyone in business -- from attorneys to cleaning companies to hot dog vendors -- is required to pay four percent of their annual gross receipts to the government through what is known as the gross receipts tax.

In a move to help small business, Senators Louis Patrick Hill and Senator Usie Richards sponsored Bill #27-186 early this summer that would increase the existing gross receipt tax exemption for most small businesses from \$5,000 per month to \$9,000 per month. Under an amendment added by Senator Ronald Russell, the exemption would apply to small businesses earning less than \$225,000 annually. Under existing law, only small businesses earning less than \$150,000 annually qualify for the exemption.

Recently, the bill sailed through the V.I. Legislature without objection and now awaits the signature of Governor John deJongh. While the bill would cost the V.I. Treasury an estimated \$3 million a year in lost tax revenue, legislative leaders say it would bring small businesses much needed relief from higher electricity, shipping and product costs.

**NEWS, NEWS, NEWS!**

I hardly know where to start. It's like riding a giant roller coaster.

The 2006 VI real property tax bills that have just been mailed, and some of you have paid already, have been rescinded for now. Chief District Judge Gomez found the VI Government in contempt of court and fined them \$5000 per day. According to the court order, property owners who have received new bills in the last several weeks can ignore them and do not have to pay them. There has been no ruling or announcements as to any refunds or how they might be handled if one has already paid. Because of the court cases dating back to 2003, ruling that the entire territorial real property had to be re-evaluated and the upgrades to the VI Tax Assessors office, the V I Government is already two years behind in issuing the bills and collecting the much needed revenue. From the 2006 tax bills alone, \$18-20 million was expected to be collected. Stay tuned for further developments.



Lorine Williams

**HOME DEPOT PROGRESS**

The company, Caribbean Development Partners, that is putting together the financing and plans for the new shopping center in Barren Spot including a Home Depot, got a "shot in the arm" at the recent Economic Development Authority (EDA) meeting. Taking advantage of the new program in the VI, TIF funding, tax-incremental financing, the developer had applied for \$25.43 million in TIF funding. Based on anticipated revenues, such as gross receipts and property taxes, they will sell bonds on the open market in conjunction with the Public Finance Authority. A consultant and attorney hired by EDA, Greg Hummel, stated "this project will well exceed the tax increment, which exemplifies good TIF financing". Most residents can't wait to have this become a reality. The next steps in this multi-tiered approval process are legislative approval, the Governor's signature, the PFC approval and then on to the bond market.

**ALL THAT JAZZ**

On November 19, 20, 21 and 22 the hills will be alive with the sounds of JAZZ. Frederiksted will again be the site for what's becoming a November happening in Freedom City. It's called St. Croix Blue Bay Jazz Festival, and the lineup includes the Steve Simon Band, Rolando Bricen'o, Tito Puente, Jr., Eddie Russell, Willie Martinez, Pete Escovedo Orchestra and many more.

**5TH NIGHT FOR FREE PLUS \$300.00**

The VI Tourism Department's Winter Escape Promotion offers the 5th night hotel stay free plus \$300 traveler's check and a coupon book full of goodies. Book between now and Oct 31, 2008 and travel between Jan 1 and March 31, 2009. What a deal. Come on down and tell all your friends, who will need a break from the winter doldrums. Encourage them to treat themselves to some good medicine; nature's dose of melatonin. Enjoy your fall!

Warmest regards,

Lorine R. Williams, GRI, CRS  
2006 REALTOR of the YEAR  
Coldwell Banker Land-de Wilde Realty



# FEATURE HOME OF THE MONTH



## INCOME PRODUCER

Great, centrally located duplex that is minutes from all conveniences. A stone's throw from Sunny Isle, hospital and Hovensa. Easy access to South Shore Rd. Two bedrooms, one bath on each side. Separate meters, separate cisterns, 10,000 gals each side.

MLS: 08-1307

PRICE: \$225,000

Call Lorine Williams at 340-690-9628 or email: [lorine@lorinewilliams.com](mailto:lorine@lorinewilliams.com)



When Virgin Islands voters headed to the polls on Saturday, September 13, for this year's primary election, they confronted a ballot containing the names of more than 150 candidates for local offices. Topping the ballot was the choice for the Virgin Islands Delegate to Congress, where incumbent Donna M. Christensen was challenged by Victor Frazer, who held the office before Christensen was first elected six years ago.

