

# 2017 ANNUAL REPORT

United States Virgin Islands  
Economic Development Authority



Committed to Fostering Opportunities  
for Economic Growth in the U.S. Virgin Islands



**U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**

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**THE UNITED STATES VIRGIN ISLANDS**  
 OFFICE OF THE GOVERNOR  
 GOVERNMENT HOUSE  
 Charlotte Amalie, V.I. 00802  
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**MESSAGE FROM THE GOVERNOR**

The United States Virgin Islands remains committed to robust economic development, despite the challenges of the most recent hurricane season. Throughout Fiscal Year 2017, we strategically executed plans that promoted the growth and diversification of our economy and revitalized distressed communities. We also strengthened our external marketing and communication initiatives to attract key investors to our Territory and to encourage and support local business.

The Virgin Islands is able to provide competitive tax and other benefits not available elsewhere, making us one of the most business friendly jurisdictions under the U.S. flag. We also remain one of the most desirable and beautiful places in the world to live, visit, or conduct business. We enjoy balmy weather year round, crystal clear waters, beautiful vistas, first class accommodations and a warm and welcoming populace.

We continue to partner with the United States Treasury and Internal Revenue Service to enhance our economic development incentives and we enjoy all of the protections and regulations afforded by the U.S. Government. Although the Territory is primed for business activity, we have yet to meet our full potential. Extraordinary opportunities exist here in the finance, light manufacturing, marine, tourism, technology, construction and other sectors.

As our recovery moves into full swing, we stand ready to welcome new business and new investment to our shores. We encourage you to be a part of this new wave of opportunities and remain determined to be the premiere destination for all who wish to flourish under the favorable circumstances only the United States Virgin Islands can offer. We look forward to doing business with you!

*K. Mapp*  
 Kenneth E. Mapp



*The United States Virgin Islands*  
**OFFICE OF THE LIEUTENANT GOVERNOR**

CHARLOTTE AMALIE, ST. THOMAS, VIRGIN ISLANDS 00802

**MESSAGE FROM  
 THE LIEUTENANT GOVERNOR**

Each year, we take pride in presenting the Virgin Islands Economic Development Authority's (EDA) Annual Report, which serves as the official tool that depicts the current status of the Virgin Islands' economy. Notwithstanding the catastrophic challenges the Virgin Islands faced in the last month of the territory's fiscal year, this Fiscal Year 2017 Annual Report highlights favorable outcomes in economic growth, capital improvement projects, and tax incentive programs, which translate into job creation. I am pleased to invite current and prospective stakeholders to utilize this Annual Report as an important guide for continued investments in the Virgin Islands economy within various and diverse industries.

In the current climate of rebuilding, the Virgin Islands is at a strategic position for private sector development and expansion. The public sector is also at a position of infrastructure redevelopment and expansion, which creates the atmosphere to attract or retain investors and stimulate our economy. We recognize the enormous potentials that exist when both sectors benefit from a thriving economy. Therefore, the executive and legislative branches of the Government of the Virgin Islands continue to explore and implement measures that seek to stimulate growth.

The 2017 Annual Report comprehensively dissects many facets of the Virgin Islands economy, and also outlines the efforts that the EDA implements to reach its goals. I applaud the Governing Board and the entire team at the Economic Development Authority for producing this exceptional source for data and analysis of the Virgin Islands economy.

If you are a potential or new investor, we welcome you. If you are an existing investor, we invite you to stay. In the Virgin Islands, there is always room for growth.

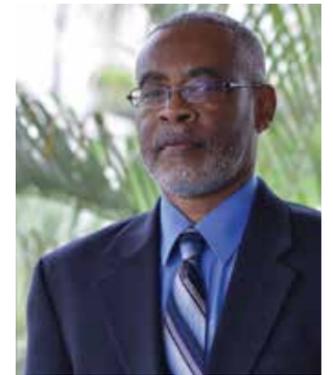
Osbert E. Potter



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**MESSAGE FROM  
 CHAIRMAN OF THE BOARD**

The United States Virgin Islands Economic Development Authority maintained its efforts to meet its legislated mandate of performing the economic development function for the United States Virgin Islands for the 2017 Fiscal Year. As evidenced by the Authority's accomplishments highlighted in this Annual Report, the goal of being effective and productive in the administration of the Territory's Economic Development Program was achieved, but this is always an ongoing effort. I am proud of the accomplishments of the entire Authority's management and staff, and the Governing Board's work to continue to improve our quality of life in collaboration with all stakeholders of the territory.

The objective of economic development is to create jobs and wealth, and improve the quality of life for our people. The Territory's Economic Development Program is a process performed by the Authority intended to enhance the economic well-being of the territory. It is therefore, my opinion, that despite all the accomplishments during the 2017 Fiscal Year, we must consider the process by which we collaborate with all stakeholders and partners within and outside the territory to manage the impact to our well-being due to Hurricanes Irma and Maria.

As a territory, with the assistance of our federal partners and the private sector, we will continue to address the recovery of our home. We must work together to attain the quality of life we want. The economy necessary for that quality of life to be possible requires a comprehensive strategic plan with everyone engaged. The impacts of the 2017 hurricanes are not limited to the damages to our infrastructure and our homes. The emotional impact is taking a toll on our health that we must address if we are to have a good quality of life.

Therefore the United States Virgin Islands Economic Development Authority's 2018 Fiscal Budget, themed "Sowing The Seeds For Economic Prosperity" will be revised to address the new reality of the territory. The Authority will continue its efforts for improved internal operations, but it will also be working to be part of a recovery process that creates the foundation for an improved quality of life.

*José A. Penn*

José A. Penn  
 Board Chairman



## MESSAGE FROM THE ACTING CHIEF EXECUTIVE OFFICER



Fiscal Year (“FY”) 2017 was a memorable one. On September 6, 2017, Hurricane Irma, one of the most powerful Category 5 Atlantic storms in a century, tore its way through the Territory, leaving mass destruction in its wake, particularly on St. Thomas and St. John. Two weeks later, as the U.S. Virgin Islands was still reeling from the effects of Irma and struggling to regain some sense of normalcy, Hurricane Maria, another Category 5 storm, struck on September 19, 2017, this time dealing a massive blow to St. Croix, which had been serving as a hub for Hurricane Irma recovery efforts.

These devastating acts of nature destroyed much of the Territory’s infrastructure, including ports, both hospitals, and a number of schools. Many were left without homes, electricity, access to communications, and other basic necessities. The employment outlook in the Territory was impacted and a portion of the population relocated to the U.S. mainland. As a result, the storms’ aftermath greatly affected our economy, leaving the community to consider new strategies as the Territory rebuilds. To that end, the U.S. Virgin Islands Economic Development Authority (“USVIEDA”) intends to facilitate opportunities that would foster the economic recovery and growth of the USVI by building upon FY 2017 activities.

Prior to the one-two punch of Hurricanes Irma and Maria, the USVIEDA continued its marketing efforts to attract new investors to the Territory. USVIEDA representatives promoted the tax incentives offered through the Virgin Islands Economic Development Commission (“VIEDC”) program at national and regional events. Advertisements were also placed in national publications that focus on high net worth investors, tax advisors and site selection consultants. With 2017 being the 45<sup>th</sup> anniversary of the VIEDC program, we leveraged the support of VIEDC practitioners and current beneficiaries by hosting Practitioners Forums in April 2017 and Beneficiary Summits in August 2017. At the Beneficiary Summits companies that served as VI Ambassadors to promote the VIEDC program and the Territory were recognized.

Supporting our local small businesses is at the core of economic development, and in FY 2017, USVIEDA continued to do so. In addition to the loan programs offered by our Economic Development Bank (“EDB”), over \$10M of State Small Business Credit Initiative (“SSBCI”) guarantee program funds provided financial support to small businesses. Our Enterprise Zone Commission (“EZC”) approved the Savanne-Downstreet Neighborhood Plan, allowing for tax exemption benefits to start in that community. Two EZC Business to Business events were hosted in FY 2017, providing an easy avenue for manufacturers of local products to negotiate with retailers.

As we look toward FY 2018 and beyond, the USVIEDA hopes to be a critical player in the recovery of the Territory. We have partnered with the Small Business Development Center (“SBDC”) and the Small Business Association (“SBA”) to provide informational workshops to residents who need assistance with repairing their homes and businesses. The International Economic Development Council (“IEDC”) has offered expert assistance with the economic recovery process, and meetings between IEDC representatives and key government officials and stakeholders have been scheduled. Offering affordable rental space for business operations that is both modern and state-of-the-art is also key. While our industrial parks on both St. Thomas and St. Croix sustained hurricane damages, we hope to be moving forward with plans for an energy-efficiency retrofitting of the William D. Roebuck Industrial Park on St. Croix in the coming year.

USVIEDA accomplished much and met the challenges of FY 2017 due to the hard work and contributions of our Governing Board of Directors, management and staff, and I look forward to working with this talented team in FY 2018. I would also like to thank our Honorable Governor Kenneth E. Mapp, the Honorable Lieutenant Governor Osbert E. Potter, and the members of the 32<sup>nd</sup> Legislature of the Virgin Islands for their support as we work together to build a stronger, more resilient economy.

Wayne L. Biggs, Jr.

Acting Chief Executive Officer

U.S. Virgin Islands Economic Development Authority

## USVIEDA BOARD of DIRECTORS



**José A. Penn, Chairman**  
Chief Financial Officer of Penns’ Apartment Rental, Inc.;  
Penns’ Jeep Rental, Inc.  
and Penns’ Trucking Services, Inc.  
(St. John Representative)



**Philip Payne, Vice Chairman**  
Owner and CEO of Dyer & Payne, Inc.  
(St. Croix representative)



**Avery L. Lewis, Secretary**  
Elementary School Teacher, Ulla F. Muller Elementary School  
(St. Thomas Representative)



**Catherine Hendry, Esq., Board Member**  
Commissioner of the Virgin Islands Department of Labor  
(Representative of the Governors’ Cabinet)



**Juan Figueroa, Sr., Board Member**  
Executive Director for the Virgin Islands Lottery  
(Representative of the Governor’s Cabinet)



**Haldane Davies, Ph.D., Board Member**  
Vice President for Business Development and Innovation  
at the University of the Virgin Islands  
(Representative from the University of the Virgin Islands)



**Eugene Farrell, Board Member**  
Eugene Farrell, Board Member  
Chief of Staff  
Governor Kenneth E. Mapp  
Governor’s staff representative

## USVIEDA MANAGEMENT TEAM

**Wayne L. Biggs, Jr.**  
Acting Chief Executive Officer

**Tracy Lynch Bhola, Esq.**  
General Counsel

**Ernest Halliday, CPA, CGMA**  
Director of Administration & Finance

**Margarita A. Benjamin**  
Director of Applications  
Economic Development Commission

**Claude S. M. Gerard**  
Director of Compliance  
Economic Development Commission

**Sharmane A. Brookes**  
Director of Lending  
Economic Development Bank

**Nadine T. Marchena Kean**  
Director  
Enterprise Zone Commission

**Mark Finch**  
Park Superintendent  
Virgin Islands Economic Development Park Corporation

**Humberto O'Neal**  
Project Coordinator

*Committed to Fostering Opportunities  
for Economic Growth  
in the U.S. Virgin Islands*

## MISSION STATEMENT

The U.S. Virgin Islands Economic Development Authority (USVIEDA) strives to be a customer service-based organization that creates positive public/private sector partnerships for the enhancement of economic growth and development by meeting the challenges of the global economy and serving the needs of the business community while embracing our unique cultural heritage and preserving our pristine natural environment.

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for Economic Growth in the U.S. Virgin Islands”

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*Cover Photo:*

*Austin "Babe" Monsanto Terminal, St. Thomas, U.S. Virgin Islands*

*Page 11 Photo:*

*Austin "Babe" Monsanto Terminal, St. Thomas, U.S. Virgin Islands*



# THE U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

**The U.S. Virgin Islands Economic Development Authority (USVIEDA)** was created to “aid the Government in the performance of its duties to develop the economy of the Virgin Islands. It was created as a semi-autonomous government instrumentality on February 1, 2001 to assume, integrate and unify the functions of the Government Development Bank (GDB), the Economic Development Commission (EDC), the Industrial Park Development Corporation (IPDC), the Small Business Development Agency (SBDA), and the Enterprise Zone Commission (EZC) under one executive board in order to achieve maximum efficiency, streamline operations, and develop comprehensive programs to promote and enhance the economic development of the Territory.”

In fiscal year 2014 through Virgin Islands legislation, the GDB and the SBDA were merged to create the Economic Development Bank (EDB) in which the SBDA exists under the EDB. The IPDC was also changed to the Virgin Islands Economic Development Park Corporation (EDPC). Legislation was also enacted to include a commercial zone to be under the Enterprise Zone Commission.

The Authority accomplishes its mission by 1) attracting multi-national investors to establish or relocate their businesses to the United States Vir-

gin Islands, 2) by providing financial assistance through its lending arm, namely the Economic Development Bank, to emerging and established small to medium-sized businesses in the Territory, 3) offering space for lease to businesses at the economic development parks through the Virgin Islands Economic Development Park Corporation, and 4) assisting Virgin Islands residents and business owners with rehabilitating their properties located in blighted and distressed areas that were once vibrant economic centers of activity in the Territory. The Authority is funded by the general fund based on a budget request from the Governor and the USVIEDA Board of Directors which must ultimately be approved by the Legislature of the Virgin Islands.

The powers of the Authority are exercised in a seven-member board which consists of three (3) members that are appointed by the Governor from among officials of cabinet-level executive departments or agencies or from among the Governor’s executive staff, three (3) members who are not employees of the Government of the United States Virgin Islands and are appointed by the Governor with the advice and consent of the Legislature, and one (1) member appointed from the board or executive staff of the Government Employees’ Retirement System, the Virgin Islands Port Authority or the University of the Virgin Islands.

# OVERVIEW



*"We stand ready to welcome new business and new investment to our shores."*

- Governor Kenneth E. Mapp

## VIRGIN ISLANDS ECONOMIC DEVELOPMENT COMMISSION

**The Virgin Islands Economic Development Commission (VIEDC)** was created by Virgin Islands legislation and is charged with the promotion of the growth, development, and diversification of the economy in the United States Virgin Islands by 1) developing the human and economic resources of the Territory, 2) preserving job opportunities for residents of the U.S. Virgin Islands, and 3) promoting capital formation to support economic development in the Territory. The VIEDC consists of two entities, the Applications Division and the Compliance Division.

The Applications Division is the first point of contact for a business that seeks to apply for economic development benefits. Economic development benefits are "various tax exemptions and tax subsidies for which any person, member of a partnership, partnership or corporation" is granted according to Virgin Islands law. In exchange, businesses that receive economic development benefits are to create job opportunities and generate tax revenues in the U.S. Virgin Islands. The Applications Division also oversees the VIEDC Small Business Program and the VIEDC Eligible Suppliers Program. The second point of contact for businesses is the Compliance Division.

The Compliance Division monitors beneficiaries (business applicants that are approved to participate in the VIEDC Economic Development Tax Incentive Program) to ensure that they comply with the terms and conditions of their certificates and other requirements of the law. In this context, certificates are contracts a business has with the Virgin Islands government as a participant of the VIEDC Economic Development Tax Incentive Program.



*Wilfred "Bomba" Allick Port and Transshipment Center ("The Containerport") on St. Croix, U.S. Virgin Islands  
-Courtesy of Virgin Islands Port Authority/Photo by Don Hebert*

# APPLICATIONS

## VIRGIN ISLANDS ECONOMIC DEVELOPMENT COMMISSION

“Committed to Business Investment”

The mission of the Applications Division, consistent with the Economic Development Commission (EDC) Program, is to facilitate the promotion of the growth, development, and diversification of the economy of the United States Virgin Islands by processing (evaluating, analyzing and preparing) application packages for submission to the Governing Board of Directors (hereafter referred to as “The Board”) of the USVI Economic Development Authority (USVIEDA) for consideration of a recommendation to the Governor of the U.S. Virgin Islands to grant economic development benefits to eligible applicants.

### Applications Received

During fiscal year (FY) 2017, the Virgin Islands Economic Development Commission (“VIEDC”) received a total of 13 applications pertaining to certificates of tax incentive benefits: seven (7) new applications, one (1) for an extension of tax incentives, one (1) for a modification of tax incentives, three (3) for extension and modification of tax incentives, and one (1) application for an extension, modification and transfer of tax incentive benefits.

The statistics show that the 13 applications<sup>1</sup> received represent a potential future economic impact of a minimum of 571 jobs to be created, over \$20,425,708 to be paid in wages, and over \$24,689,910 to be made in capital investments. These Applicants also represent the potential for the U.S. Virgin Islands to realize approximately \$16,475,245 in taxes over a five-year period.

<sup>1</sup> Seven new applications represent 88 jobs, \$3.5 million in wages, \$5.1 million in investments and \$277,450 in charitable contributions. Projected total taxes over a five-year period is approximately \$3.8 million.

