

U.S. Virgin Islands Economic Development Authority



Webinar: VIEDA Resources for Businesses during COVID-19 and Beyond

Moderator: Shanell Petersen, Managing Director, Marketing & Vision 2040

June 17, 2020

10:00am (Atlantic Standard Time)

The background of the slide is a photograph of a yellow building with white columns and green shutters. The image is slightly blurred and has a warm, sunny feel. The text is overlaid on a semi-transparent white box in the center.

Welcome

Wayne Biggs, Jr.
Acting Chief Executive Officer/ Chief
Operating Officer

Agenda

- 
- Credible Sources for COVID-19 Updates in the USVI
 - Small Business Incubator Program
 - Enterprise Zone Commission
 - Economic Development Commission
 - Economic Development Bank

Credible Sources for COVID-19 Resources

- Virgin Islands Department of Health – <https://www.covid19usvi.com/> or Text COVID19USVI to 88877 or call 340-713-6200 or 340-776-1519
- VI Territorial Emergency Management Agency: www.vitema.vi.gov
- Office of the Governor of the USVI:
www.facebook.com/GovernmentHouseUSVI
- Center for Disease Control & Prevention (CDC): www.cdc.gov
- World Health Organization (WHO): www.who.int

Speakers



Cusa Holloway

Incubator Program
Manager



**Nadine Marchena
Kean**

Managing Director,
Enterprise Zone
Commission



**Margarita A.
Greenidge-Benjamin**

Managing Director,
Economic
Development



Monique Samuel

Acting Director of
Lending





THE LAUNCH PAD

Small Business Incubator

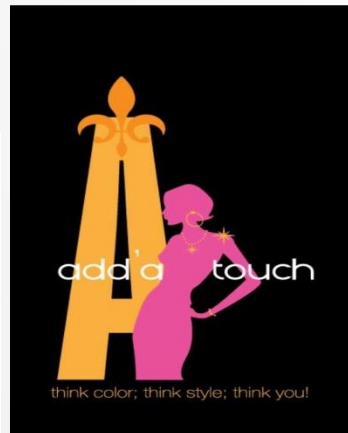
VIEDA Incubator Program Services



- Business advice, mentoring and counseling
- Access to shared office equipment
- Access to high-speed internet (T1 line)
- Entrepreneurial workshops, training, seminars, and networking opportunities



NEARIX



SUCCESS

- Provided over 4000 hours of consulting and entrepreneurial assistance to local residents since 2013
- Businesses have grossed over \$5 million dollars in revenue
- UVI Hackathon
- Winners/Nominations St. Croix Chamber of Commerce Awards:
 - (2) Small Business of the Year Winners
 - Neighborhood Pharmacy (2016)
 - Cultured Naturals Body Care (2018)
 - (1) Business of the Year Winner
 - Nearix (2016)
 - Netwave Unlimited (2016 Nominee)

Enterprise Zone Commission



Mandate.

To revitalize once vital
vibrant communities that
are now considered
distressed as designated.

Zones.