More than 35 candidates were listed on the primary ballot competing for St. Croix's seven seats in the Virgin Islands Legislature. Other offices up for grabs were seats on the Virgin Islands Board of Education, the Virgin Islands Board of Elections and various Democratic, Republican and Independent Citizens Movement party offices and committees. Those candidates who survived Saturday's primary will face off in the November 4 general election. However, under existing law local voters will not be eligible to vote for President of the United States in the general election, even though we are U.S. citizens.

## \$7,500 TAX CREDIT

First-time home buyers who find their goal somewhat elusive might find the opportunity of a lifetime in newly enacted federal legislation that provides a tax credit of as much as \$7,500 for them. But time is of the essence. Only homes purchased on or after April 9, 2008 and before July 1, 2009 are eligible.

In addition to providing a \$7,500 tax credit to first-time home buyers, the recently enacted Federal Housing and Economic Recovery Act of 2008 includes a number of other provisions that are designed to help prevent foreclosures, reinvigorate the housing market and strengthen the nation's economy.

Among other features, it increases the availability of FHA-insured loan to 115% of an area's median home price capping it at \$625,000; establishes an independent regulator to oversee government-sponsored housing enterprises, such as Fannie Mae; enhances the Low Income House Tax Credit and tax-exempt housing bond programs for developers; and includes tax relief for home owners who do not itemize their income tax return. For more information go to: [www.federalhousingtaxcredit.com](http://www.federalhousingtaxcredit.com).

## PROPERTY TAXES

Virgin Islands property tax values have been frozen at 1998 levels since 2003 when a U.S. District Court ruling ordered the government to conduct a thorough revaluation of all commercial and residential properties. It also ordered that a new assessment system be established and certified by a court-appointed special master.

The ruling came about when a group of commercial property owners took the V.I. government to court, alleging the government was assessing commercial properties based on replacement costs rather than actual property values.

As a result of the court case and undertaking and an exhaustive revaluation process, the government was prevented from issuing property tax bills for 2006 and 2007.

Last month, however, Governor John deJongh gave the green light to issuing property tax bills for 2006 based on the recently complete revaluation study, along with adjusted tax rates. Now, attorneys for the commercial property owners who filed the initial complaints are asking the government be found in contempt of the court's 2003 order.

Attorneys for the plaintiffs are asking the government be ordered to rescind the tax bills that have been issued, refund any payments already made by local property owners and be fined \$100,000 a day until they "re-establish the status quo."

Attorneys for the government maintain that it has complied with the original court order by completing a new revaluation, which received favorable report from the special master. They also say that the federal statute upon which the case and subsequent settlement was based has been repealed, making the court's stay on property tax values moot. Stay tuned for the next episode.

### A.K.C. (ALL KIND CRUZAN) PUPPIES AND KITTENS



The animals in St. Croix need your help. Our animal shelter is having fiscal problems because of Government funding cuts. If you would like to help, contact the St. Croix Animal Shelter at 340-778-1650 or <http://www.stcroixawc.org/>.

## ST. CROIX REAL ESTATE MARKET WATCH

### CLOSED SALES COMPARISON - 8/31/06-8/31/07 VERSUS 8/31/07-8/31/08

|                        | 2006-2007 SOLD | AVERAGE DAYS ON MARKET | AVERAGE PRICE | 2007-2008 SOLD | AVERAGE DAYS ON MARKET | AVERAGE PRICE |
|------------------------|----------------|------------------------|---------------|----------------|------------------------|---------------|
| Home Sales*            | 175            | 287                    | 409,953       | 144            | 264                    | 412,638       |
| Condo Sales*           | 99             | 157                    | 225,258       | 96             | 202                    | 231,495       |
| Land under \$39,999    | 116            | 520                    | 27,080        | 79             | 307                    | 28,594        |
| Land over \$40,000     | 160            | 424                    | 169,805       | 167            | 308                    | 210,971       |
| Commercial properties* | 25             | 367                    | 527,020       | 22             | 383                    | 1,212,250     |

Information from the St. Croix Multiple Listing Service

\*The average sales price could be skewed greatly by only one sale because of the small number of annual sales.