*“We must work together to attain the quality of life we want.”*

–USVIEDA Board Chairman  
José A. Penn

TABLE 1: VIEDC Applications Received in Fiscal Year 2017

NO.	COMPANY NAME	TYPE OF APPLICATION	CATEGORY	TYPE OF BUSINESS
1.	Yacht Haven USVI, LLC	Extension / Modification / Transfer	II & III	Marina Facilities / Lease and Upland Facilities
2.	DASREP, LLC	New	III	Petroleum Merchant Wholesalers
3.	Organa Brands, LLC	New	II	Manufacturer of vape pens
4.	ProTouch Communications, LLC	New	IV	Business Management
5.	Heavy Materials, LLC	Extension / Modification	II	Manufacturer of aggregates and sand
6.	Sugar Bay Club and Resort Corp.	Extension	III	Hotel
7.	Castle Harlan, Inc.	New	IV	Financial Services
8.	Emerald Beach Corporation	Extension / Modification	III	Hotel
9.	Marriott Ownership Resorts (St. Thomas), Inc.	Extension / Modification	III	Timeshare
10.	Evolve USVI, LLC	New	III	Hotel
11.	Alpine Group USVI, LLC	Modification	IV	Business Management
12.	Lawrence Moskowitz CLD Ltd.	New	IV	Financial Services
13.	Leatherback Brewing Company, LLC	New	II	Brewery



## VIEDC APPLICATIONS DIVISION, cont.

### Applications Processed in Fiscal Year 2017

#### VIEDC Public Hearings on Applications:

During FY 2017, the VIEDC held eight public hearings on applications regarding certificates of tax incentive benefits of which presentations were made by the following 22 applicants:

**TABLE 2: VIEDC Public Hearings**

NO.	NAME OF APPLICANT	PUBLIC HEARING DATE	DESCRIPTION	BUSINESS LOCATION
1.	JH Capital (VI), Inc.	10-13-2016	Financial Service	St. Thomas
2.	Legacy VI Development Consulting, LLLP	10-13-2016	Financial Service	St. Thomas
3.	Sterisil International, LLC	10-13-2016	Manufacturer of dental water disinfecting products	St. Croix
4.	OSON VI, LLC	10-13-2016 12-22-2016	Financial Service	St. Thomas
5.	RC Hotel (Virgin Islands), Inc.	10-13-2016	Hotel	St. Thomas
6.	Carambola Zipline, LLC	12-08-2016	Recreational Facility	St. Croix
7.	DASREP, LLC	12-08-2016	Petroleum merchant wholesalers	St. Thomas
8.	Organa Brands, LLC	12-08-2016	Manufacturer of vape pens	St. Croix
9.	Tramway Properties, Inc.	12-08-2016	Recreational Facility	St. Thomas
10.	Fintrac, Inc.	12-22-2016	Business Management	St. Thomas
11.	Castle Harlan, Inc.	02-09-2017	Financial Service	St. Thomas
12.	Margaritaville Vacation Club by Wyndham, Inc.	02-09-2017	Timeshare Resort	St. Thomas
13.	ProTouch Communication, LLC	02-09-2017	Business Management	St. Croix
14.	CBI Acquisitions, LLC d/b/a Caneel Bay Resort	04-06-2017	Hotel	St. John
15.	Sugar Bay Club and Resort Corp.	04-06-2017	Hotel	St. Thomas
16.	White Bay Group USVI, LLLP	04-06-2017 08-10-2017	Financial Service	St. Thomas
17.	Coral World (V.I.), Inc.	06-08-2017	Marine Park Recreational Facility	St. Thomas
18.	Grapetree Shores, Inc. d/b/a Divi Carina Bay Resort	06-08-2017	Hotel	St. Croix
19.	St. Croix Financial Center, Inc.	06-08-2017	Hotel / Marina	St. Croix

NO.	NAME OF APPLICANT	PUBLIC HEARING DATE	DESCRIPTION	BUSINESS LOCATION
20.	St. Croix Renaissance Group, LLLP	06-08-2017	Eco-Industrial Park	St. Croix
21.	Gold Coast Yachts, Inc.	07-06-2017	Manufacturer of yachts	St. Croix
22.	Greenleaf VI II, Inc.	08-10-2017	Business Management	St. Croix

#### VIEDC Decision Meetings:

During FY 2017, 11 decision meetings were held of which 23 applications pertaining to certificate of tax incentive benefits were presented to the VIEDC Governing Board for consideration. Nineteen applicants were approved with a favorable recommendation to be submitted to the Governor of the U.S. Virgin Islands, and two (2) were denied (1- New, 1- Extension). In addition, four (4) of the applicants for extension and/or modification that included requests for additional incentives for additional investments made in new construction, infrastructure or refurbishment were denied the additional incentives.

**TABLE 3: Status of VIEDC Decision Meeting Cases**

NO.	NAME OF APPLICANT	DECISION MEETING DATE	TYPE OF APPLICATIONS	STATUS as of 9/30/2017
1.	RC Hotel (Virgin Islands), Inc.	10-18-2016	Extension / Modification Additional Investment	Approved Denied
2.	Spartan Concrete Products, LLC	10-18-2016	Transfer	Approved
3.	Territory East Asset Management, LLC	10-18-2016	Extension	Approved
4.	Legacy VI Development Consulting, LLLP	10-27-2016 11-10-2016	Resubmission / New	Tabled Approved
5.	Sterisil International, LLC	10-27-2016 11-22-2016	New	Tabled Approved
6.	AAC – Air Ambulance Caribbean, Inc. d/b/a AeroMD	01-12-2017 03-09-2017 06-08-2017	New Reconsideration Reconsideration	Denied Approved Approved
7.	Carambola Zip Line, LLC	01-12-2017 06-08-2017	New Reconsideration	Approved Approved
8.	DASREP, LLC	01-12-2017 03-09-2017	New Reconsideration	Denied (Postponed)
9.	Fintrac, Inc.	01-12-2017	Modification	Approved
10.	Organa Brands, LLC	01-12-2017	New	Approved
11.	OSON VI, LLC	01-12-2017	Modification Extension	Approved Denied
12.	Secret Harbour Beach Associates, LLLP	01-12-2017 06-08-2017	Extension Extension	Tabled Approved
13.	Tramway Properties, Inc.	01-12-2017	Extension / Modification Additional Investment	Approved Denied

## VIEDC APPLICATIONS DIVISION, cont.

### Status of VIEDC Decision Meeting Cases, cont.

NO.	NAME OF APPLICANT	DECISION MEETING DATE	TYPE OF APPLICATIONS	STATUS as of 9/30/2017
14.	Margaritaville Vacation Club by Wyndham, Inc.	03-09-2017	Modification	Approved
15.	ProTouch Communication, LLC	03-09-2017	New	Approved
16.	CBI Acquisitions, LLC d/b/a Caneel Bay Resort	04-06-2017	Extension/Modification	Approved
17.	White Bay Group USVI, LLLP	04-06-2017	Transfer	Approved
18.	Grapetree Shores, Inc. d/b/a Divi Carina Bay Resort	07-20-2017	Extension/Modification	Approved
			Additional investment	Denied
19.	St. Croix Financial Center, Inc.	07-20-2017	Extension/Modification	Approved
20.	St. Croix Renaissance Group, LLLP	07-20-2017	Extension	Tabled
21.	Coral World (V.I.), Inc.	07-20-2017	Extension/Modification	Tabled
22.	Gold Coast Yachts, Inc.	08-10-2017	Modification	Approved
			Additional investment	Denied
23.	Tutu Park, Ltd.	08-10-2017	Extension/Modification	Denied



*Rich Difede of Gold Coast Yachts on St. Croix (second from the left), accepts a Certificate of Appreciation from the VIEDC at the VIEDC Practitioner's Forum and Afterhours Meet and Greet on St. Croix for being an ambassador of the VIEDC Tax Incentive Program. Mr. Difede is congratulated by USVIEDA Acting CEO Wayne L. Biggs, Jr. (far left); VIEDC Director of Applications Margarita A. Benjamin; and USVIEDA Board member Eugene Farrell.*

*-Photo by Celina D. Morris/USVIEDA*

### Applications Submitted For Governor's Consideration

During FY 2017, 18 applications pertaining to tax incentive benefits of which four (4) applications were filed in the previous fiscal year, were submitted to the Governor of the USVI for consideration. Thirteen (13) applications were approved, two (2) were denied, and three (3) applications are pending consideration by the Governor at the close of the fiscal year.

TABLE 4: VIEDC Applications submitted for Governor's Consideration

	COMPANY NAME	TYPE OF APPLICATION	CATEGORY	TYPE OF BUSINESS	STATUS AS OF 09/30/2017
1.	Carambola Golf Club, LLC	Extension / Modification	III	Golf Course	10/21/2016 Denied
2.	Impact Technologies VI, Inc.	New	IV	Financial Services	10/21/2016 Approved
3.	Plessen Healthcare, LLC	New	III	Health Facility	10/21/2016 Denied
4.	Valance Co., Inc.	Extension	IV	Business Management	11/19/2016 Approved
5.	RC Hotels (VI) Inc.	Extension / Modification	III	Hotel	11/30/2016 Approved
6.	Liberty Medical Development, LLC	New	III	Healthcare Facility	01/13/2017 Approved
7.	Territory East Asset Management	Extension / Modification	IV	Business Management	01/23/2017 Approved
8.	Legacy VI Development Consulting, LLLP	New / Resubmission	IV	Financial Service	03/02/2017 Approved
9.	Sterisil International, LLC	New	II & III	Manufacturer of dental water disinfecting products	03/02/2017 Approved
10.	Fintrac, Inc.	Extension	IV	Business Management	03/22/2017 Approved
11.	OSON VI, LLC	Extension / Modification	IV	Financial Service	04/25/2017 Approved
12.	Organa Brands, LLC	New	II	Manufacturer of vape pens	03/29/2017 Approved
13.	ProTouch Communications, LLC	New	IV	Business Management	06/09/2017 Approved
14.	Margaritaville Vacation Club by Wyndham, Inc.	Modification	III	Timeshare Resort	07/24/2017 Approved
15.	CBI Acquisitions, LLC d/b/a Caneel Bay Resort	Extension / Modification	III	Hotel/Resort	07/24/2017 Approved
16.	Secret Harbour	Extension	III	Hotel	Pending
17.	Carambola ZipLine, LLC	New	III	Recreational Facility	Pending
18.	St. Croix Financial Center, Inc.	Extension / Modification	III	Hotel / Marina	Pending

## VIEDC APPLICATIONS DIVISION, cont.



(Left to Right) Lt. Governor Osbert Potter addresses attendees of the VIEDC Practitioner's Forum and Beneficiary Summit, alongside USVIEDA Acting CEO Wayne L. Biggs, Jr.; on St. Croix at The Buccaneer Hotel on April 20, 2017.  
-Photo by Celina D. Morris/USVIEDA

*"We recognize the enormous potentials that exist when both sectors (public and private) benefit from a thriving economy."*

- Lt. Governor Osbert Potter

## Petitions

During FY 2017, fifteen (15) petitions were presented to the Board for consideration. The VIEDC approved 14 petitions of which three (3) were requests for admission of partner; one (1) was for a trust admittance; three (3) were submitted for correction(s) to Certificate of Tax Incentives; one (1) was a request for an extension to commence incentives; one (1) was a request to amend its charitable contribution; one (1) was a request for additional time to submit information; four (4) were administrative corrections. The VIEDC denied one (1) petition requesting a waiver of its shareholder's information.

**TABLE 5: Petitions Received**

NO.	NAME OF APPLICANT	DECISION MEETING DATES	TYPE OF PETITION	STATUS as of 9/30/2017
1.	RPP Advisors, LLC	10-18-2016	Partner admittance	Approved
		01-12-2017	Partner admittance correction	Approved
		02-09-2017	Partner admittance	Approved
2.	Salt Pond Holdings, LLC	10-18-2016	Partner admittance	Approved
3.	Vitelco – ILD Joint Venture	10-18-2016	Correction to Certificate	Approved
4.	Subbase Drydock, Inc.	10-18-2016	Correction to Certificate	Approved
5.	Grapetree Shores, Inc. d/b/a Divi Carina Bay Resort	11-22-2016	Correction to Certificate	Approved
6.	Spectrum Engineering, Inc.	11-22-2016	Extension to commence incentives	Approved
7.	Denali Asset Management, LLP	01-12-2017	Trust admittance	Approved
8.	JH Capital (VI), Inc.	02-09-2017	Charitable amendment	Approved
9.	Carambola ZipLine, LLC	03-09-2017	Time to submit additional information	Approved
10.	Tramway Properties, Inc.	03-09-2017	Correction to Grant or Denial	Approved
11.	Fintrac Inc.	03-09-2017	Correction to Grant or Denial	Approved
12.	ProTouch Communications, LLC	06-08-2017	Correction to Grant or Denial	Approved
13.	Margaritaville Vacation Club by Wyndham, Inc.	06-08-2017	Administrative correction	Approved
14.	183 Media, LLC	08-10-2017	Partner admittance	Approved
15.	Castle Harlan, Inc.	08-10-2017	Waiver of Shareholder Information	Denied

## VIEDC APPLICATIONS DIVISION, cont.

### Certificates of Tax Incentive Benefits:

A total of 23 Beneficiaries certificates were drafted of which 14 were executed to date: 10 new Certificates of Tax Incentive Benefits, one extension, two modifications, and four extension and modification.

Of the 23 certificates, based upon the commitments made, the Territory will realize new and continued employment at a minimum of 1,074 full-time employees, and approximately \$116,045,387 in capital investments, and \$1,626,500 in annual charitable contributions. It is also estimated that the Territory will potentially generate direct taxes over a five-year period of more than \$24.1 million should the business operations materialize as projected.



(Left to Right): Paul Doumeng, general manager of Bolongo Bay; and Richard J. Doumeng, managing director of Bolongo Bay and president of Harborside Corporation, join Catherine Hendry, Esq., USVIEDA board member; and Avery L. Lewis, USVIEDA board secretary; at the 2017 VIEDC Practitioner's Forum and Beneficiary Summit. -Photo by Celina D. Morris/USVIEDA

TABLE 6: VIEDC Certificates of Tax Incentive Benefits

NO.	COMPANY NAME	TYPE OF APPLICATION	STATUS as of 9/30/2017
1.	PBG Corporation dba Phantasea Tropical Botanical Garden	New	10/26/2016
2.	Goddard Catering Group St. Thomas, Inc.	Extension	Pending Beneficiary Acceptance
3.	Prosperitas Investment Management, LLLP	New	02/10/2017
4.	CD Paradise Holdings, LLLP	New	02/10/2017
5.	Alpha Mortgage Advisors, Inc.	New	11/10/2016
6.	Perpetual Motion Management, LLC	New	10/24/2016
7.	Caribbean Cinemas of St. Croix, Inc.	New	01/20/2017
8.	Westin St. John Hotel Company, Inc., and its wholly-owned subsidiaries WVC St. John and Westin Vacation Management Company	Extension / Modification	Pending Beneficiary Acceptance
9.	Liberty Medical Development, LLC	New	06/02/2017
10.	RC Hotels (Virgin Islands), Inc.	Extension / Modification	06/16/2017
11.	Valance Co., Inc.	Extension / Modification	06/08/2017
12.	Territory East Asset Management, LLC	Extension / Modification	05/05/2017
13.	Impact Technologies VI, Inc.	New	06/02/2017
14.	Amalie Global, Inc.	New	03/29/2017
15.	Fintrac, Inc.	Modification	06/12/2017
16.	Sterisil International, LLC	New	06/08/2017
17.	OSON VI, LLC	Modification	In Process
18.	Organa Brands, LLC	New	Withheld by Applicant
19.	White Bay Group USVI, LLLP	Transfer	In Process
20.	Global Medchoices Group, LLC	New	In Process
21.	Castle Medical Holding, Inc.	New	In Process
22.	Margaritaville Vacation Club by Wyndham	Extension / Modification	In Process
23.	CBI Acquisitions, LLC d/b/a Caneel Bay Resort	Extension / Modification	In Process

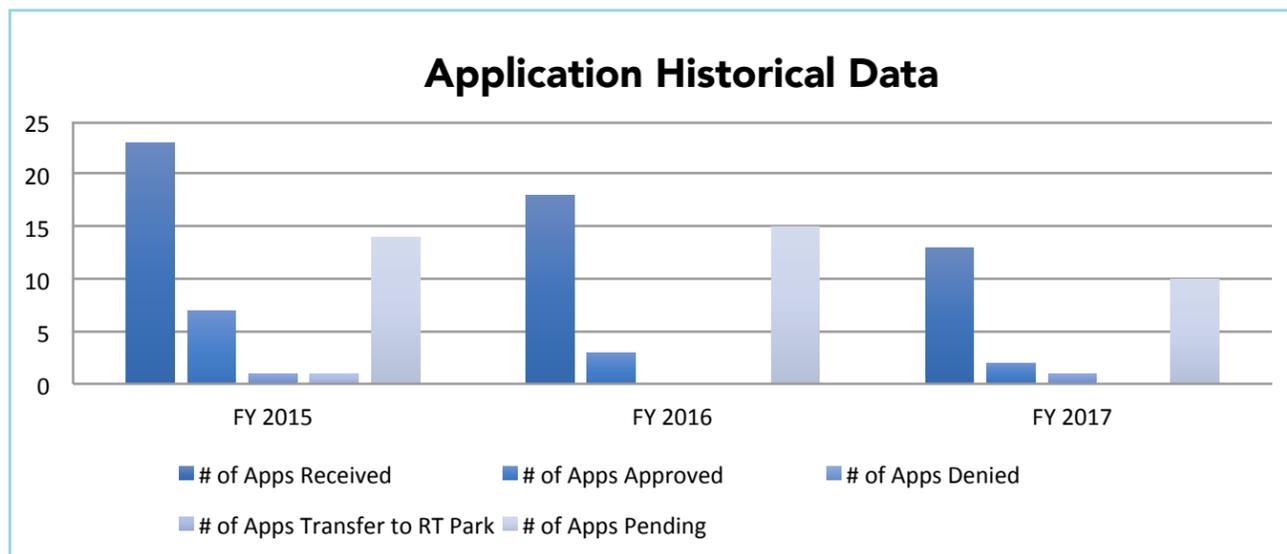
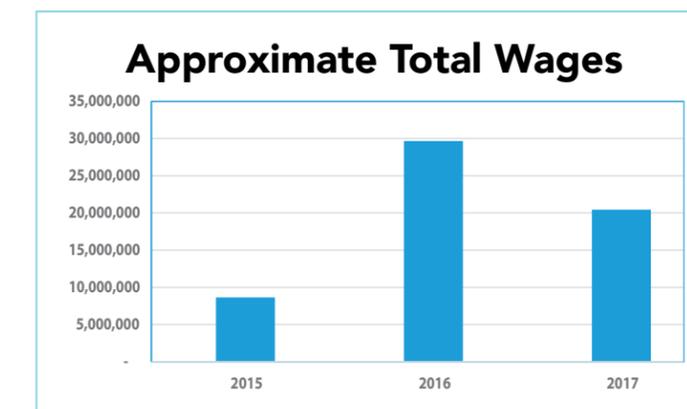
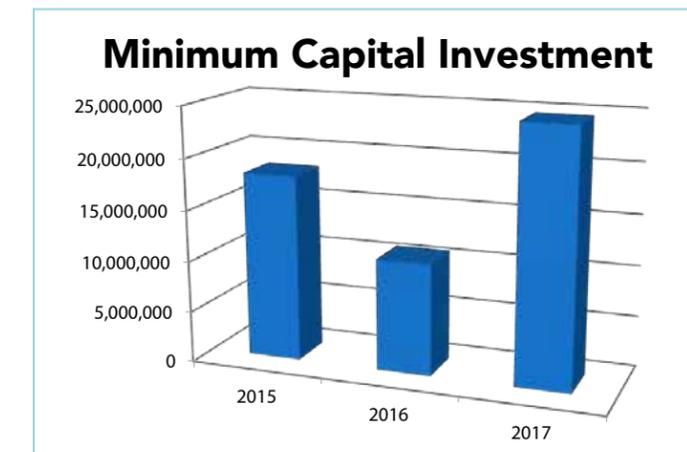
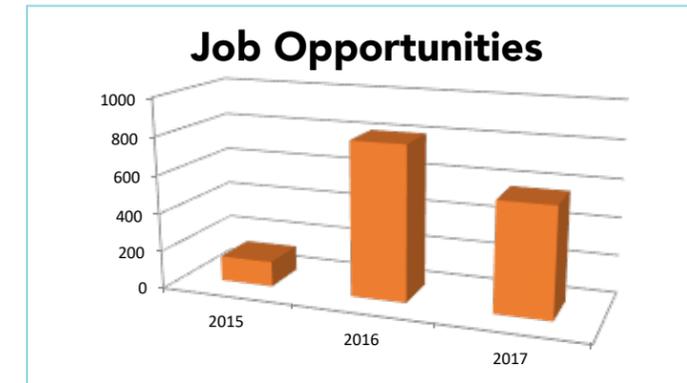
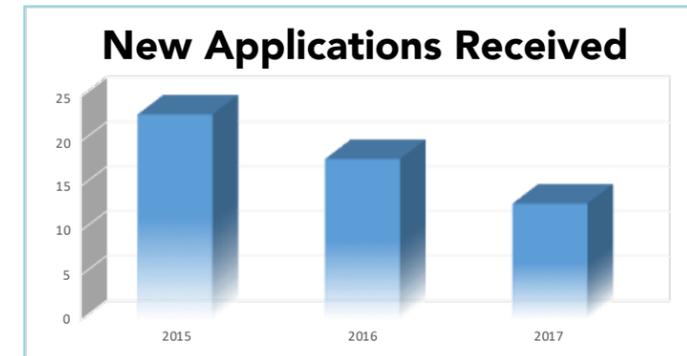
## VIEDC APPLICATIONS DIVISION, cont.