Frederiksted

Christiansted

Savanne-Downstreet

Garden Street-Upstreet

Program Portfolio

Rejuvenation

Scrape & Paint
Construction
Streetscape
Signage

Revitalization

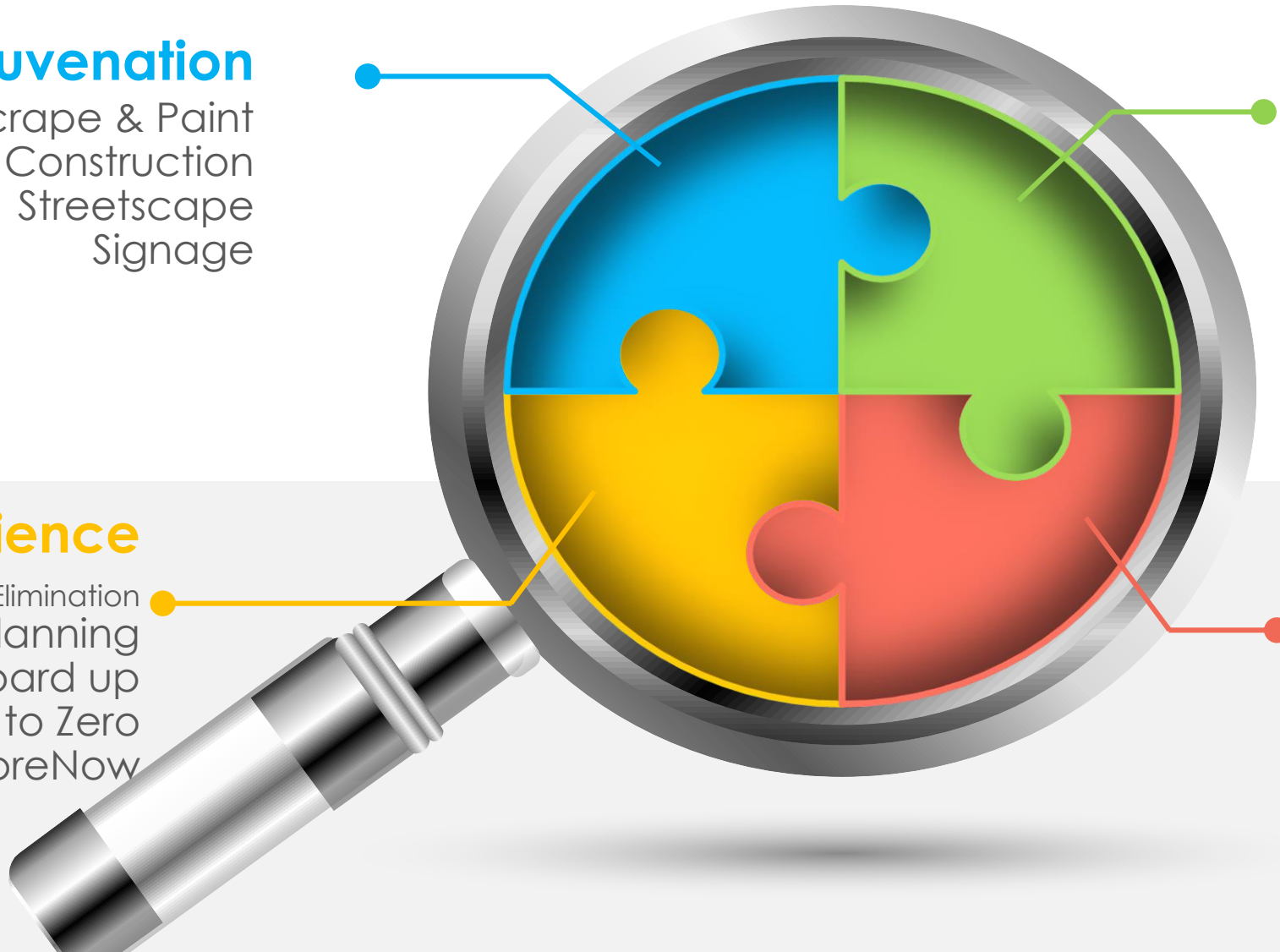
Tax Credits
Tax Exemptions
Plan Implementation

Resilience

Abandon Property Elimination
Estate Planning
Board up
Training to Zero
EntrepreNow

Acceleration

Export Promotion
Made in the USVI
Business-to-Business
Acceleration Guidance



Revitalization: Tax Benefit Program

Tax Credits

25%

A Nonrefundable gross receipts or income tax credit equal to 25% of the actual value expended in revitalizing your building.

3%

A gross receipt tax rate of 3% for gross receipts derived from the EZ business.

\$%

A property tax credit against taxes imposed equal to the increase in property taxes assessed due to renovation, rehabilitation or construction property within the zones.



Tax Exemptions

90%

An income tax exemption of 90%;

100%

An exemption from gross receipts of 100%;

100%

And an exemption from property taxes of 100%.

Acceleration: Growing your company



Made In the USVI

Branding
Pop-up Shop

Export Promotion

Brazil
Canada
Denmark
UK
Italy
Caribbean
& tradeshow in the USA

Business-to-Business

Retail stores in key locations
Hotels and Bed & Breakfasts
Government Agencies

Acceleration Guidance

Personalized assistance to existing businesses.

Thank You

340-714-1700 ext 1811
EZC@usvieda.org

ENTREPRENEUR

A COLLABORATIVE PROGRAM BETWEEN
V.I. ECONOMIC DEVELOPMENT
AUTHORITY
OFFICE OF THE PUBLIC DEFENDER
YOUTH ARISE

PREPARING TODAY'S GENTLEMEN TO BE
TOMORROW'S LEADERS





PRESENTATION

ECONOMIC DEVELOPMENT

COMMISSION

Margarita A. Greenidge-Benjamin
Managing Director, Economic Development

TAX INCENTIVES

90% Exemption on corporate income tax

90% Reduction on personal income tax

100% Exemption on gross receipt taxes

100% Exemption on property taxes

100% Exemption on excise taxes

1% Due on custom duties

ELIGIBLE ACTIVITIES

Category I:

Rum Production, Milk/Dairy
Production, Watch & Jewelry
Manufacturing & Assembly

Category II:

Product Assembly,
Manufacturing, Repair and
Maintenance and/or Export
Operations, Marine Industry, etc.

