

LIMETREE GIVES PROJECT STATUS UPDATE ON TERMINAL RESTART

Date : November 7, 2019

Members of the of the Committee on Government Operations, Consumer Affairs, Energy, Environment, and Planning, chaired by Senator Alicia V. Barnes, held a public meeting Wednesday on St. Croix regarding the project status of Limetree Bay, LLC.

Chairwoman Alicia V. Barnes said in her opening statement that her Committee convened to receive testimony on the status of Limetree Bay, LLC, the commencement of refining operations, terminal operations, environmental permitting, local vs. non-local employment levels, compliance concerns with subcontractors as it relates to the territory's environmental, labor, and licensing laws as outlined in the 2018 Amended Operating Agreement.

Senator Barnes stated that we are a small community, and at times, in small communities, rumors, gossip and innuendos quickly become believed facts. She said it is her hope that the information provided in the hearing will serve to set the record straight, as to what is actually and factually happening at the Limetree Bay Facility.

In his presentation, Brian K. Lever, President and Chief Executive Officer of Limetree Bay Ventures, LLC., said, only together that we will succeed and prosper going forward. According to Lever, commitments to the people of the Virgin Islands and the Legislature have not only been kept but exceeded. He noted several obligations: (1) Invest approximately \$125 million in the facility by January 2018, (2) Limetree invested over \$190 million through the deadline and has now invested more than \$1.6 billion at the site as they approach the restart of the refinery, and (3) At present, 91 percent of the Full Time employees and 50 percent of their Senior Management Employees

are U.S. Virgin Islands residents as defined in the Terminal Operating Agreement.

He told the Committee that

Limetree completed construction of new, larger crude pumps that allow them to export crude at a rate of 45,000 barrels per hour and important to be able to serve their largest customer. He added that Limetree also completed construction of a new Marine Vapor Control Unit to reduce emissions from gasoline loading and the unit was commissioned on February 17, 2019.

Lever indicated, “The Refinery restart project is 75-percent complete and has resulted in the employment of over 4,000 employees”. With the support of the government including the Legislature, Limetree remains committed to increasing long term employment at the refinery and the Terminal. CEO Lever shared that 68 students have recently completed their Basic Operator Training Program and are now qualified to function as operators at the refinery and terminal and approximately 60 positions are vacant within the refinery.

Nathalie Hodge, Assistant Commissioner of the Dept. of Licensing and Consumer Affairs said her agency does not have any issue regarding Limetree Bay’s compliance with maintaining a current business license, nor has it been apprised of any infraction regarding failure to register vacancies with the V.I. Dept. of Labor. According to her, over the years, DLCA and DOL have collaborated effectively in prosecuting entities that fail to register their vacancies.

Gary Molloy, Commissioner of DOL, stated that the Construction phase of the refinery is 80-percent completed and can expect the number of persons employed to drastically ramp down from the 3,936 over the next few weeks to end the 2019 year with a total of 2,100 sub-contractors with more reductions through February of 2020.

Commissioner Molloy told the Committee that they have not received any formal complaints in the Workers Compensation area; however, they have received anonymous tips that there may be unsafe working conditions at the plant. Furthermore, they also received tips that not all workers are offered Worker's Compensation and continue to investigate these concerns.

He added that three (3) discrimination charges have been filed against three separate subcontractors, each charge has been reviewed using their intake procedure and forwarded to the Equal Employment Opportunity Commission (EEOC) for further investigation.

Kirk Callwood, Sr, Executive

Director, Virgin Islands Public Finance Authority said presently, Limetree is making its quarterly variable payments totaling approximately \$10 million annually, based on 9-percent of gross revenues. However, he added, this would increase to 10-percent in any year that earnings before interest, depreciation and taxes exceeds \$120 million and cannot be less than \$7 million.

According to Executive Director Callwood, Limetree is anticipating restarting the refinery in the quarter of 2020 and following the restart, Limetree will begin making quarterly refinery payments in lieu of taxes totaling \$22.5 million but cannot be less than \$4 million or more than \$70 million annually.

Other testifiers were Jean-Pierre

Oriol, Commissioner of the Dept. of Planning & Natural Resources and Carl Christopher, a resident of St. Croix.

Committee members at Wednesday's

hearing were: Chairwoman Alicia V. Barnes, Senators Marvin Blyden, Allison DeGazon, Kenneth Gittens, Athneil "Bobby" Thomas and Javan James, Sr. Non-Committee

members present were: Senators Kurt Vialet, Novelle Francis, Jr., and Donna Frett-Gregory.

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