### Fiscal Year Historical Data

TABLE 7: Economic Development Commission – FY Historical Application Information

APPLICATIONS	FY 2015	FY 2016	FY 2017 Period Ending 09/30/2017
# Received	23	18	13 <sup>2</sup>
# Approved	7	3	2
# Denied	1	0	1
# Transfer to RT Park	1	0	0
# Pending	14	15	10
Job Opportunities	132	807	571
Approx. Wages of Apps.	\$8,645,450	\$29,664,421	\$20,425,708
Minimum Potential Investment of Apps.	\$18,223,600	\$10,920,577	\$24,689,910

<sup>2</sup> - Seven New Applications, 8 Modifications, extension and or transfer of tax incentive benefits



## VIEDC APPLICATIONS DIVISION, cont.

### Inquiries from Potential Investors

During FY 2017, the Application Unit responded to 50 inquiries for general information and/or request for information on the VIEDC Tax Incentive Program. \*Meetings were held with 12 potential investors with a strong interest in doing business within the territory.

TABLE 8: VIEDC Business Inquiries

NO.	TYPE OF BUSINESS	LOCATION
1.	Financial Business	Columbia
2.	Medical Tourism	Florida
3.	Resort	St. John, USVI
4.	Rum Distillery	Florida
5.	Real Estate	California
6.	Medical Consulting Call Center	Florida
7.	Asphalt Production	St. Thomas, USVI
8.	Hedge Fund	St. Thomas, USVI
9.	Contractual Services	St. Croix, USVI
10.	Consulting/Construction	Charlotte, NC
11.	Business and Management Consultant (Food Production, Renewable Energy, Agriculture, etc.)	Canada
12.	Brewery/Manufacturer	St. Croix, USVI
13.	Financial Services Business (Mergers & Acquisitions, Real Estate, Asset Management, etc.)	Tucker, GA
14.	Software Company	Florida
15.	Financial Business	Colorado
16.	Hotel & Real Estate Development	St. Thomas, USVI
17.	Jewelry Manufacturing	St. Thomas, USVI
18.	Energy	Ruthven, ON
19.	Construction	St. Thomas, USVI
20.	Manufacturer of Organic Products	St. Croix, USVI
21.	Environmental Services	St. Thomas, USVI

TABLE 8: VIEDC Business Inquiries, cont.

NO.	TYPE OF BUSINESS	LOCATION
22.	Real Estate	St. Thomas, USVI
23.	Film Production	St. Thomas, USVI
24.	Industrial Appliances	Tennessee
25.	Food Processing Business	Venezuela
26.	Energy Installation Business	Maryland
27.	Hotel	St. Croix, USVI
28.	Designated Services Business	Cincinnati, Ohio
29.	Submarine Business	St. Thomas, USVI
30.	Electrical Plants Propane Generation	St. Croix, USVI
31.	Finance/Banking	Virginia
32.	Call Center	Florida
33.	Ice Cream Manufacturing	St. Thomas, USVI
34.	Hospitality/Bed & Breakfast	Missouri
35.	Marine Sanitation	St. Thomas, USVI
36.	Broker & Sales	California
37.	Call Center	Texas
38.	Dairy/Juice Plant Facility	St. Croix, USVI
39.	Recycling Industry	Puerto Rico & US
40.	Software	New Jersey
41.	Management & Real Estate Development Services	Miami, FL
42.	Manufacturing Orthotics	St. Croix, USVI
43.	Risk Management/Business Development	Washington, DC
44.	Power Generation Project Development	Pittsburg, PA
45.	Wines & Spirits	Dallas, TX
46.	Hotel	St. Croix, USVI
47.	Brewery	St. Croix, USVI
48.	Manufacturing	New York, NY
49.	Machinery	New York
50.	Call Center	St. Croix, USVI

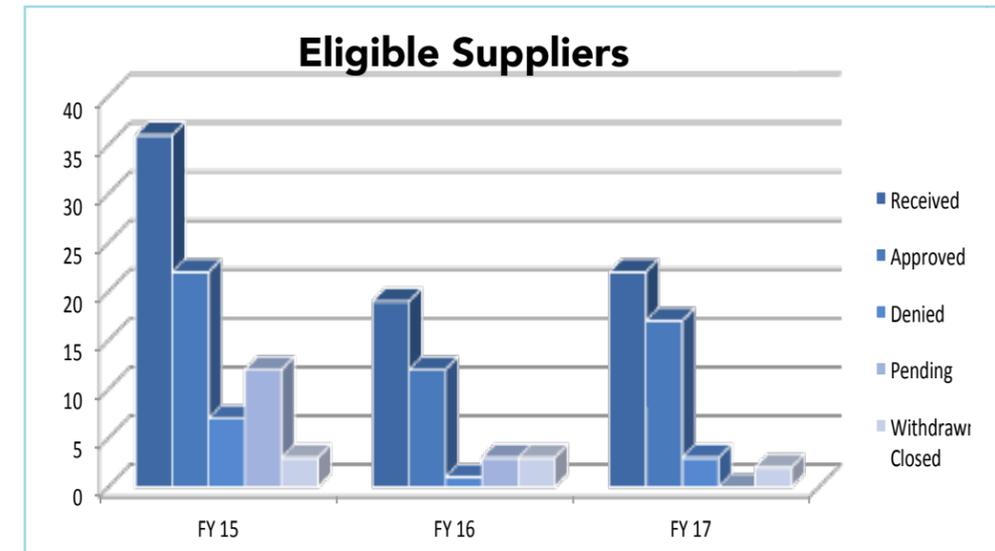
## VIEDC APPLICATIONS DIVISION, cont.

### Eligible Suppliers Program

A total of 22 Eligible Supplier applications were processed from October 1, 2016 to September 30, 2017. Of the 22, eighteen (18) were approved, three (3) were denied and one (1) is pending action.

TABLE 9: VIEDC Eligible Suppliers - Application Status

NO.	DATE APPLICATION RECEIVED	NAME OF COMPANY	BUSINESS LOCATION	STATUS as of 9/30/2017
1.	10/12/2016	Atlantic Maintenance & Trucking Services, Inc.	St. Croix	Approved
2.	10/12/2016	Kim Warrell dba All American Concierge	St. Thomas	Approved
3.	10/24/2016	Island Analytics & Marketing, LLC	St. Thomas	Denied
4.	11/2/2016	Synergy Fitness & Wellness Center	St. Thomas	Approved
5.	11/14/2016	Reach Communication LLC	St. Croix	Approved
6.	11/1/2016	Keirsten Peterson dba Sampson House	St. Croix	Approved
7.	12/5/2016	Olympic Rent-A-Car	St. Croix	Approved
8.	12/16/2016	Sunshine Shopping Center, Inc.	St. Croix	Approved
9.	1/19/2017	Eleven Construction, LLC	St. Croix	Approved
10.	2/8/2017	KSBW, LLC d/b/a Blue Mountain Water	St. Croix	Approved
11.	3/22/2017	Pat Construction/P.G. Electric, LLC	St. Croix	Approved
12.	4/10/2017	Cutting Edge Construction, Inc.	St. John	Approved
13.	5/12/2017	Air Ambulance, Inc. dba AERO MD	St. Thomas	Approved
14.	5/25/2017	Michelle R. Maccio dba Maccio Financial	St. John	Approved
15.	6/5/2017	Independent Sea Tours, LLC	St. Thomas	Approved
16.	6/6/2017	Elan Solutions, Inc.	St. Thomas	Denied
17.	7/10/2017	Tropitech Solutions, LLC	St. Croix	Approved
18.	7/27/2017	Robert Kassner dba Above & Below Marine Services	St. Thomas	Approved
19.	8/9/2017	The Allanonix Group, LLC dba Edge 2 Edge Landscaping	St. John	Approved
20.	8/14/2017	Raquel John-Baptiste dba RJB Bookkeeping	St. Thomas	Approved
21.	8/17/2017	St. Clair Edison Goodwin, Mark B. Goodwin dba ABS Printing	St. Croix	Pending
22.	9/26/2017	Century Wealth Advisors, LLC	St. Thomas	Denied



### Other Applications Division Activities

- April 19 & 20, 2017 - VIEDC Practitioners Forum & Meet & Greet
- May 27-28, 2017 - Participation in Agricultural Fair or Agrifest 2017
- May 30, 2017 - Participation in Women's' Empowerment Conference
- August 29 & 31, 2017 - VIEDC Beneficiary Summit & 45<sup>th</sup> VIEDC Anniversary

# COMPLIANCE

## VIEDC COMPLIANCE DIVISION

The purpose of the VIEDC Compliance Division is to promote compliance with Economic Development Program Law, Rules and Regulations, and the beneficiary's certificate of benefits. This entity provides two services: 1) audit (assurance services) and 2) compliance (ethics) which supports the vision of making compliance under this program commonplace. The VIEDC Compliance Division ensures the integrity of the VIEDC Economic Development Tax Incentive Program through a compliance review process and reports its findings to the VIEDC Board. Funds derived from any assessed penalties for non-compliance with program requirements by a beneficiary may be used to support education, workforce development, and training programs within the Territory.

The integrity of the VIEDC Economic Development Tax Incentive Program is of great value and

importance, more so as we continue to serve in the best interest of the U.S. Virgin Islands, its residents and business community. Through the work of VIEDC Compliance Division staff, the activities of beneficiaries under the VIEDC Economic Development Tax Incentive Program are not only monitored to help ensure our beneficiaries comply with the requirements of this program, but it is an opportunity to build relationships with our beneficiaries who are considered to be our partners for economic development within our Territory.

This report is based on 67 active Beneficiaries receiving Virgin Islands Economic Development Commission Benefits through the VIEDC Economic Development Tax Incentive Program in the U.S. Virgin Islands.



## Compliance Reviews:

The Division of Compliance completed 30 compliance reports within fiscal year FY 2017. Twenty-two (22) in the St. Thomas-St. John District and eight (8) in the St. Croix District.

TABLE10: Compliance Reviews

NO.	BENEFICIARY	DISTRICT
1.	Fintrac, Inc.	St. Thomas-St John
2.	Virgin Islands Paving, Inc.	St. Croix
3.	Master Capital Management, LLC	St. Croix
4.	MCS, LLLP	St. Thomas-St. John
5.	White Bay Group USVI, LLLP	St. Thomas-St. John
6.	Margaritaville Vacation Club by Wyndham, Inc.	St. Thomas-St. John
7.	Feddersen Design, LLC	St. Thomas-St. John
8.	CBI Acquisitions, LLC	St. Thomas-St. John
9.	Grapetree Shores, Inc. d/b/a Divi Carina Bay Resort	St. Croix
10.	St. Croix Financial Center, Inc.	St. Croix
11.	Concodia Campgrounds, Inc.	St. Thomas-St. John
12.	Subbase Drydock, Inc.	St. Thomas-St. John
13.	Tecoma Asset Management, LLC	St. Thomas-St. John
14.	IGY-AYH St. Thomas Holdings, LLC	St. Thomas-St. John
15.	IGY-AYH St. Thomas Holdings, LLC	St. Thomas-St. John
16.	Coral World, Inc.	St. Thomas-St. John
17.	Coral World, Inc.	St. Thomas-St. John
18.	Gold Coast Yachts, Inc.	St. Croix
19.	Greenleaf VI, Inc.	St. Croix
20.	Dowson Holding Company, Inc.	St. Thomas-St. John
21.	Yacht Haven USVI, LLC	St. Thomas-St. John
22.	Caribbean Reservations, Inc.	St. Thomas-St. John
23.	Pelican Cove Investments, LLC	St. Croix
24.	Heavy Materials, LLC	St. Thomas-St. John
25.	HealthQuest, LLC	St. Croix
26.	St. Thomas Healthcare Management, Inc.	St. Thomas-St. John
27.	Westin St. John Hotel Company, Inc.	St. Thomas-St. John
28.	Westin St. John Hotel Company, Inc.	St. Thomas-St. John
29.	MCS, LLLP	St. Thomas-St. John
30.	Cornerstone Strategies, LP	St. Thomas-St. John

*Note: Two compliance reviews were conducted for IGY-AYH St. Thomas Holdings, LLC, Coral World, Inc., and Westin St. John Hotel Company, Inc., based on an overlap in their certificates of benefits.*

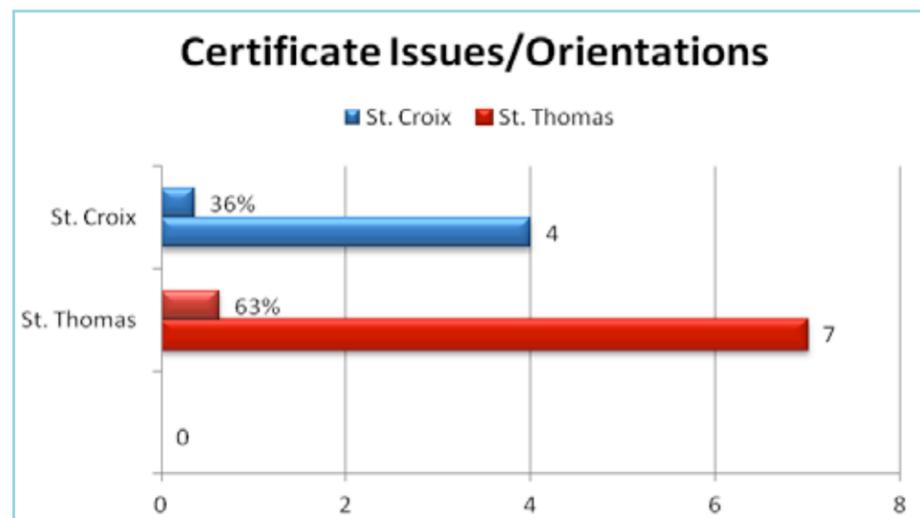
## VIEDC COMPLIANCE, cont.

### Certificates Issued/Orientations:

During FY 2017, eleven (11) certificates were received, processed and executed. Seven (7) certificates were executed in the St. Thomas-St. John District and four (4) in the St. Croix District.

TABLE 11: Certificates Issued/Orientations

NO.	BENEFICIARY	DISTRICT	DATE
1.	Tropico Management, LP	St. Croix	1-20-2017
2.	PBG Corporation d/b/a/ Phantasea Tropical Botanical Garden	St. Thomas-St. John	5-15-2017
3.	Alpha Mortgage Advisors Inc.	St. Thomas-St. John	2-15-2017
4.	Perpetual Motion Management, LLC	St. Thomas-St. John	2-27-2017
5.	CD Paradise Holdings, LLLP	St. Thomas-St. John	4-11-2017
6.	Prosperitas Investment Management, LLLP	St. Thomas-St. John	4-11-2017
7.	Caribbean Cinema of St. Croix, Inc.	St. Croix	5-19-2017
8.	Amalie Global, Inc.	St. Thomas- St. John	8-8-2017
9.	Territory East Asset Management, LLC	St. Croix	6-16-2017
10.	Valance Co.	St. Croix	9-18-2017
11.	Impact technologies VI, Inc.	St. Thomas-St John	7-21-2017



### Site Visits

During FY 2017, 18 site visits were conducted; 15 in the St. Thomas-St. John District and three (3) in the St. Croix District.

TABLE 12: Site Visits

NO.	BENEFICIARY	DISTRICT	DATE
1.	Westin St. John Hotel Company, Inc.	St. Thomas-St. John	10-25-2016
2.	Gateway Global Management, LLC	St. Thomas-St. John	10-26-2016
3.	MCS, LLLP	St. Thomas-St. John	10-26-2016
4.	Margaritaville Vacation Club by Wyndham, Inc.	St. Thomas-St. John	11-2-2016
5.	IGY-AYH St. Thomas Holdings, LLC	St. Thomas-St. John	1-11-2017
6.	CBI Acquisitions, LLC	St. Thomas-St. John	1-27-2017
7.	IGY-AYH St. Thomas Holdings, LLC	St. Thomas-St. John	2-27-2017
8.	Subbase Drydock, Inc.	St. Thomas-St. John	3-8-2017
9.	Coral World VI, Inc.	St. Thomas-St. John	3-10-2017
10.	Coral World VI, Inc.	St. Thomas-St. John	3-22-2017
11.	Tecoma Asset Management, LLC	St. Thomas-St. John	3-30-2017
12.	Margaritaville Vacation Club by Wyndham, Inc.	St. Thomas-St. John	4-25-2017
13.	Greenleaf VI II, Inc.	St. Croix	5-8-2017
14.	Heavy Materials, LLC	St. Thomas-St. John	5-12-2017
15.	Atlantic Industries, Inc.	St. Croix	6-19-2017
16.	United Electronic Industries Services, Inc.	St. Thomas-St. John	6-19-2017
17.	Harborside Corporation d/b/a Bolongo Bay Resort	St. Thomas-St. John	7-12-2017
18.	Caribbean Reservations, Inc.	St. Croix	7-20-2017

18 Site Visits



## VIEDC COMPLIANCE, cont.

### Board Actions:

During FY 2017, 32 petitions / reports were prepared for presentation to the VIEDC Governing Board for deliberation; 23 in the St. Thomas-St. John District and nine (9) in the St. Croix District.