Category III:

Facilities, Tourism and
Communications Developments,
etc.

Category IV:

Designated Service Business

Benefit Periods

The term for a participant in the Small Business Program is fifty percent of the otherwise applicable term that would apply to a participant in the Economic Development Program.

15 Years

- St. Croix District

10 Years

- St. Thomas/St. John District

5 Years

- One-Time Extension

5 Years

- Investment greater than \$10M

2.5 Years

- Investment greater than \$1M

In Exchange for Incentives...



	SMALL BUSINESS PROGRAM**
Employment	<p>A minimum of 2 full-time employees; Hire one VI Resident for every \$1M of net income prior to salaries</p> <p>80% Residents of the Virgin Islands</p> <p>20% Management / Supervisory / Technical Positions filled by V.I. residents</p>
Investment	<p>A minimum of \$20,000 and Purchase or Build a home within 18 months of benefits</p>

**Small Business applicant must be certified by SBDA, now known as EDB, as meeting small business criteria

In Exchange for Incentives...

Other requirements:

Local Procurement	Purchase goods & services locally from VI businesses (VIC 708(h))
Educational Assistance	Public School Assistance; Territorial Scholarship Fund (Monetary, Scholarship, Internship, Training, etc.)
Management Training Program	Include training budget and trainees
Employee Benefit Program	(Small Business Applicants Exempted)
Charitable Contribution	Local non-profits, and/or 501(c)3 entities, government programs
Other	Compliance with local and federal laws and rules

SMALL BUSINESS APPLICANT

is certified by the Small Business Development Agency (SBDA) as meeting the statutory criteria for being awarded a SBDA loan.

In order to receive the required certification, an applicant is required to submit to the SBDA evidence that they meet the residency requirements and demonstrate that such owner(s) are active in the management of the business on a full time basis and that the business is their principal means of support.

SBDA ELIGIBILITY REQUIREMENTS

A person shall be eligible if he or she:

- Owns at least fifty percent (50%) legal or equitable interest in small business concern, either established or to be established in the US Virgin Islands
- Is active in the management or operation of a small business concern on a full-time basis and such small business concern is or will be his principal means of support

SBDA ELIGIBILITY REQUIREMENTS

- Applicant was born in the United States Virgin Islands;
- or his mother or father was born in the USVI and he has been a bona fide continuous resident of the USVI for at least five years;
- or he has been a bona fide continuous resident of the United States Virgin Islands for at least 10 years.

A small business concern, including firms, partnerships of all kinds and corporations, shall be eligible if at least 50% legal or equitable interest therein is owned by a person or persons eligible under the above provisions.

Receipts from all sources of any year cannot reasonably be expected at the time of application for assistance to exceed \$4,000,000

- A. Receipts up to \$1,000,000, whose investments total \$20,000 and which employs at least two persons; or
- B. receipts exceed \$1,000,000 but are not more than \$1,500,000, whose investments total at least \$30,000 and which employs at least three persons; or
- C. receipts are more than \$1,500,000 but less than \$2,500,000, whose investments total at least \$40,000 and which employs at least four persons; or
- D. receipts exceed \$2,500,000 but are less than \$3,000,000, whose investments total at least \$50,000 and which employs not less than five persons; or
- E. receipts exceed \$3,000,000 but are not more than \$4,000,000, whose investments total at least \$60,000 and which employs not more than 50 persons.



ELIGIBLE VIRGIN ISLANDS SUPPLIER PROGRAM



VEDC PROGRAM MANDATE

The Commission shall endeavor to encourage and assist in the creation, development and expansion of locally owned businesses and industries originating in the US Virgin Islands.

29 V.I.C. Section 708(h)

All VIEDC Beneficiaries are required to agree in writing to employ or contract, and to require all contractors retained by him to employ or subcontract, for services and to purchase goods, materials and supplies with and from those persons, firms or corporations who are

1. Residents of the Virgin Islands; or
2. Incorporated under the laws of the Virgin Islands; and licensed for one year or more prior to the initial date of any such employment, contract, subcontract, or purchase

PROCUREMENT POLICY

Provide for responsible United States Virgin Islands business enterprises to have the maximum practical opportunity to participate in procurement activities of beneficiaries, as suppliers of goods or providers of services.