**TABLE 13: Board Actions**

NO.	BENEFICIARY	DISTRICT
1.	JH Capital VI, Inc.	St. Thomas-St. John
2.	OSON VI, LLC	St Thomas-St. John
3.	JH Capital VI, Inc.	St. Thomas-St. John
4.	OSON VI, LLC	St. Thomas-St. John
5.	Tramway, a VI Joint Venture	St. Thomas-St. John
6.	American Management Solutions, LLC	St. Croix
7.	CI USVI, LLC	St. Thomas-St. John
8.	Diam Management, Inc.	St. Croix
9.	Hampden Watch Company, Inc.	St. Croix
10.	St. Croix Renaissance Group, LLLP	St. Croix
11.	Cornerstone Strategies, LP	St. Thomas-St. John
12.	Flying Fish Group, LLC	St. Croix
13.	CI USVI, LLC	St. Thomas-St. John
14.	Feddersen Design, LLC	St. Thomas-St. John
15.	White Bay Group USVI, LLLP	St. Thomas-St. John
16.	Tramway a VI Joint Venture	St. Thomas-St. John
17.	CBI Acquisitions, LLC	St. Thomas-St. John
18.	Healthquest, Inc.	St. Croix
19.	St. Croix Renaissance Group, LLLP	St. Croix
20.	Grapetree Shores, Inc.	St. Croix
21.	White Bay Group USVI, LLLP	St. Thomas-St. John
22.	Auven Therapeutics Management, LLLP	St. Thomas-St. John
23.	Real Impact Corporation	St. Thomas-St. John
24.	White Bay Group USVI, LLLP	St. Thomas-St. John
25.	Healthquest, LLC	St. Croix

NO.	BENEFICIARY	DISTRICT
26.	Real Impact Corporation	St. Thomas-St. John
27.	White Bay Group USVI, LLLP	St. Thomas-St. John
28.	Healthquest, LLC	St Thomas-St. John
29.	Auven Therapeutics Management, LLLP	St. Thomas-St. John
30.	Concordia Campgrounds, Inc.	St. Thomas-St. John
31.	IGY-AYH St. Thomas Holdings, LLC	St. Thomas-St. John
32.	SubBase DryDock, Inc.	St. Thomas-St. John

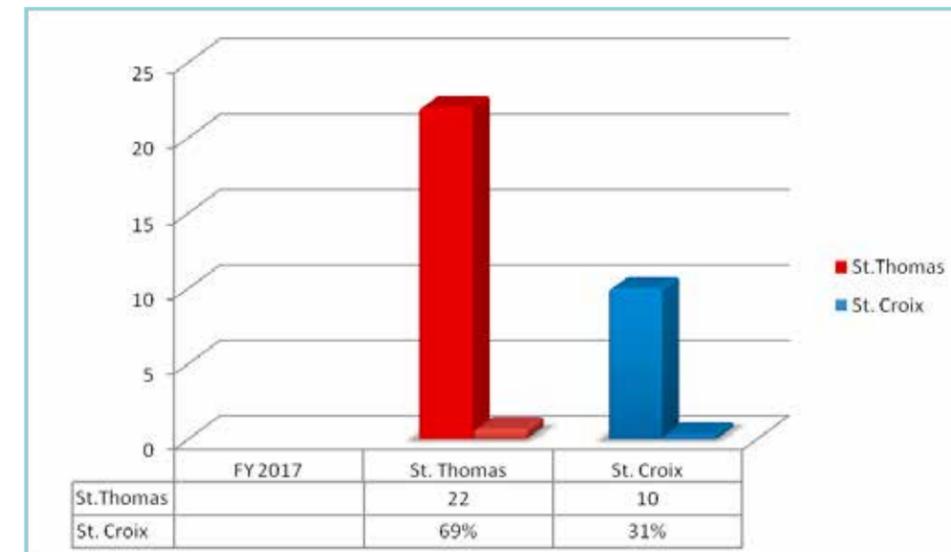


USVI Lt. Governor Osbert Potter (center), joins Wayne L. Biggs, Jr. USVIEDA Acting Chief Executive Officer (left); and Andrew Clutz, USVIEDA marketing consultant at the 2017 VIEDC Practitioner's Forum and AfterHours Meet & Greet. This event was held at Frenchman's Reef and Morning Star Marriott Beach Resort on St. Thomas, USVI on April 19.  
-Photo by Celina D. Morris/USVIEDA



The 2017 VIEDC Practitioner's Forum and After-Hours Meet & Greet at Frenchman's Reef and Morning Star Marriott Beach Resort on St. Thomas, USVI.  
-Photo by Celina D. Morris/USVIEDA

### Petitions/Reports for Board Actions



## VIEDC COMPLIANCE, cont.

### Petitions/Reports for Board Actions - VIEDC Division of Compliance Collections:

In FY 2017, the Division of Compliance collected fees and settlements in the total amount of \$895,387.66.

**TABLE 14: Fee Collections and Settlement Applications**

NO.	ACCOUNT	COLLECTION
1.	Activation Fees	\$ 21,000.00
2.	Annual Compliance Fees	524,900.00
3.	Non-Compliance Fees	141,522.00
4.	Late-Reporting Fees	2,965.66
5.	Settlement Agreements	205,000.00
<b>Total</b>		<b>\$ 895,387.66</b>

- **April 19 and 20, 2017:** Held Practitioners Forums and Afterhours Meet and Greet on St. Thomas and St. Croix, respectively.
- Commence planning for the VIEDC Beneficiary Summit and 45th Anniversary Event scheduled for August 29th and September 1, 2017 in St. Thomas and St. Croix respectively.
- Continued review of the VIEDC Compliance Handbook.
- Received proposal from consultant regarding the completion of the Division of Compliance Database.
- **August 30 through 31, 2017:** Beneficiary Summits held on St. Thomas at Sugar Bay Resort and Spa and at Carambola Beach Resort on St. Croix, respectively.

**\$524,900** Collected in Compliance Fees

### Other Compliance Division Activities:

- **October 3, 2016:** Latoya Martin hired as a VIEDC Compliance officer.
- **November 7, 2016:** Vanessa Fahie hired as a contract VIEDC Compliance officer.
- **November 14, 2016:** Kimberlee Smith hired as a VIEDC Compliance officer.
- **November 16, 2016:** Attended, and presented at the USVIEDA Board Retreat. During this period the Compliance Division ramped up the “fast track” (expedited compliance process)

*“The USVIEDA intends to facilitate opportunities that would foster the economic recovery and growth of the USVI”*

- USVIEDA Acting CEO Wayne L. Biggs, Jr.

# DEVELOPMENT PARK

## VIRGIN ISLANDS DEVELOPMENT PARK CORPORATION

“Committed to Providing Affordable Workspaces”

The Virgin Islands Economic Development Park Corporation (EDPC), formerly known as the Industrial Park Development Corporation (IPDC), is chartered as a public corporation to acquire and operate industrial parks in the U.S. Virgin Islands and to complement the activities of the U.S. Virgin Islands Economic Development Authority.

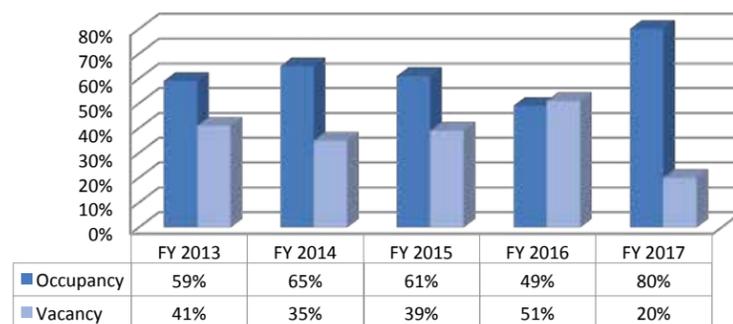
Presently, there are two industrial parks that fall under the auspices of the EDPC, the William D. Roebuck Industrial Park on St. Croix and the Virgin Islands Industrial Park on St. Thomas. The EDPC is solely funded by rental income generated from the tenants of the industrial parks.

### WILLIAM D. ROEBUCK INDUSTRIAL PARK

The William D. Roebuck Industrial Park, located on St. Croix between the historic towns of Christiansted and Frederiksted, is the largest of the two individual parks. Situated on approximate-

ly 24 acres of property owned by the Virgin Islands Port Authority, this park consists of four adjacent buildings totaling 158,000 square feet of commercial space. As of the end of fiscal year 2017, 80 percent of the industrial park is occupied by a variety of public and private entities. Two tenants are beneficiaries of the U.S. Virgin Islands Economic Development Program that is administered in the U.S. Virgin Islands by the Economic Development Commission: Ocwen Mortgage Servicing Co. and Gold Coast Yachts. Other entities, which is a mix of local and federal government agencies and private businesses, also occupying space at this park include: Virgin Islands Next Generation Network (ViNGN), the V.I. Economic Development Park Corporation (EDPC), the Federal Emergency Management Administration (FEMA), the Virgin Islands Bureau of Corrections and the V.I. Department of Sports Parks and Recreation, Leatherback Brewing Co., and Farmpod.

**VI Economic Development Park Corporation  
William D. Roebuck Industrial Park  
St. Croix**



We are excited about the interest shown by many different companies who are looking into moving into this park.

### Upcoming Projects:

We are also excited about upcoming capital improvement projects for the park such as the Energy Retrofit Project, the Micro-grid Project, the Building No.1 Parking Lot Paving Project and the Park Entrance Renovation Project.

## VIRGIN ISLANDS INDUSTRIAL PARK

The Virgin Islands Industrial Park on St. Thomas, which consists of 20,000 square feet of commercial space, is located on a lush hillside just outside the bustling town of Charlotte Amalie and in the vicinity towards the Cyril E. King Airport. At the end of fiscal year 2017, 100 percent of the total commercial space at the park remained occupied by four businesses: United Electronics Industrial Services, LLC (UEIS); Billy D's Tees, Ergenics, Inc. and Alliance Data Services.

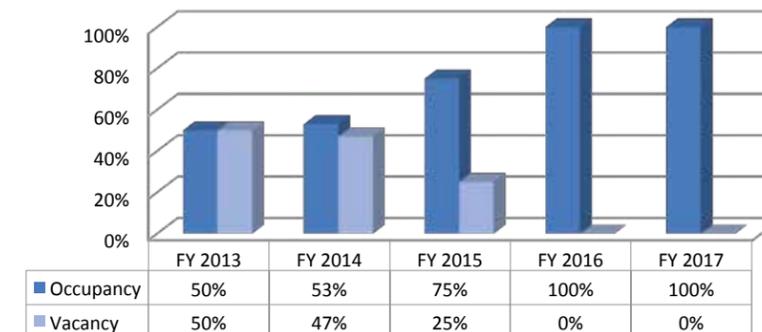
### Upcoming Projects:

We are also looking forward to upcoming capital improvement projects for the park on St. Thomas such as the Landscaping & Front Beautification Project, the Micro-grid project and the Park Entrance Renovation Project.

In addition to the aforementioned properties, the EDPC also owns the building that houses the USVIEDA's headquarters on St. Croix, which is located at No. 4 King Street in Frederiksted. The building is known as the Old Flemming Building that was purchased in 2002. We have completed 50 percent of the planned beautification projects for the Frederiksted offices which include, but are not limited to, repainting the building's exterior and an expectancy to continue to do so as funds are available.

With the destruction caused by two Category 5 hurricanes to the territory in the latter half of the fiscal year 2017, the EDPC is faced with many challenges after sustaining damages to the park's facilities in September 2017. Despite some setbacks and with the assistance of our insurance partners and FEMA, the EDPC is looking forward to making necessary repairs as well as making the facilities more hurricane resistant.

**VI Economic Development Park Corporation  
Virgin Islands Industrial Park  
St. Thomas**



# DEVELOPMENT BANK

## ECONOMIC DEVELOPMENT BANK

“Committed to Supporting Our Small and Medium-size Businesses”



The USVIEDA hosts a State Small Business Credit Initiative (SSBCI) Conference via tele-video on April 21, 2017 in the William D. Roebuck Industrial Park Conference Room on St. Croix above, VI. This tele-video conference was held between St. Croix and the USVIEDA conference room on St. Thomas. *-Submitted photo*

The Economic Development Bank (EDB) serves to provide business loans and offer technical and managerial assistance to small and medium-sized local businesses to enhance employment opportunities and economic growth in the U.S. Virgin Islands. The EDB also assists small-business owners by referring them to the Virgin Islands Small Business Development Center (V.I. SBDC), which provides business counseling, coaching, and instructions on how to prepare business plans.

### Loan Payments

In fiscal year (FY) 2016, loan payments totaled \$975,816.31. At the close of the FY on September 30, 2017, the EDB collected loan payments totaling \$1,347,688.23. The FY 2017 payments increased by 38 percent, or \$371,871.92, over FY 2016. The improvement in collections is due to increased collection efforts and the utilization of

innovative methods such as loan restructuring, loan modifications, and loan deferments to make it easier for borrowers to meet their loan obligations and at the same time help to reduce the loan delinquency rate.

Through our partnership with the Virgin Islands Housing Finance Authority, the EDB continues to administer a revolving line of credit which is currently being used to support the construction and subsequent sale of six homes on St. Croix. The sixth home has been constructed and is pending certification and sale.

### Loan Transactions

As of September 30, 2017, loan transactions totaled \$875,000 compared to \$1,625,762 in FY 2016. While over 159 inquiries regarding financing were received from potential and existing business owners, the majority of businesses remain in the initial stages of business planning. Also, EDB's focus in 2017

was on managing the delinquencies, which has yielded good results thus far.

### Loan Delinquencies

During 2017, the EDB staff concentrated their efforts on loan restructuring, modifications, and reclassifications which contributed to the significant reduction in the loan delinquency rate in 2017 to 47.0 percent when compared to the rate of 77.0 percent in 2016. The EDB staff continues to aggressively collect on delinquent loans with the strong support of external legal counsel and collection agencies. Also during FY 2017, the EDB staff successfully realized on real estate collateral and exercised its first priority position over business assets in support of delinquent debt.

### State Small Business Credit Initiative (SSBCI) Guarantee Program

On September 27, 2010, President Barack Obama signed into law the Small Business Jobs Act of 2010 to help increase the availability of credit

for small businesses. This Act created the State Small Business Credit Initiative (SSBCI) and appropriated \$1.5 billion to be used by the U.S. Department of the Treasury (“The Treasury”) to provide direct support to states for use in programs designed to increase access to credit for small businesses and small manufacturers. Pursuant to the Act, the Treasury allocated funds to 47 states, the U.S. territories, and the District of Columbia.

Based on the allocation agreement dated October 4, 2011, the U.S. Virgin Islands was awarded \$13,168,350, as a participating state, to be administered by the EDB, an entity of the U.S. Virgin Islands Economic Development Authority (USVIEDA). These funds were disbursed in three (3) increments as follows: \$4,345,556 (33 percent); \$4,345,555 (33 percent); and \$4,477,239 (34 percent). Based on the economic needs of the territory, three (3) specific loan programs were selected: Collateral Support Program; Credit



The USVIEDA hosts a State Small Business Credit Initiative Conference (SSBCI) via tele-video on April 21, 2017 in the USVI Economic Development Authority Conference Room on St. Thomas above, VI. This tele-video conference was held between St. Thomas and the William D. Roebuck Industrial Park Conference room on St. Croix. *-Photo by Celina D. Morris/USVIEDA*

## DEVELOPMENT BANK, cont.

Guarantee Program; and the Payment, Surety, and Performance Bond Program.

A fourth disbursement of \$59,561 was received in January 2017. This amount represented the U.S. Virgin Islands' apportioned allotment of residual funds from states and/or territories. This was a result of timely reporting and usage of funds by the EDB. Banks participating in the SSBCI include Merchants Commercial Bank, First Bank, Bank of Nova Scotia, and Banco Popular de Puerto Rico.

As of September 30, 2017, the USVIEDA approved 38 loans to the participating banks for a total SSBCI guarantee support of \$11,130,292 of which a total amount of \$10,256,697 has been committed and/or expended. The difference of \$873,595 represents requests which were withdrawn after approval.

The financing using the committed and/or expended funds of \$10,256,697 have the potential of creating 185 jobs and retaining 414 jobs. The jobs that represent a broad cross-



Cusa Holloway, incubator program manager (far left), talks with Kinza Gottlieb (center) and Leida Isaac about programs and services offered by the USVIEDA at the USVIEDA booth table during the 2017 Women Striving for Success, Inc. Conference. This conference was held on July 21, 2017 at Frenchman's Reef and Morning Star Marriott Beach Resort on St. Thomas, USVI.

-Photo by Celina D. Morris/USVIEDA

sector of industry types, and the core of the U.S. Virgin Islands economy include health, tourism, hospitality, construction, and retail. SSBCI participating banks in turn approved approximately \$25,411,390 to businesses in the territory. This program has been successful to date as it allows for increased revenues to the territory's local treasury from taxes and increased economic activity.

An amount of \$2,971,214 remains available for the lenders to use.

### Post-Disaster Relief Revolving Loan Fund

The USVIEDA ended its contract with the U.S. Economic Development Administration in June 2017 concerning the Post-Disaster Relief Revolving Loan Fund. The contract sought to assist small-business owners whose businesses were affected by Tropical Storms Otto and Tomas in 2010. The contract was not consummated until three years after the storms and efforts to identify and qualify businesses proved fruitless.

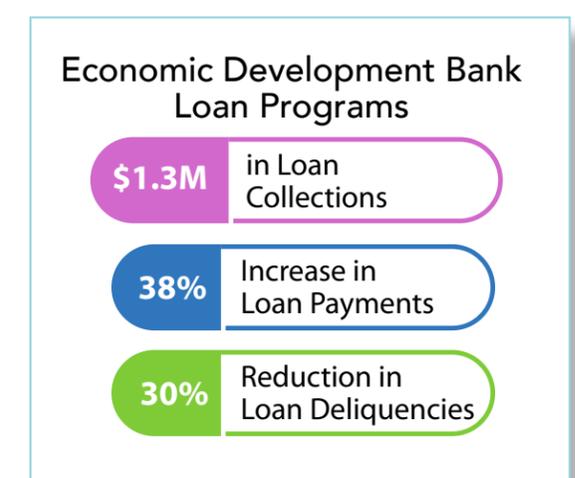
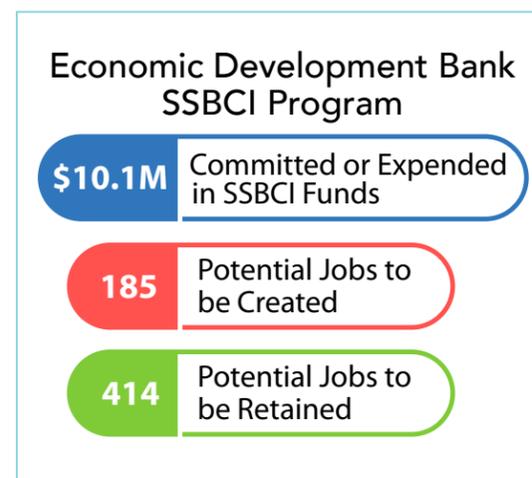
### Sun Power Energy Loan Program Phase II – Virgin Islands Energy Office (VIEO), as partner

Discussions are well underway to implement the second phase of this program. A memorandum of understanding, processes, and procedures is being finalized. The implementation of Phase II with the VIEO office is anticipated during FY 2018.

There are 489 loans remaining out of 818 loans with a combined balance of \$243,323 to be paid off from Phase I.