Beneficiaries are required to do their utmost to facilitate the participation of USVI businesses pursuant to the VIEDC rules.

Eligible Virgin Islands Supplier

- **An individual** – must be a resident of the US Virgin Islands
- **A firm or partnership** – each member must be a resident of the US Virgin Islands
- **A corporation** – must be incorporated in the US Virgin Islands, be in good standing and over 50% of the voting stock must be owned by residents of the US Virgin Islands

Eligible Virgin Islands Supplier Criteria

“Eligible Virgin Islands Supplier” is a responsible US Virgin Islands supplier of goods or services which meet the following criteria:

1. As of the date of the certification, the supplier has been licensed to do business and has actually conducted business in the US Virgin Islands for at least one (1) year:
2. The supplier physically maintains its principal place of business in the US Virgin Islands; and

Eligible Virgin Islands Supplier Criteria

3. The supplier maintains an inventory in the US Virgin Islands appropriate to the size of its business; and
4. The supplier is in compliance with all US Virgin Islands laws and regulations; including all tax laws; and
5. The supplier is in good standing with all agencies and departments of the government of the US Virgin Islands to include the issuance of a current Certificate of Good Standing, Certificate of Existence or Certificate of Trade Name, as may be appropriate.

Reporting Requirements

Eligible Virgin Islands Suppliers must submit annually to the VIEDC:

1. Certificate of Good Standing or Certificate of Existence;
2. A current copy of their USVI Business License; and
3. Shall comply with any and all reasonable requests from the Commission, especially relating to goods and/or services provided to the Beneficiary.



PAYCHECK PROTECTION PROGRAM FLEXIBILITY ACT OF 2020

Presented by The Economic Development Bank for
the United States Virgin Islands

a subsidiary entity of the

Virgin Islands Economic Development Authority



Economic Development Bank (EDB) Overview



The Government Development Bank (GDB) and Small Business Development Agency (SBDA) provides technical support, business counseling and guidance to small businesses in USVI. In May 2014, The Economic Development Bank for the United States Virgin Islands (EDB) was enacted by law to assume the functions of these two entities.



The EDB provides loans to existing and start-up businesses thereby creating and maintaining jobs in the territory and is responsible for the credit administration of its loan portfolio.

EDB LOAN PROGRAMS

Micro-Credit
up to \$50,000

Farmers and Fishers
up to \$50,000

Development
up to \$500,000

Frederiksted
up to \$20,000

Small Business Development
up to \$100,000

Economic Development Administration
up to \$75,000

Intermediary Relending
up to \$100,000

State Small Business Credit Initiative –
Guarantee Program





Paycheck Protection Program (PPP)

On June 5, 2020, the Paycheck Protection Program Flexibility Act (PPPFA) was signed into law, which made several enhancements to the original Paycheck Protection Program (PPP). The new law amends provisions of the CARES Act specifically related to forgiveness of the loans under the PPP.

Background



A provision of the CARES Act is designed to provide quick access to SBA loans for companies with 500 or fewer employees whose principal place of residence is in the United States, to assist with payroll and certain costs during short-term business disruption caused by COVID-19 pandemic.



Eligible businesses include eligible nonprofits, veterans' organizations, eligible self-employed individuals, sole proprietors, partnership, corporations, limited liability companies, and independent contractors.



Available at financial institutions currently extending SBA loans.

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USES

- 75% of the covered loan amount was reduced to 60%. 60% of the funds may be used for eligible payroll cost to include eligible employee benefits.
- 25% of the covered loan amount was increased to 40%. 40% may be used for non-payroll cost such as interest on mortgage, rent or utilities.

Terms



1% interest rate on unforgiven portion



Maturity of all PPP loans approved on or after June 5, 2020 will be 5 years instead of 2 years



Covers payroll cost including benefits for up to 24 weeks



No collateral



No fees



No personal guarantees



Deferred payment for up to 10 months from the date of closing (or as specified in PPP guidelines)



Thank you to our team and our clients for participating in this webinar!

We Support Small Business, Entrepreneurship, & Startups!

Q&A

For more information contact: info@usvieda.org

St. Croix: (340) 773-6499 or St. Thomas: (340) 714-1700

The recording & slide deck will be available at: www.usvieda.org/webinars



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