## Other Development Bank Activities

- Staff training in customer service, financial and managerial accounting, the use of Portfolio software program, and SSBCI webinars
- SSBCI conference held locally for all lenders, representatives from the U.S. Small Business Administration (U.S. SBA), V.I. Small Business Development Center, and the U.S. Department of Agriculture. James Clark, CFA, assistant secretary for Banking and Finance from the Office of Legislative Affairs; and Jeffrey Stout, director of the State Small Business Credit Initiative from the Treasury in Washington, DC; were the guest speakers at this conference.
- Ongoing visits to small businesses within the community (St. Croix, St. Thomas and St. John)
- Participation in the St. Croix Agricultural Fair and Women's Empowerment Conference on St. Thomas
- Participation in the annual Small Business Week activities in partnership with the V.I. SBDC
- Conducted monthly presentations at V.I. SBDC centers on St. Thomas and St. Croix in an effort to maintain and increase public awareness about the programs and services at the EDB
- Began outreach initiatives to clients and the public after the impact of Hurricanes Irma and Maria in September 2017 by canvassing (door-to-door) through the business community with the Incubator Program Manager, Public Affairs Specialist from the U.S. Small Business Administration (U.S. SBA), and the representatives of the Federal Emergency Management Administration (FEMA). The EDB also organized a meeting with these representatives to reach both residential and business community members to inform them about the services that are available via EDB, FEMA, U.S. SBA, USDA, U.S. Economic Development Administration (U.S. EDA) and the V.I. SBDC. The EDB staff also participated in several speaking engagements with Virgin Islands Department of Property and Procurement on obtaining disaster-related contracts. These seminars included representatives from the USVIEDA (EDC and EDB), FEMA, U.S. SBA, and the V.I. SBDC.



# ENTERPRISE ZONE

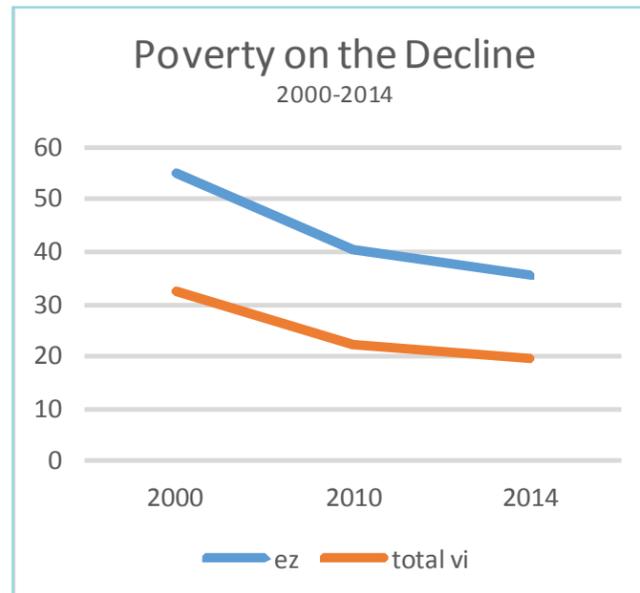
## ENTERPRISE ZONE COMMISSION

### A TRANSITIONAL - TRANSFORMATIVE YEAR

“Committed to Community Development”

A core mandate of the Enterprise Zone Program is to provide the necessary means to assist local communities, their residents, and the private sector in creating the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed enterprise zones and to provide jobs for the residents of such areas.

Over the past 18 years of its existence, the Enterprise Zone Commission (hereafter “the Commission”) has experienced significant changes to its administrative and functional processes to accomplish the goals of its mandate. We have established community stakeholders, studied best practices for revitalization, created specific programs that are targeted towards resolving our challenges, developed plans based on the community charrettes, determined the Commission’s benchmarks for self-evaluation and monitored our progress along the way. Although it is not immediately evident in our communities today, we have improved from the Commission’s early beginnings. The 2000 U.S. Census indicated that in our most distressed neighborhood, 54.9 percent of people were living below the level of poverty, and according to the 2010 U.S. Census, reports indicated a reduction to 40.5 percent. This is a key indicator of poverty on the decline; however, there are others such as crime, educational level, unemployment and building starts. There is a clear improvement, but there is still a long way to go.



In April 2014, the Commission adopted a five-year Strategic Plan for the Commission. It has provided guidance on focus and programming. Within the Strategic Plan, there are three pillars: Offerings & Opportunities, Readiness and Resilience, and Innovation and Enterprise.

### Pillar I: Offerings & Opportunities

This pillar directs the Commission’s team to identify the strengths and needs of each enterprise zone in the U.S. Virgin Islands and assist in identifying the potential opportunities to use those strengths

and fulfill those needs by utilizing our unique cultural currency.

### Neighborhood and Community Plans

In fiscal year 2017, the most long-term transformative activity in this pillar has been the commencement of the implementation of the Neighborhood and Community Plans of the Enterprise Zones. The Commission is part of the team that has worked to forge the collaboration between Denmark’s BYFO (Association of Owners of Historic Houses in Denmark) and the People of the U.S. Virgin



Islands. The intent of this project is for BYFO to donate \$20 million to revitalize two sites located in the enterprise zones of Christiansted on St. Croix and Garden Street-Upstreet on St. Thomas.

The Christiansted Community Plan seeks to transform Christiansted into a college town and the donation of \$10 million will revitalize the Old Barracks Yard on Hospital Street in Christiansted to become the home of the Academy of Architecture, Building Crafts and Cultural Heritage.

In the Garden Street-Upstreet Enterprise Zone, it is anticipated that \$10 million will be used to create



a School of the Arts and Conservation and a National Museum and Cultural Center on the footprint of the buildings from the J. Antonio Jarvis School to the old Apollo Theater site on Hospital Gade on St. Thomas. Both of these anchor projects have been identified as the catalyst for positive community development in their respective zones.

### Tax Benefits Program: Savanne-Downstreet Neighborhood Plan

To offer every economic development tool that is available, the Commission has approved the final community plan of the Commission, the Savanne-Downstreet Neighborhood Plan, which triggered the start of the tax exemption benefits for that community.

## ENTERPRISE ZONE COMMISSION, cont.

### Scrape, Paint and Rejuvenate & Board-up Programs

One of the enterprise zones' strengths is the existing historic and well-built infrastructure. With a little care, these structures can continue to be occupied as homes or be used for commercial activities. The Commission received grants and donations to Revitalize; Scrape, Paint and Rejuvenate; or Board up buildings throughout the enterprise zones. In the last fiscal year, the EZC began and/or completed 10 projects within the enterprise zones. Although these projects only represent a \$132,000 in direct investment into the community, there is definitely a multiplier effect in others that involves community members cleaning and fixing their own properties and buildings that were previously distressed and are now being fully occupied.

### Rapid Damage Assessment Survey

Issues of ownership, occupancy and the physical status of buildings are always changing. In order to clearly identify our enterprise zone weaknesses, surveys of an area in an enterprise zone are taken at least every three years. Due to the impact of Hurricanes Irma and Maria in September 2017, both Category 5 storms, a special Rapid Damage Assessment Survey was taken and the preliminary results revealed several noted points. With the exception of one edifice, none of the buildings that were boarded or revitalized by the EZC were damaged by the storms. The Frederiksted Enterprise Zone, which has the most building vacancies amongst the enterprise zones, received the most damage. And although the survey was a

250 Moderately to Severely Damaged Buildings



quick assessment, it appears that much of the repairs needed to fix the buildings exceeded the financial means of the people who occupy those buildings.

### Pillar II: Readiness and Resilience

The Strategic Plan also places an emphasis on Readiness and Resilience within the enterprise zones which mandates that the EZC team seeks to strengthen the zone's readiness for social and economic challenges, and natural and man-made disasters; and ensure the community's ability to rebound quickly.

10 Gentlemen of EntrepreNow



### EntrepreNow Program

Community development makes a difference. Perhaps the best example of this, although its benefits cannot be easily quantified, is the EntrepreNow program. This six-week entrepreneurship program, a collaboration among the US Virgin Islands Economic Development Authority, the Virgin Islands Office of the Public Defender, and the non-profit organization Youth Arise, Inc., seeks to provide opportunities for young men from our communities to think about their professional future and to equip them with

the skills sets to accomplish their professional goals. During this program, we also spent time discussing life skills with these young men to ensure success in their pursuit of achieving their personal goals. This year, ten students graduated from the EntrepreNow Program: five on St. Thomas (bottom photo, left to right): Jamari Gardner, Carlos Arno, Wayne Burke, Hector Sankitts, Jr.; and Jevante Terrell, and five on St. Croix (top photo left to right) - Kevon Barclette, Jevon Thomas, Claudius Abraham, Jr., Shirmoy O'Garro and Kyri Hughes.

We will continue to track these young men throughout the school year and beyond. We have already seen success and transformation in the personal lives of some of these young men in relation to their readiness to overcome the social and economic challenges that they will encounter.

### Technical Assistance Grant

Food resilience is critical area to communities that are subject to disasters...meaning everyone. Perhaps the most significant grant is the Commission's application for a Technical Assistance grant that provides funds to determine the feasibility of establishing food processing plants in the Territory. This is being done by the Commission as part of the effort to increase our abilities in the area of food resilience. This year, the Commission received a grant to investigate the feasibility of a food processing plant that could be the catalyst for community development of a zone like Frederiksted which seeks to incentivize the culinary industry. Or Savanne-Downstreet in which the community has ideas to incentivize producers and retailers of VI cultural products.

## ENTERPRISE ZONE COMMISSION, cont.

### Pillar III: Innovation and Enterprise

The final pillar of the plan is to encourage the Commission's team to focus on **Innovation and Enterprise** to encourage, motivate and incentivize business activity through the use of every available economic development tool to assist in the development, growth and support of entrepreneurial and enterprising efforts.

### B2B Event: Small businesses are critical to the positive growth of the enterprise zones

The cultivation and nurturing of these businesses have become benchmarks for the success of the Commission. In order to help these businesses grow, we have focused on product manufacturers in the U.S. Virgin Islands. In this fiscal year, we hosted two Business-to-Business events where we brought together manufacturers and potential retailers in a closed-door event. This fosters direct wholesale activity and encourages our manufacturers to expand their reach. It has been extremely successful, and there is a waiting list for more of these functions.

Despite the devastating impact of Hurricanes Irma and Maria in September 2017 - the last month of the USVI's fiscal year - where **approximately 11 percent of the buildings within the St. Thomas enterprise zones and 36 percent of the buildings in the St. Croix enterprise zones had significant damage**, the Commission had a very productive year. **This Commission received over \$450,000 in grants in comparison to \$37,000 that was received in the previous fiscal year.** These

grants are necessary to assist in rehabilitating buildings and nurturing small businesses within the enterprise zones. Ten revitalization projects are in progress or were completed within fiscal year 2017. **In the first quarter of fiscal year 2018, the EZC plans to apply for \$5.1 million from the U.S. Department of the Interior and other agencies for other projects.**

### Program Compliance Reports

Although the Commission's focus has been on the expansion of small businesses, construction projects, and youth development initiatives; it is also focusing on the compliance requirements of the program. **The EZC completed a total of 40 compliance reports which represents an increase of 265 percent from FY2016.** This is attributed to the increase of education and the monitoring of the program. Finally, the Commission did receive four applications in this fiscal year with a projected **economic output of \$13,303,920 in direct, indirect and induced investments in our communities.**

The Enterprise Zone Commission continues to provide the necessary means to assist the people and businesses of the enterprise zones in the U.S. Virgin Islands. We have achieved some goals, and in fiscal year 2018 we will redouble our efforts to improve the community even more.



# EXTERNAL MARKETING

## EXTERNAL MARKETING & PUBLIC RELATIONS

Marketing and Public Relations works to promote the important programs and activities delivered by the USVIEDA. Our role is to communicate the USVIEDA value proposition to two distinct audiences: the local community, and VIEDC prospects outside of the Territory.

**Local Marketing** activities promote a wide range of USVIEDA services offered to Virgin Islands residents and businesses to support critical growth of local economy. We also communicate the benefits and positive impact of the VIEDC program to community stakeholders.

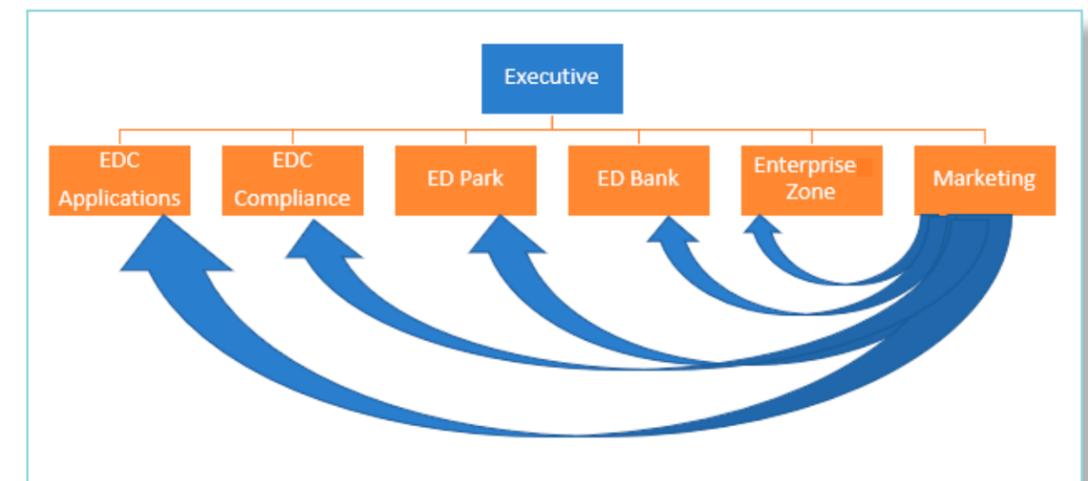
**External Marketing** activities promote the Virgin Islands Economic Development Commission Program (VIEDC) to attract external (U.S. and international) corporate investment into the Territory.

In short, Marketing and Public Relations provides customized promotional support to each division within the USVIEDA.

### Marketing Mix

Our goal is to position the U.S. Virgin Islands as the best location for businesses in which to

invest and grow, whether they are local, national or international businesses. We deploy a range of marketing activities to communicate our value proposition for those at home and abroad through our marketing mix of activities.



## EXTERNAL MARKETING & PR, cont.

**Product Development** – Development or improvement of products and services to attract investment and create jobs.

**Lead Generation** – Research, identification and outreach to target companies in relevant industry sectors to introduce and sell the USVI business location solution and secure investment into the Territory.

**Ambassadors** — Leverage the Territory’s key investors as well as business and government leaders to sell the USVI as an ideal investment location through a variety of promotional activities.

**Events** – Participate in a variety of local and state-side events to build awareness of the USVIEDA offering through hosting, sponsorship, speaking and attendance activities to communicate our solutions. Communications – Creation of USVI sales messages that flow through a mix of media channels including: public relations, print, radio, television, digital advertising, social media, email marketing, news releases, website, brochures, and publications.

**Client Care** – Provide first-class business support for prospective investors, existing VIEDC investors and all USVIEDA local clients.

### External Marketing Activities

Despite the loss of key staff during the year, Marketing aimed to maintain the momentum it had built in 2016 with a focus on a set of clear, key objectives that had been set. Our objectives for the year included:

- Build a stronger, more proactive marketing organization within the USVIEDA

- Fine-tune our marketing programs to drive more return on investment
- Increase local awareness of the benefits of USVIEDA programs focused on indigenous businesses
- Employ performance measurement and metrics tracking to evaluate programs/activities
- Grow contacts and relationships in the strategic advisory segments such as tax, legal, financial, real estate, etc.
- Convert more of the existing prospect and project base into active investments through increased support and multiple levels of communications
- Leverage and master an increased number of marketing channels to build awareness about the VIEDC program
- Build on the partnership approach with the Virgin Islands Senate, V.I. Department of Tourism, Research and Technology Park, VIEDC Ambassadors, service providers etc. to identify and secure investment across the Territory

### Product Development

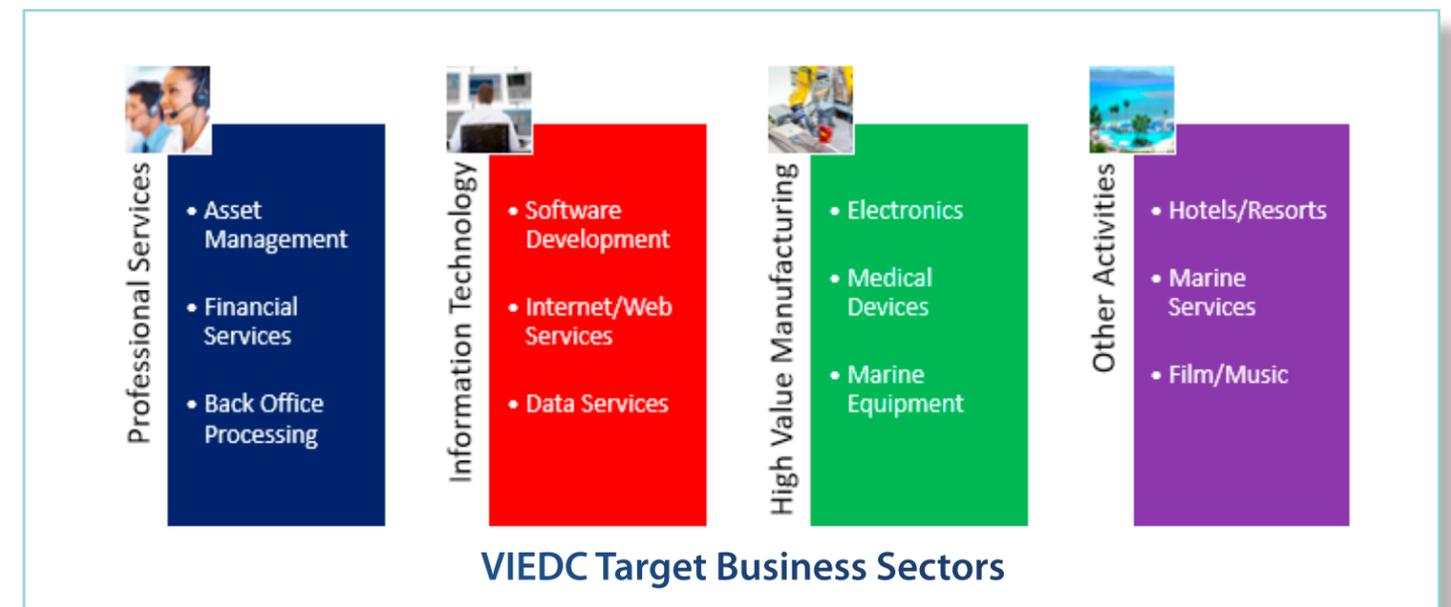
The USVIEDA continued to work on the development and enhancement of investment product offerings for the USVI. The primary objective is to develop products and services that will attract more corporate investment into the Territory. Work on these new initiatives is generally in partnership with other government agencies such as the V.I. Department of Tourism; the V.I. Legislature; Lt. Governor’s Office; and the Division of Banking, Insurance and Financial Regulation. During the year, these efforts focused

on the following initiatives:

- Film Production – Sustainable Tourism and Arts-Based Revenue Stream (S.T.A.R.S.) Act rules and regulations in partnership with the V.I. Department of Tourism
- Hotel/Resort Development – legal amendments
- St. Croix Free Trade Zone – fact finding
- International Financial Services Entities

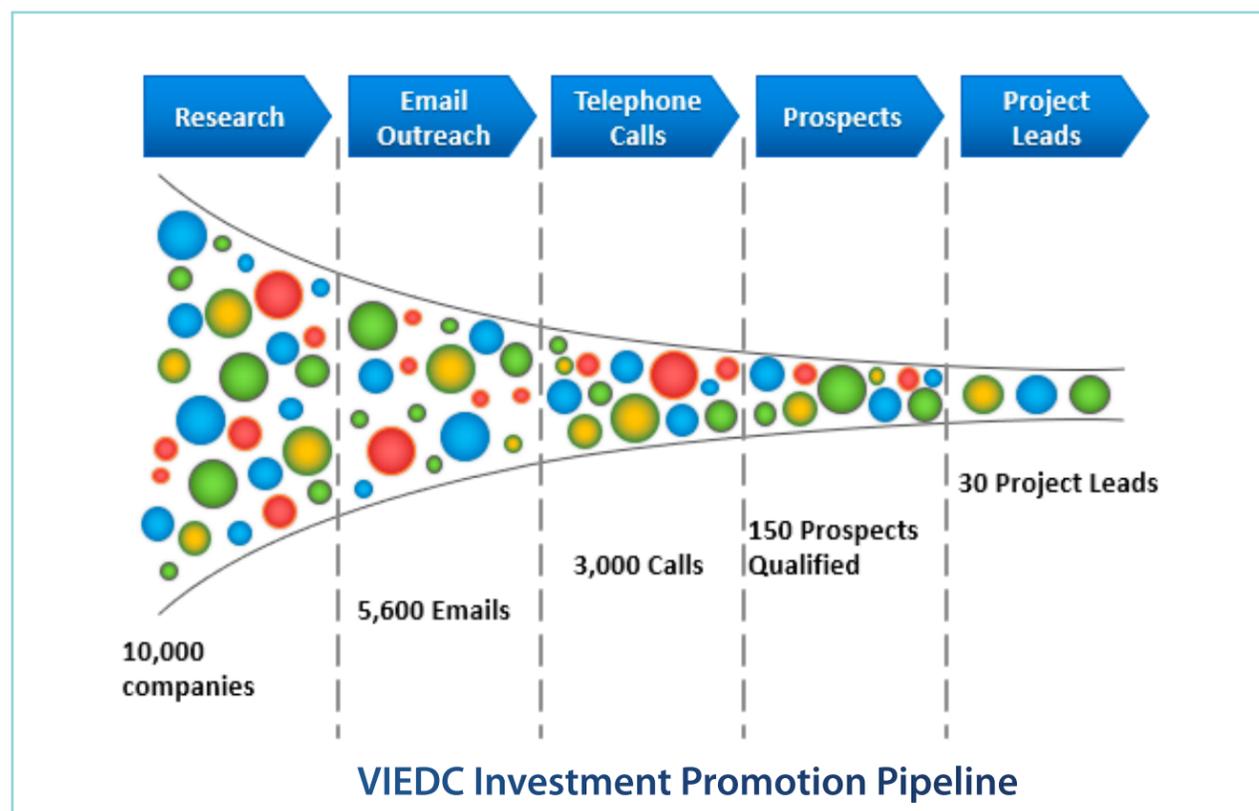
### VIEDC Investment Lead Generation

Investment lead generation remained a top priority for attracting corporate investment into the USVI through participation in the VIEDC program. Investment lead generation encompasses a series of activities which include: research, identifying companies, qualifying companies, and contacting and building relationships with companies that have the potential to expand or relocate to the U.S. Virgin Islands. Below is a summary of the key business sectors that the USVIEDA targeted during the year.



During the year, we also screened approximately 10,000 companies across the key sectors identified above. This is done based on a series of programed algorithms to identify companies that have a strong potential for expansion. We communicated with and qualified more than 8,500 companies to determine their interest in the USVI. The communications outreach included introductions to the USVI and the VIEDC program as well as information about our presence at industry events listed in the next section of this report. The objective of this activity is to qualify companies with an interest in the VIEDC program, and begin to build a client relationship focused on a specific investment project.

## EXTERNAL MARKETING & PR, cont.



Each year we also respond to several hundred inbound inquiries via the website and telephone. These queries yield approximately 10 investment opportunities during the period.

### Marketing Events/Meetings

Marketing events and business-to-business meetings provide an excellent opportunity for the USVIEDA to showcase and promote the advantages of the Territory directly to our target sectors, companies and business advisors. The USVIEDA organizes and attends a mix of events and conferences focused on the target industry sectors, tax and site selection advisors, and the Caribbean trade and investment market.

In addition to the external events listed below, Marketing assisted in organizing two sets of VIEDC local meeting events during the year.

#### VIEDC Practitioners Forum – St. Thomas & St. Croix – April 2017

Two events were organized for the local tax attorney and accounting firms on St. Croix and St. Thomas to update them on VIEDC operational procedures and solicit feedback on the program and areas for improvement. In addition, a meet & greet reception was held with local stakeholders from both the public and private sector.

#### VIEDC Beneficiary Summit– St. Thomas & St. Croix – August 2017

Two local events were organized for VIEDC investors and their service provider partners to update them on the VIEDC program as well as USVIEDA activities. This was also an opportunity to celebrate the 45<sup>th</sup> anniversary of the VIEDC program and recognize key VIEDC companies for their support.



Jane Townsend (third person from the right), sales administrator of United Electronic Industries Services (UEIS), accepts a Certificate of Appreciation from the VIEDC for being recognized as an ambassador of the VIEDC Tax Incentive Program. Ms. Townsend is congratulated (from left to right) by VIEDC Director of Compliance Claude S.M. Gerard; USVIEDA Acting CEO Wayne L. Biggs, Jr.; VIEDC Director of Applications Margarita A. Benjamin; and USVIEDA Board members Eugene Farrell and Haldane Davies, Phd. –Photo by Celina D. Morris/USVIEDA

### External Events Promoting the VIEDC Program

#### Private Wealth - Latin America & Caribbean Forum – Miami, FL – October 2016

The USVIEDA participated in this conference focused on high net worth advisors and money managers. The event attracted over 200 key advisors and provided an excellent venue for introducing the VIEDC program. Marketing will expand its presence in 2017 with a sponsorship and exhibit booth.

#### CCAA Caribbean Finance Meeting – Washington, DC – October 2016

This meeting was attended by over 100 key finance advisors and government representatives from around the Caribbean. One of the key themes was foreign direct investment and the challenges many Caribbean nations face due to U.S. government regulations. This places the USVI in a unique and enviable position to attract investment.

#### Network 2017 – Miami, FL – January 2017

The USVIEDA participated in this conference focused on asset management and hedge fund money managers. The event attracted over 400 key advisors and provided an excellent venue for introducing the VIEDC program. Marketing will expand its presence in 2017 with a sponsorship and exhibit booth.

## EXTERNAL MARKETING & PR, cont.

### Cayman Alternative Investment Summit – Cayman Islands – February 2017

This investment summit was the second in a series of asset management conferences that the USVIEDA committed to attending in 2017. We attended the summit with over 300 attendees and held introductory meetings. Time was also spent benchmarking the investment that has been made by the Cayman government into financial services infrastructure which now hosts over 10,000 investment funds and a developed services and administration ecosystem.

### GAIM Ops Conference

Cayman Islands – April 2017

This was the third asset management event in the series, and the USVIEDA was a sponsor and exhibitor at the conference that hosted 400 attendees from the financial services sector. New and follow-up meetings were held during the event.



Picture: (L to R) Wayne L. Biggs, Jr., Acting CEO; and Andrew Clutz, Marketing Consultant, attend the SelectUSA Summit in Washington, DC.  
–Submitted Photo

### SelectUSA Investment Summit Washington, DC – June 2017

The USVIEDA participated in the SelectUSA Investment Summit for a third year as an exhibitor. The summit which is attended by over 2,000 international investors, many senior federal officials, and almost every state economic development agency in the U.S. is a key forum to meet with prospect investors and sell the advantages of the USVI.

### American Bar Association Tax Section Austin TX – September 2017

The USVIEDA sponsored the annual ABA Tax Section meeting which brought together approximately 1,500 of the nation's leading tax attorneys. As part of the sponsorship, we hosted a breakfast presentation on the VIEDC program and the benefits of operating in the USVI. In addition, we maintained an exhibit booth for three days at the event.

## Communications

Marketing worked to expand its communications approach by expanding activities in advertising, social media and public relations. Below is a summary of the key marketing communications programs for the year.

### Advertising

Marketing continued to leverage advertising creative it developed in 2016. Placements were made in several publications across key VIEDC target segments during the year.

- **Elite Traveler in January** – focused on the private jet/high net worth targets
- **St. Thomas/St. John Tourist Map** – focused on visiting business prospects



## VIEDC advertising series promoting the 90% tax exemption

- **Caribbean Tourism Organization** – Caribbean Tourism & Hospitality Guide – hotel investment focus
- **WTJX Channel 12** – three placements focused on the local audience
- **Site Selection Magazine** – focused on corporate investors and site selection investors
- **Business View Caribbean** – in cooperation with VINGN and Government House - focused on businesses with an interest in the Caribbean
- **Major League Baseball All Star Program** – focused on business attendees

## Marketing Communications

External marketing communications continued to ramp up during the year with a variety of placements across sectors. The focus is to place more positive stories about the USVI and its solutions for businesses. Below is a summary of the activities for the year.

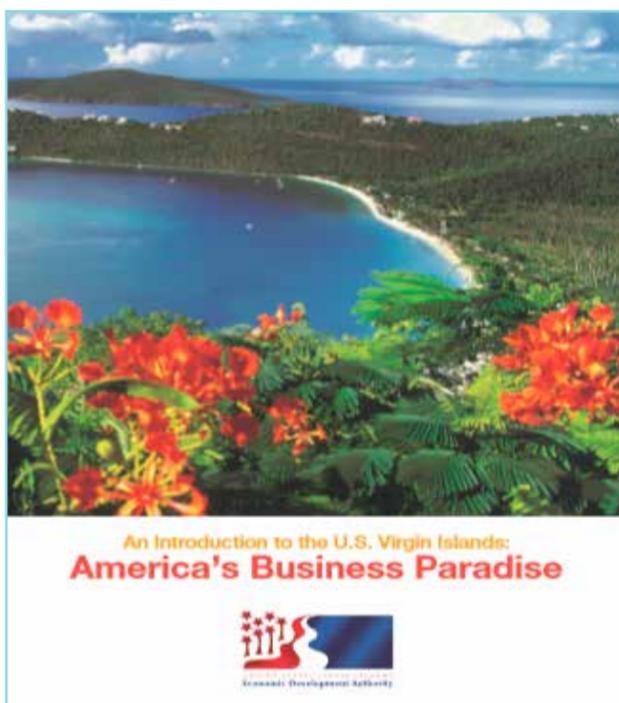
- **Site Selection Magazine** - hosted executive editor and secured an article
- **CTO – Caribbean Tourism & Hospitality Guide** - placed hotel investment content in the bi-annual guide
- **Business View Caribbean** - placed investment promotion information in the digital publication in partnership with Government House and VINGN
- **Economic Round Table Business Forum Show** – participated in the radio show as part of the CCAA Caribbean Economic Forum
- **GAIM Ops Forum program** - placed VIEDC marketing content in the event program



Selection of VIEDC advertising placement covers

## EXTERNAL MARKETING & PR, cont.

- **Select USA Summit** – placed VIEDC marketing content in the event program
- **American Bar Association Tax Section Summit** – placed VIEDC marketing content in the event program
- **Annual Reports** – assisted in coordinating, editing and publishing content for the entity annual reports. Wrote content for External Marketing & PR
- **Twitter** – delivered periodic twitter posts about business initiatives in the USVI and worked to secure additional followers
- **Website** - produced updates to the website with a focus on more current material with pictures, graphics and video
- **Investment Promotion Public Relations** - Marketing hired a PR firm to focus on U.S.-based promotion in September to initiate new PR campaign in 2018



- A series of promotional videos were produced for both the local and external
- Produced a new brochure called, “An Introduction to the U.S. Virgin Islands: America’s Business Paradise” – which provides key demographics and facts about the Territory

### Marketing Materials

Current and fresh marketing materials remain an important element of our work. We continued to update and develop new marketing materials for print and digital distribution. Below is a summary of the key items developed during the year:

- Key VIEDC marketing documents have been translated into Spanish for Latin American prospects
- Fact sheets were developed for the Economic Development Park, St. Croix Renaissance Park and the Economic Development Commission



Brad Lenhart, chief operating officer of Denali Funds, (second from the left) accepts a Certificate of Appreciation from the VIEDC from the VIEDC at the VIEDC Practitioner’s Forum and Afterhours Meet and Greet on St. Croix. Denali Funds was recognized for being an ambassador of the VIEDC Tax Incentive Program. Mr. Lenhart is congratulated by USVIEDA Acting CEO Wayne L. Biggs, Jr. (far left); VIEDC Director of Applications Margarita A. Benjamin, and USVIEDA Board member Eugene Farrell.  
–Photo by Celina D. Morris/USVIEDA

### Ambassadors

The Ambassadors program continues to make strides. This is based on strong support from long-existing ambassadors and the continued recruiting of new partners whether they are VIEDC beneficiaries, government officials, VI service providers and key business people eligible to assist in promoting the USVI as a prime investment location. Ambassadors assist the USVIEDA in identifying new prospects and selling the USVI either directly or at events.

### Investment Success

Anticipated impact over the next 5 years employment 88 employees, payroll \$4.5 million annually, total investment \$19.2 million, total charitable contribution \$646,000, total direct and indirect taxes paid \$16.8 million.

NO.	COMPANY NAME	TYPE OF APPLICATION	CATEGORY	TYPE OF BUSINESS
1.	PBG Corporation dba Phantasea Tropical Botanical Garden	New	Category III	Small Business Tourism
2.	Prosperitas Investment Management, LLLP	New	Category IV	Financial Services
3.	CD Paradise Holdings, LLLP	New	Category IV	Financial Services
4.	Alpha Mortgage Advisors, Inc.	New	Category IV	Business Management
5.	Perpetual Motion Management, LLC	New	Category IV	Business Management
6.	Caribbean Cinemas of St. Croix, Inc.	New	Category III	Recreation Facility

## EXTERNAL MARKETING & PR, cont.

NO.	COMPANY NAME	TYPE OF APPLICATION	CATEGORY	TYPE OF BUSINESS
7.	Liberty Medical Development, LLC	New	Category III	Healthcare Facility
8.	Impact Technologies VI, Inc.	New	Category IV	Financial Services
9.	Amalie Global, Inc.	New	Category IV	Financial Services
10.	Sterisil International, LLC	New	Category II	Manufacturer of dental water disinfecting products
11.	Global Medchoices Group, LLC	New	Category IV	Business Management
12.	Castle Medical Holding, Inc.	New	Category IV	Business Management

### FY 2018 Projected External Marketing Events

Below is a list of selected marketing events planned for fiscal year 2018.

- Private Wealth- Latin America & Caribbean – Miami, FL – October 2017
- Ft. Lauderdale International Boat Show – Ft. Lauderdale, FL – November 2017
- Economix – New Orleans, LA – December 2017
- Network 2017 – Miami, FL – January 2018
- Puerto Rico Investment Summit – San Juan PR – February 2018
- Cayman Alternative Investment Summit – Cayman Islands – February 2018
- Sea Trade – Ft. Lauderdale, FL – March 2018
- American Bar Association – Washington, DC – May 2018
- Select USA Summit – Washington, DC – June 2018
- International Economic Development Council Annual Meeting – Atlanta, GA – September 2018
- Global Asset Management Conference – Bermuda – September 2018

# INTERNAL MARKETING

## INTERNAL MARKETING & PUBLIC RELATIONS

### MARKETING

#### USVI Airport Advertisements:

Proposed the advertisement contract with Clear Channel Airports to promote the USVI Economic Development Tax Incentive Program at the Cyril E. King Airport on St. Thomas and the Henry E. Rohlsen Airport on St. Croix.

- According to a Nielsen study, a comprehensive consumer marketing study conducted in October 2015 and commissioned by Clear Channel Outdoor Americas, “nearly 60 percent of business and leisure travelers believe that advertising in airports is an indicator of high-quality brands and products. And more than three-quarters of business and leisure travelers also indicated that they notice airport digital ads with over one-third of travelers surveyed confirming they have visited a website or used an app to find out more about a product or service they saw advertised inside an airport”.
- According to the USVI Annual Tourism Indicators from the Bureau of Economic Research (Air Visitor Arrivals Report), more than 790,000 visitors traveled by air to the USVI in 2016.

Several of these visitors to the USVI work for major companies globally, some of whom are site selection consultants and corporate decision makers for these companies that have the potential to become participants of the USVI's Economic Development Tax Incentive Program.

#### USVIEDA Website:

According to Google Analytics Reports for the period of October 2016 to August 2017, the USVIEDA website received a total of 27,644 new users from across a maximum of 80 countries.

#### Local Print Advertisements:

Print ads were placed in local newspapers including the Virgin Islands Daily News, St. Croix Avis, and the VI Source to promote the following USVIEDA outreach activities and programs:

- USVIEDA Open House held during Agrifest 2017 hosted by the Enterprise Zone Commission
- Enterprise Zone Commission Open House held during the Virgin Islands Carnival Food Fair on St. Thomas at a local small business, E's Garden Teahouse and Things. This business, located within the enterprise zone of Garden Street, is also a client of the Economic Development Bank.
- Post-Disaster Relief Revolving Loan Program at the Economic Development Bank
- Community viewing and voting of the Savanne-Downstreet Community Plan conducted by the Enterprise Zone Commission

#### Local Radio Advertisements:

Radio ads were broadcasted on local radio stations including WSTA 1340AM; WVWI AM 1000; WDLV 107.9FM; WSTX 97.0AM; WJKC Isle 95, WVVI 93.5FM, WMNG 104.9FM, Latino 98.3FM, WVIQ Sunny 99.5FM; and WDHP 1620AM to promote USVIEDA outreach activities and programs,

## INTERNAL MARKETING & PR, cont.

including:

- Announcement of the USVIEDA as a Neighborhood Champion of Small Business Saturday (SBS), the Shop Small Initiative in collaboration with SBS founder American Express
- Viewing and voting of Savanne-Downstreet Community Plan
- Live paid broadcast on WSTA 1340AM of the USVIEDA Open House at Agrifest 2017 on St. Croix
- Live paid broadcast on WSTA 1340AM of the USVIEDA Open House at E's Garden Teahouse and Things during Virgin Islands Carnival Food Fair on St. Thomas
- Broadcasted on WSTA 1340AM, a local radio station on St. Thomas, this feature is a “fun and entertaining short-form radio feature showcasing the moment of inspiration of successful entrepreneurs”
- This feature also highlights entrepreneur stories that inform the general public about the innovative minds that pursued patents for inventions that proved to be everyday, lucrative solutions to challenges.

### Email Marketing:

This marketing activity assisted in the targeted promotion of USVIEDA activities held in fiscal year 2017.

### Banner Design:

Designed a new local USVIEDA hanging banner which had its inaugural display at the USVIEDA exhibitor booth during Agrifest 2017, an annual agricultural event held on St. Croix. This banner concisely displayed the benefits of the USVIEDA programs as solutions to the challenges experienced by USVI businesses and residents.

### Public Relations

Public relations activities continue to remain an integral part of not only shaping how an organization is perceived; but helps to build relationships and maintain connections with the public while keeping the local community informed about an organization's initiatives.

### Media Mentions Success

In fiscal year 2017, a total of at least 32 news stories and pre-event announcements combined

were published and televised as a result of 16 news releases and media advisories from the USVIEDA. The news releases were also posted onto the USVIEDA's website. These news releases and media advisories contributed to several local positive media mentions in print and electronic mediums.

### Newspaper Stories

- 27 positive media mentions published as articles in local and regional newspapers
- 3 pre-event announcements
- Published in local newspapers: *St. Croix Avis*, *VI Source*, and the *VI Consortium*
- Published in regional online newspaper: *Caribbean News Now!*

### Television News Stories

- 2 positive news stories broadcasted on CBS TV2:
  - **Business2Business Event** – St. Thomas and St. Croix, USVI  
This event was hosted by the Enterprise Zone Commission in October 2016 at the USVIEDA office on St. Thomas and at the William D. Roebuck Industrial Park on St. Croix. This story was aired on CBS TV2 on October 31, 2016.

### 2017 EntrepreNow Graduation Ceremony

– St. Thomas and St. Croix, USVI  
Hosted by the Enterprise Zone Commission, this graduation ceremony took place in August 2017. This is the second year the EntrepreNow program was held in the USVI. Highlights from the graduation ceremony on St. Thomas were aired on CBS TV2 on August 7, 2017.

### VI Access Channel

To inform local audiences who were unable to attend or participate in USVIEDA outreach activities, the USVIEDA also engaged the services of the VI government Access Channel to highlight some of these events which were broadcasted on rotation on Channels 6 and 10 in the USVI.

### Radio Interviews Secured

Recognizing that “Americans spend 87 percent of their AM/FM radio listening by tuning in to their three favorite stations” (2017 Nielsen Total Audience Report, 2nd quarter). AM/FM radio “still reaches 93% of U.S. adults”. The USVIEDA continued to secure and schedule radio interviews on local radio programs for USVIEDA representatives to inform the general public or targeted audiences about their respective local events and initiatives, or their client success stories:

- **“The Morning Show with Addie Ottley”** radio show on WSTA 1340AM
- **“The Community Digest with Abdul Ali”** radio show on WSTX 97.0AM
- **“VI in the Morning with St. Clair Williams”** radio show on 1620AM WDHP
- **“In Da Morning with Sheldon Turnbull”** radio show on WDLV 107.9FM
- **“The Morning Mix with Liston Davis”** radio show on WWVI AM 1000

**USVIEDA:** Focus on the Marketplace Radio Show: The USVIEDA conducted an interview in October 2016 on WSTA 1340AM during its radio program, “USVIEDA: Focus on the Marketplace”, with U.S. Virgin Islander Mr. Alison “Allie” Petrus, business owner of Petrus Gas and Petrus Plaza, and franchisee of Sbarros and Subway. Mr. Petrus is also an Economic Development SSBCI client.



*USVIEDA staff members Senior Maintenance Worker Edward Berry; VI Economic Development Commission Director of Applications, Margarita A. Benjamin; Economic Development Bank Loan Officer and SSBCI Coordinator, Diane DaCosta; Enterprise Zone Commission Director, Nadine T. Marchena Kean; Enterprise Zone Specialist Raheem Smith; Executive Assistant to the Acting CEO Celina Morris; EDB Director of Lending Sharmane Brookes; and Park Superintendent Mark Finch take time for a break to enjoy Agrifest after providing the event's attendees with information about USVIEDA programs and services.*

*-submitted photo*

## INTERNAL MARKETING & PR, cont.

### News Stories: USVIEDA Topics Covered by Local Media

#### State Small Business Credit Initiative (SSBCI) Program – October 2016 – St. Thomas and St. Croix, USVI

- In October 2011, the USVI was awarded \$13.1 million from the U.S. Department of the Treasury as a participating state under the SSBCI program, a program that was established by the Small Business Jobs Act of 2010 to help

local, small businesses get access to funding through local banks participating in the SSBCI program.

- The U.S. Department of the Treasury awarded \$4.4 million, the final disbursement of three one-third increments of funding under the SSBCI Program in the USVI. The Honorable Kenneth E. Mapp, Governor of the USVI, designated the USVIEDA to administer this SSBCI program in the Territory.



(second person from the right) Linda Bailey, owner of Harmony Bath & Body, Inc., talks about her product line with Aleshia Shorter, the director of Finance and Accounting at the Frenchmans Reef and Morning Star Marriott Beach Resort on St. Thomas, during the second Business2Business Event on Wednesday, October 26, 2016 at the USVIEDA office on St. Thomas. The B2B Event was hosted by the Enterprise Zone Commission. –Photo by Semele A.C. George/USVIEDA

#### USVIEDA Public Hearings and Governing Board Decision Meetings – October 2016 through August 2017 – St. Thomas and St. Croix, USVI

#### Business2Business Event – October 2016 – St. Thomas and St. Croix, USVI

- Hosted by the Enterprise Zone Commission, this event was designed exclusively to help local, private-sector buyers who were interested in meeting with local small manufacturers to potentially purchase and sell their products at their stores.
- Local private-sector buyers had the opportunity to network, foster relationships and meet one-on-one with 16 small manufacturers in the Territory and learn about their local products. The small manufacturers provided product explanations and displayed samples of their products at the event.
- The B2B Event was held by video-conference feed between the USVIEDA office on St. Thomas and the conference room at the William D. Roebuck Industrial Park on St. Croix. This is the second time this event was hosted by the Enterprise Zone Commission.

**Small Business Saturday:** Shop Small Initiative in partnership with SBS founder American Express: USVIEDA as a SBS Neighborhood Champion - November 2016 – St. Thomas and St. Croix, USVI

- Spearheaded by the Economic Development Bank, the USVIEDA joined the nationwide effort to inspire communities to shop at their local, small businesses on Small Business Saturday on November 26, 2016, one of the busiest shopping weekends of the year. The USVIEDA joined this movement in fiscal year 2017 by becoming a Neighborhood Champion of Small Business Saturday.



Kris Bharwani (right) of Sun n Sand Beachwear, serve two tourists as they shop at his store on St. Thomas, USVI, on November 26, 2016 during Small Business Saturday weekend. –Photo by Semele A.C. George/USVIEDA

- Small Business Saturday, which is held on the Saturday after Thanksgiving, was founded in 2010 by the American Express Company (commonly known as “American Express”), to expose small businesses to potential customers during one of the year’s biggest shopping weekends. This movement also encourages individuals across the country to support local, small businesses as they contribute to the economy’s growth.

#### USVIEDA, V.I. Department of Planning and Natural Resources Seek to Help Local Small Manufacturers find Locations for their business – March 2017 – St. Thomas, USVI

- The USVIEDA, in partnership with the Virgin Islands Department of Planning and Natural Resources (VI DPNR), sought local, licensed small manufacturers in various industries to help them secure local locations so they can sell their products in the Territory and abroad.

## INTERNAL MARKETING & PR, cont.

### Viewing and voting of the Savanne-Downstreet Community Town Plan – December 2016 - St. Thomas, USVI

- Residents of the Savanne-Downstreet enterprise zone and the general public viewed and selected from among proposed community plans that were developed to help revitalize the neighborhoods of Savanne and Downstreet on St. Thomas, USVI.

### Enterprise Zone Open House at Agrifest 2017 – April 2017 – St. Croix, USVI

- The Enterprise Zone Commission hosted an Open House, with the participation of other USVIEDA entities, during Agrifest 2017 on St. Croix, one of the largest agricultural events in the Caribbean. The USVIEDA was also a sponsor of Agrifest 2017 as it continued to also inform and connect with the local community and inform visitors about its programs and services through cultural, fun and engaging community events.

### EntrepreNow - August 2017 – St. Thomas and St. Croix, USVI

- The brainchild of the Enterprise Zone Commission, EntrepreNow was designed this year to assist the Territory's young men ages 14-19 years old in learning how to set personal and career goals, build self-confidence, resolve conflict, prepare a resumé, conduct a job search, create and implement a business plan, and other life skills.

- Originally established in July 2016, EntrepreNow was held for a second year in partnership with the Office of the Territorial Public Defender of the USVI and the local non-profit organization Youth Arise, Inc., as a six-week summer program designed to encourage the Territory's youth to think about becoming entrepreneurs as they prepare for their personal and professional lives after high school.

### VIEDC Summit and 45th Anniversary Event – August 2017 - St. Thomas and St. Croix, USVI

- Hosted by the Virgin Islands Economic Development Commission, this summit provided attendees on St. Thomas and St. Croix with an opportunity to receive an overview and updates about the VIEDC Economic Development Tax Incentive Program. The VIEDC Summit also highlighted the history of this program, its impact on the Territory, and how businesses that are receiving tax exemptions under this program have contributed to the economic development of the USVI during the program's 45-year history.
- Representatives from local government agencies also engaged in discussions about their programs and services that affect the operations of businesses that participate in the VIEDC Economic Development Tax Incentive Program.

## 10 Local Sponsorships Re-Proposed for the USVIEDA

*To help enhance the quality of life and economic development through sports, entertainment, empowerment seminars, cultural events, and small business support activities*

1. Paradise Jam Tournament
2. Crucian Christmas Festival on St. Croix
3. Miracle on Main Street (hosted by St. Thomas-St. John Chamber of Commerce)
4. Agrifest 2017 on St. Croix
5. Virgin Islands Carnival on St. Thomas (Specific Event: Carnival Food Fair)
6. Taste of St. Croix
7. Ultimate Flavors of the Islands (hosted by Banco Popular de Puerto Rico)
8. Virgin Islands Small Business Week with VI Small Business Development Center

9. St. John Festival (Fourth of July Celebration)
10. Women's Empowerment Conference hosted by Women Striving For Success, Inc.

The proposal of sponsorships included the maximum sponsorship amount per sponsorship, the month of the event, the website of the host organization, and highlights on the benefits to the USVI community by supporting each respective sponsorship.

While external marketing and communications initiatives continue to be strategically launched to attract key investors to the USVI, the USVIEDA looks forward to promoting its programs and services for local residents and business owners so that they can receive assistance for business growth and developing their community.



St. John Ferry Dock



**UNITED STATES ECONOMIC DEVELOPMENT  
AUTHORITY**

**FINANCIAL SUMMARY**

*Cinnamon Bay  
on St. John, U.S. Virgin Islands*

## INDEPENDENT AUDITOR'S REPORT

1090 Vermont Ave., NW  
Suite 920  
Washington, DC 20005  
P.O. Box 2478  
Kingshill, VI 00851  
111 South Calvert St.  
Suite 2700  
Baltimore, MD 21202

Board of Directors  
Virgin Islands Economic Development Authority  
St. Thomas, U.S. Virgin Islands

### Report on the Financial Statements

We have audited the consolidated accompanying statement of net position of the Virgin Islands Economic Development Authority (the "Authority") and its wholly owned subsidiary Economic Development Park Corporation, a component unit of the Government of the U.S. Virgin Islands, as of and for the year ended September 30, 2017 and the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including, the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2017, and the respective changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the consolidated financial statements present only the Authority's financial position and the changes in financial position and cash flows and do not purport to, and do not, present fairly the financial position of the Government of the U.S. Virgin Islands as of September 30, 2017 and changes in the financial position of the Government of the U.S. Virgin Islands for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### Report on Comparative Information

We have previously audited the Authority's September 30, 2016 consolidated financial statements, and our report dated, April 13, 2017, expressed an unmodified opinion thereon. In our opinion, the comparative information presented herein as of and for the year ended September 30, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis information on pages 4 through 10 and the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions on pages 27 and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic consolidated financial statement in an appropriate operational, economic or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming an opinion on the Authority's basic consolidated financial statements. The other supplementary information listed in the accompanying table of contents on pages 31 and 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic consolidated financial statements as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2018 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Beck Smith & Co

St. Croix, U.S. Virgin Islands  
March 27, 2018

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**  
*(A Component Unit of the Virgin Islands Government)*  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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#### INTRODUCTION

The Virgin Islands Economic Development Authority (the "Authority") is a semi-autonomous governmental instrumentality responsible for the development, promotion, and enhancement of the economy of the U.S. Virgin Islands.

The Authority is the umbrella organization which assumes, integrates, and unifies the functions of the following subsidiary entities: the Economic Development Bank ("EDB"), the Economic Development Commission ("EDC"), and the Enterprise and Zone Commission ("EZC").

The Authority operates under one Governing Board ("Board"). The Authority's aim is to achieve maximum efficiency of operations to avoid duplication of services, positions, and responsibilities; to reduce expenses of personnel, physical plant and operations; and to develop comprehensive programs for the economic development of the U.S. Virgin Islands. The Authority is funded primarily by allotments from the Office of Management and Budget via the Department of Finance based on an approved budget authorized by the Legislature of the Virgin Islands.

As management of the Authority, we offer the readers of the Authority's consolidated financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2017. We encourage readers to consider the information presented here in conjunction with the Authority's consolidated financial statements. This overview and analysis is required by accounting principles generally accepted in the United States of America ("GAAP"), and the Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The consolidated financial statements consist of four parts: management's discussion and analysis, the financial statements, notes to the financial statements, and supplementary schedules. The Authority is a component unit of the Government of the U.S. Virgin Islands, and follows enterprise fund reporting. The consolidated financial statements, therefore, are presented in a manner similar to that of a private business, using the economic resources measurement focus and the accrual basis of accounting.

- **The Consolidated Statement of Net Position:** This statement includes all of the Authority's assets, deferred outflows of resources and deferred inflows of resources, and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). The assets and liabilities are presented in order of liquidity. The resulting net position presented in these statements is displayed as restricted or unrestricted.
- **The Consolidated Statement of Revenues, Expenses, and Changes in Net Position:** All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the activities of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through appropriations and the services it provides.

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**  
*(A Component Unit of the Virgin Islands Government)*  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
(UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

- **Statement of Cash Flows:** The primary purpose of this statement is to provide information about the Authority's net cash used in operating activities, capital, and related financing activities, and provide information regarding the sources and uses of cash and the changes in the cash balance during the reporting period. The notes to the financial statements provide additional information essential to the full understanding of the Authority's financial statements.
- **Notes to the Financial Statements:** The notes to the consolidated financial statements provide additional information that is essential to the full understanding of the data provided in the financial statements.
- **Supplementary Schedules:** The Authority's consolidated financial statements by fund is presented as supplementary schedules. These schedules separate the consolidated financial statements and operations for each of the Authority's major funds.

**2017 FINANCIAL HIGHLIGHTS**

- The Authority's net position (deficit) increased by \$1,522,884 or 46% compared to fiscal year 2016.
- The Authority's total assets and deferred outflow of resources increased by \$1,616,474 or 4% and total liabilities increased by \$2,623,074 or 7% compared to fiscal year 2016.
- The Authority's operating revenues decreased by \$78,697 or 4% and operating expenses increased by \$1,111,163 or 15% compared to fiscal year 2016.
- Government appropriations increased by \$655,163 or 14% compared to fiscal year 2016.

**Condensed Consolidated Statements of Net Position as of September 30, 2017 and 2016**

	2017	2016	Variance	% Variance
<b>Assets</b>				
Current Assets	\$ 11,276,290	\$ 5,961,209	\$ 5,315,081	89%
Noncurrent Assets	17,598,808	22,529,698	(4,930,890)	-22%
Capital Assets, net	1,480,227	1,599,152	(118,925)	-7%
<b>Total Assets</b>	<u>30,355,325</u>	<u>30,090,059</u>	<u>265,266</u>	<u>1%</u>
<b>Deferred Outflows of Resources</b>	<u>8,005,594</u>	<u>6,654,386</u>	<u>1,351,208</u>	<u>20%</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 38,360,919</u>	<u>\$ 36,744,445</u>	<u>\$ 1,616,474</u>	<u>4%</u>
<b>Liabilities</b>				
Current Liabilities	\$ 13,979,376	\$ 13,477,681	\$ 501,695	4%
Noncurrent Liabilities	28,611,714	26,490,335	2,121,379	8%
<b>Total Liabilities</b>	<u>42,591,090</u>	<u>39,968,016</u>	<u>2,623,074</u>	<u>7%</u>
<b>Deferred Inflows of Resources</b>	<u>630,725</u>	<u>114,441</u>	<u>516,284</u>	<u>451%</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>\$ 43,221,815</u>	<u>\$ 40,082,457</u>	<u>\$ 3,139,358</u>	<u>8%</u>
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 1,480,227	\$ 1,599,152	\$ (118,925)	-7%
Restricted	16,722,958	21,210,583	(4,487,625)	-21%
Unrestricted	(23,064,081)	(26,147,747)	3,083,666	-12%
<b>Total Net Position</b>	<u>\$ (4,860,896)</u>	<u>\$ (3,338,012)</u>	<u>\$ (1,522,884)</u>	<u>46%</u>

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**  
*(A Component Unit of the Virgin Islands Government)*  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
(UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

**Current Assets**

- Current assets increased by \$5,315,081 or 89% compared to last fiscal year. This total includes an increase in cash and cash equivalents of \$4,900,399 or 117% due to funds drawn from the State Small Business Credit Initiative (SSBCI) program to be used as collateral in support of business loans offered by local banks; accounts receivables also increased by \$587,253 or 94% due to the Authority not receiving its last one month of allotment by the end of the fiscal year, plus other amounts that include non-compliance fees and fines imposed on beneficiaries in the Economic Development Commission (EDC) program. There was also an increase in prepaid and other assets of \$7,268 or 13%. The total of these increases were offset by a decrease in investment of \$179,839 or 16% due to the liquidation of a certificate of deposit to fund urgent roof repairs at the Economic Development Park Corporation (EDPC) on St. Croix.

**Noncurrent Assets**

- Noncurrent assets decreased by \$4,930,890 or 22% compared to last fiscal year. This decrease was due mainly to a reduction in restricted cash and cash equivalents of \$4,274,955 or 33%. These funds were reclassified to provide the collateral support required to assist borrowers that qualified under the State Small Business Credit Initiative (SSBCI) program. There was a decrease in restricted investments of \$664,391 or 11% as borrowers in the SSBCI program continue to pay down their loans and to reduce the level of required collateral. The total decrease was offset by an increase in loan receivable, net of allowance for doubtful accounts, by \$8,456 or 0.25%. This was due to an increase in the dollar value and numbers of loans closed during the period.

**Capital Assets**

- Capital assets, net of accumulated depreciation, decreased by \$118,925 or 7% compared to last fiscal year. The overall reduction in capital assets is due to the net effect of capital additions totaling \$294,510 and the reduction of \$413,435 in capital asset values for the year due to depreciation.

**Current Liabilities**

- Current liabilities increased by \$501,695 or 4% compared to last fiscal year. Contributing to this was an increase of \$439,430 or 157% in accounts payable. This increase includes \$400,000 that represented the local match of a federal grant. These funds will be returned to the local government due to the Authority's inability to use the federal funds as intended. There was also an increase in accrued expenses of \$9,228 or 17% due to increases in payroll liability costs.

**Noncurrent Liabilities**

- Noncurrent liabilities increased by \$2,121,379 or 8% compared to last fiscal year. For this category, net liability pension increased by \$2,537,713 or 10% which represents the Authority's share of the Government Employees' Retirement System's (GERS) unfunded liability obligation for FY 2017 based on GASB 68, in addition to an increase in compensated absences of \$55,564

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**  
*(A Component Unit of the Virgin Islands Government)*  
 MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*  
 (UNAUDITED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

or 36% which was due mainly to the reclassification from the current to the non-current category. The amount for security deposits increased by \$16,274 or 52% due to additional tenants occupying rental space in the Economic Development Park Corporation (EDPC). In the loan payable account, the amount was reduced by \$27,577 or 9% due to the Authority paying its Intermediary Relending Program (IRP) annual installment debt payment ahead of time. The reduction of \$400,000 as Relief Revolving Matching Funds was due to removing the funds from the account which will be returned to the local government. These funds were to be used as a match for a federal grant that could not be utilized due to the intricate grant criteria. Deferred revenues in the amount of \$1,000,000 were reduced by \$60,595 or 6% to recognize the amount received from the sale of the tour buses.

**Net Position**

- Net position represents residual interest in the Authority's assets and deferred outflows of resources after all liabilities and deferred inflows of resources are deducted for reporting purposes and are divided into three major components:
  - Net Investment in Capital Assets
  - Restricted Net Position
  - Unrestricted Net Position

The Authority's total net position (deficit) increased by \$1,522,884 or 46% compared to last year. This increase includes a reduction in restricted net position of \$ 4,487,625 or 21%, which resulted in a reduction in collateral for loans, reduced balances, or were already paid off. The release of collateralized funds increased the unrestricted net position by \$3,083,666 or 12%. Additionally, capital assets, net of related depreciation decreased by \$118,925 or 7%, and is the net effect of asset acquired, totaling \$294,510, and depreciation expense of \$413,435 for the year.

**Condensed Consolidated Statements of Revenues, Expenses, and Changes in Net Position for the Years Ended September 30, 2017 and 2016**

	2017	2016	Variance	% Variance
Operating Revenues	\$ 1,733,718	\$ 1,812,415	\$ (78,697)	-4%
Operating Expenses	(8,939,463)	(7,849,297)	(1,090,166)	14%
Operating Loss	(7,205,745)	(6,036,882)	(1,168,863)	19%
Net Non-operating Revenues	5,682,861	4,928,943	753,918	15%
Changes in Net Position	(1,522,884)	(1,107,939)	(414,945)	37%
Net Position, Beginning of Year	(3,338,012)	(2,230,073)	(1,107,939)	50%
Net Position, End of Year	\$ (4,860,896)	\$ (3,338,012)	\$ (1,522,884)	46%

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**  
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 MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*  
 (UNAUDITED)  
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**Revenues**

- Operating revenues decreased by \$78,697 or 4% compared to last fiscal year. Included in this amount was an increase of \$74,841 or 13% in application and processing fees due to an increase in the number of applications for Economic Development Commission (EDC) benefits. The amount billed for penalties and fines increased by \$145,757 or 83% due to the increased number of EDC beneficiaries found in violation of their Certificates. Additionally, rental income increased by \$14,481 or 3% due to the improved occupancy at the Economic Development Park Commission (EDPC) and there was an increase in interest of \$2,454 or 2% due to the refinancing and/or modification of troubled loans making it easier for borrowers to make payments. However, grant revenue decreased by \$238,497 or 79% because the grant funds received to assist in the incubator operation were expended last year. Allocation bond proceeds decreased by \$55,430 or 91% due to a decline in the number of borrowers utilizing the bonding program.

**Operating Expenses**

- Operating expenses increased by \$1,111,163 or 15% compared to last fiscal year. This includes an increase of \$840,491 or 16% in personnel service costs due to the unfunded liability of Government Employees Retirement System (GERS) and the implementation GASB 68; an increase of \$71,803 or 10% in general and administrative costs because of the purchase of liability insurance to cover the industrial parks on both islands and the office building in Frederiksted that are owned by Economic Development Park Corporation (EDPC), and to cover the additional expenses for hurricane-related damages. Occupancy costs went up by \$6,501 or 2% based on the rental agreement with the Nisky Shopping Center for the office space in St. Thomas, and advertising costs increased by \$84,959 or 38% due to additional marketing activities undertaken by the Authority. The cost for professional services increased by \$346,662 or 61% as a result of contractual obligations for: an Economic Impact Study; a new online EDC application program; recruitment for a Chief Executive Officer; and the performance of various legal services.
- Additionally, travel expenses increased by \$31,550 or 50% to cover the costs for transportation and accommodations on St. Croix for board members and other staff personnel attending a three-day Board Retreat. However, grant expenditures decreased by \$238,497 or 79% due to the ending of the incubator grant funding, and bad debt expense decreased by \$32,306 or 21% as the Authority worked with delinquent borrowers through loan refinancing or restructuring to bring their loans current.

**Non-operating Revenues and Expenses**

- Non-operating revenues increased by \$753,918 or 15% compared to last year. The change was due mainly to an increase of \$655,163 or 14% in government allotments that were appropriated to fund an economic impact study and complement the marketing budget. Other income increased by \$98,714 or 151% due to EDC compliance fines received and approved by the Board to rehabilitate and rejuvenate buildings within the Enterprise Zones. On the other hand, interest expense and finance charges decreased by \$662 or 29% as a result of paying the annual installment on the (IRP) loan from the U.S. Department of Agriculture before its due date.

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**  
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MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*  
(UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

**CAPITAL ASSETS**

Total asset acquisition this year was \$294,510 compared to \$158,666 last year, an increase of 86%. The net effect of these additions in the capital asset account and this year's total depreciation expense of \$413,435 results in an overall decrease in capital assets of \$118,925 or 7% compared to last year.

	2017	2016
Building & Building Improvements	\$ 9,344,682	\$ 9,160,848
Leasehold Improvements	867,889	867,889
Equipment	1,239,937	1,190,689
Furniture & Fixture	370,393	370,393
Vehicles	418,625	357,197
Leasehold Equipment	20,585	20,585
Total Costs	12,262,111	11,967,601
Less: Accumulated Depreciation	(10,781,884)	(10,368,449)
Net Capital Assets	\$ 1,480,227	\$ 1,599,152

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for those with an interest in the Authority's operation. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Virgin Islands Economic Development Authority, 8000 Nisky Shopping Center, Suite 620, St. Thomas, VI 00802.

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**  
*(A Component Unit of the Virgin Islands Government)*  
CONSOLIDATED STATEMENT OF NET POSITION  
AS OF SEPTEMBER 30, 2017  
*(With Comparative Totals for 2016)*

	2017	2016
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 9,077,101	\$ 4,176,702
Investments	928,886	1,108,725
Other Receivables, net	1,208,910	621,657
Prepaid and Other Assets	61,393	54,125
Total Current Assets	11,276,290	5,961,209
<b>Noncurrent Restricted Assets:</b>		
Restricted Cash and Cash Equivalents	8,858,425	13,133,380
Restricted Investments	5,321,089	5,985,480
Restricted Loans Receivable, net	3,419,294	3,410,838
Total Noncurrent Restricted Assets	17,598,808	22,529,698
<b>Capital Assets, net</b>	1,480,227	1,599,152
<b>Total Assets</b>	30,355,325	30,090,059
<b>Deferred Outflows of Resources</b>	8,005,594	6,654,386
<b>Total Assets and Deferred Outflows of Resources</b>	\$ 38,360,919	\$ 36,744,445
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 718,558	\$ 279,128
Accrued Expenses	64,567	55,339
Compensated Absences	188,057	166,767
Interest Payable	20,116	19,670
Deferred Revenue	12,962,700	12,931,650
Loan Payable, current	25,378	25,127
Total Current Liabilities	13,979,376	13,477,681
<b>Noncurrent Liabilities:</b>		
Compensated Absences	211,231	155,667
Security Deposits	47,457	31,183
Deferred Revenue	939,405	1,000,000
Relief Revolving Funds	-	400,000
Loan Payable	266,413	293,990
Net Pension Liability	27,147,208	24,609,495
Total Noncurrent Liabilities	28,611,714	26,490,335
<b>Total Liabilities</b>	42,591,090	39,968,016
<b>Deferred Inflows of Resources</b>	630,725	114,441
<b>Total Liabilities and Deferred Inflows of Resources</b>	\$ 43,221,815	\$ 40,082,457
<b>NET POSITION</b>		
<b>Net Position:</b>		
Net Investment in Capital Assets	\$ 1,480,227	\$ 1,599,152
Restricted Net Position	16,722,958	21,210,583
Unrestricted Net Position	(23,064,081)	(26,147,747)
<b>Total Net Position</b>	\$ (4,860,896)	\$ (3,338,012)

*The accompanying notes are an integral part of these consolidated financial statements.*

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**  
*(A Component Unit of the Virgin Islands Government)*

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
*(With Comparative Totals for 2016)*

	2017	2016
<b>Operating Revenues:</b>		
Allocation of Bond Proceeds	\$ 5,165	\$ 60,595
Application and Processing Fees	655,308	580,467
Rental Income	440,130	425,649
Interest Income from Loans	143,631	141,177
Grant Revenue	63,180	301,677
Penalties	321,138	175,381
Other Operating Revenue	105,166	127,469
Total Operating Revenues	1,733,718	1,812,415
<b>Operating Expenses:</b>		
Personnel Costs	5,947,223	5,106,732
General and Administrative	785,623	713,820
Occupancy	289,156	282,655
Advertising	306,586	221,627
Professional Services	916,776	570,114
Travel	94,830	63,280
Grant Expenditures	63,180	301,677
Bad Debt	122,654	154,960
Total Operating Expenses	8,526,028	7,414,865
Operating Loss Before Depreciation	(6,792,310)	(5,602,450)
Depreciation	(413,435)	(434,432)
<b>Operating Loss</b>	(7,205,745)	(6,036,882)
<b>Nonoperating Revenues:</b>		
Government Appropriations	5,455,163	4,800,000
Interest Income	65,075	65,696
Other Income	164,207	65,493
Interest Expenses and Finance Charges	(1,584)	(2,246)
Total Nonoperating Revenues	5,682,861	4,928,943
<b>Changes in Net Position</b>	(1,522,884)	(1,107,939)
<b>Net Position, Beginning of the Year</b>	(3,338,012)	(2,230,073)
<b>Net Position, End of Year</b>	\$ (4,860,896)	\$ (3,338,012)

*The accompanying notes are an integral part of these consolidated financial statements.*

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**  
*(A Component Unit of the Virgin Islands Government)*

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
*(With Comparative Totals for 2016)*

	2017	2016
<b>Cash Flows from Operating Activities</b>		
Cash Received from Allocation of Bond Proceeds	\$ -	\$ 65,925
Cash Received from Application and Processing Fees	504,122	470,452
Cash Received from Tenants	414,883	383,809
Cash Received from Loan Repayments	921,475	697,740
Cash Received from Other Operating Income	561,478	597,587
Cash Received from Federal Government	94,230	9,051,780
Cash Paid for Grant Programs	(63,180)	(301,677)
Cash Paid for Goods and Services	(1,934,861)	(2,362,940)
Cash Paid to Employees for Services	(4,197,126)	(3,614,911)
Loan Disbursements	(937,735)	(598,912)
<b>Net Cash (Used in) Provided by Operating Activities</b>	(4,636,714)	4,388,853
<b>Cash Flows from Noncapital Financing Activities</b>		
Cash Received from Primary Government	4,980,786	4,800,000
Other Income	99,198	78,922
Interest Expense and Finance Charges	(1,584)	(2,246)
<b>Net Cash Provided by Noncapital Financing Activities</b>	5,078,400	4,876,676
<b>Cash Flows from Capital and Related Financing Activities</b>		
Note Principal Payments	(27,326)	(24,158)
Acquisition of Property and Equipment	(294,510)	(158,666)
<b>Net Cash Used in Capital and Related Financing Activities</b>	(321,836)	(182,824)
<b>Cash Flows from Investing Activities</b>		
Interest Income	61,364	71,897
Return of Relief Revolving Funds	(400,000)	-
Net Sale of Investments	844,230	(1,152,978)
<b>Net Cash Provided by (Used in) Investing Activities</b>	505,594	(1,081,081)
<b>Net Increase in Cash and Cash Equivalents</b>	625,444	8,001,624
<b>Cash and Cash Equivalents, Beginning of Year</b>	17,310,082	9,308,458
<b>Cash and Cash Equivalents, End of Year</b>	\$ 17,935,526	\$ 17,310,082
<b>Operating Loss</b>	\$ (7,205,745)	\$ (6,036,882)
<i>Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:</i>		
Depreciation Expense	413,435	434,432
Bad Debt Expense	122,654	154,960
Increase in Deferred Outflows of Resources	(1,351,208)	(4,398,702)
Increase in Net Pension Liability	2,537,713	5,806,388
(Increase) Decrease in Accounts Receivable	(165,304)	107,264
(Increase) in Prepaid Expenses	(7,268)	(7,733)
(Increase) in Loans Receivable	(8,457)	(1,401)
Increase (Decrease) in Accounts Payable and Accrued Expenses	448,658	(490,101)
Increase (Decrease) in Compensated Absences	76,854	(30,305)
(Decrease) Increase in Deferred Revenue	(31,050)	8,750,103
Increase (Decrease) in Security Deposit	16,274	(14,000)
Increase in Deferred Inflows of Resources	516,284	114,440
Increase in Interest Payable	446	390
<b>Net Cash (Used in) Provided by Operating Activities</b>	\$ (4,636,714)	\$ 4,388,853

*The accompanying notes are an integral part of these consolidated financial statements.*

# USVIEDA STAFF

**FY 2017**

## **U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY STAFF**

Period of October 1, 2016 – September 30, 2017

### **ADMINISTRATION**

#### **Executive**

**STX USVIEDA Acting Chief Executive Officer** Wayne L. Biggs, Jr.

**STX USVIEDA Client Care Coordinator** Steven P. Steele

**STX USVIEDA Project Coordinator** Humberto O'Neal

**STT USVIEDA Executive Assistant to the CEO** Celina D. Morris

**STT USVIEDA Marketing and Public Relations Specialist** Semele A.C. George

**STT USVIEDA Administrative Assistant** Ja'Nelle Forbes

**STX USVIEDA Administrative Assistant** Michelle Gaskin

#### **Accounting**

**STT USVIEDA Director of Administration & Finance** Ernest Halliday, CPA, CGMA

**STT USVIEDA Senior Accountant** Maritza E. Hernandez

**STT USVIEDA Budget and Financial Analyst** Kelly V. Thompson-Webbe

**STT USVIEDA Accountant II** Jana Cammie

**STT USVIEDA Accountant I** Regina Powell

**STT USVIEDA Accountant II** K'Nisha Gumbs

**STT USVIEDA Custodial Worker** Francillia Williams

**STT USVIEDA Messenger/Service Worker** Cuthbert Charlemagne

#### **Human Resources**

**STX USVIEDA Human Resources Manager** Wendy Wheeler, MBA, CPM

**STT USVIEDA Human Resources Specialist** Shirley J. Jones-Peters

#### **Legal**

**STX USVIEDA General Counsel** Tracy Lynch Bhola, Esq.

**STT USVIEDA Paralegal/Investigative Analyst** Tanya S. Hill, CP

**STX USVIEDA Paralegal/Investigative Analyst** Lisa Mitchell-Harris

#### **USVIEDA Board**

**STT USVIEDA Board Liaison** Carol V. Chapman

#### **USVIEDA ENTITIES**

##### **Economic Development Commission - Applications**

**STT EDC Director of Applications** Margarita A. Benjamin

**STX EDC Applications Analyst II** Esther M. Joseph

**STT EDC Applications Analyst I** Sasha Garnett

**STX EDC Document Specialist** LaShanna McBean de Chabert

##### **Economic Development Commission - Compliance**

**STX EDC Director of Compliance** Claude S.M. Gerard

**STT EDC Senior Compliance Officer** Joy Penn

**STX EDC Lead Compliance Officer** Ayanna T. Romney

**STT EDC Compliance Officer II** Sandra Bess

**STT EDC Compliance Officer II** Kyle C. Thomas

**STX EDC Compliance Officer I** Kimberly Smith

**STX EDC Compliance Officer I** Jahnella Harvey

**STX EDC Compliance Officer I** Latoya Martin

##### **Enterprise Zone Commission**

**STT EZC Director of Enterprise Zone Commission** Nadine T. Marchena Kean

**STT EZC Enterprise Zone Specialist II** Raheem Smith

**STX EZC Enterprise Zone Specialist I** Iyanna Jones, MBA

**STT EZC Enterprise Zone Programs & Grants Compliance Officer I** Shaylah Anthony

**FY 2017**  
**U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**  
**STAFF, cont.**

**Economic Development Bank**

(formerly the Small Business Development Agency and the Government Development Bank)

**STT EDB Director of Lending** Sharmane A. Brookes

**STX EDB Senior Loan Officer** Monique T. Samuel

**STT EDB Loan / Collection Officer** Denise C. Donadelle

**STX EDB Loan Officer / SSBCI Coordinator** Diane A. DaCosta

**STX EDB Small Business Counseling Specialist** Pablo R. Vega

**STT EDB Loan Assistant** Charlene Gerard-Joseph

**STT EDB Loan Assistant** Shatima Charleswell

**STT EDB Receptionist** Jeraldine Eason

**STX EDB Receptionist** Gloria Fredericks

**EDB Disaster Small-Mid-sized Enterprises Incubation Program**

**STX DSME Incubator Program Manager** Cusa Holloway

**STX DSME Administrative Assistant** Lisa Ann C. James

**Virgin Islands Economic Development Park Corporation**

(formerly known as the Industrial Park Development Corporation)

**STX EDP Park Superintendent** Mark Finch

**STX EDP Senior Maintenance Worker** Edward Berry

**STX EDP Maintenance Worker II** Athanasius Obieus

**STX EDP Maintenance Worker I** Ethelbert Lesmond

KEY

**STT** = St. Thomas

**STX** = St. Croix

**USVIEDA** = United States Virgin Islands Economic Development Authority



*Crown Bay Cargo Port on St. Thomas, U.S. Virgin Islands*



**U.S. VIRGIN ISLANDS  
ECONOMIC DEVELOPMENT AUTHORITY**

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116 King St.  
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8000 Nisky Shopping Center  
Suite 620, 2nd Floor  
St. Thomas, U.S. Virgin Islands 00802  
Telephone: 340-714-1700

**Email: [info@usvieda.org](mailto:info@usvieda.org) • Website: [www.usvieda.org](http://www.usvieda.org)**

*Back Cover Photo: Container ships in the waterfront harbor on St. Thomas, U.S. Virgin Islands*