



**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
TESTIMONY BY WAYNE L. BIGGS, JR.
FISCAL YEAR 2026 BUDGET HEARING
COMMITTEE ON FINANCE
36th LEGISLATURE OF THE VIRGIN ISLANDS
ST. THOMAS, VIRGIN ISLANDS**

Good afternoon, Chairman Novelle E. Francis, Jr., members of the Committee on Budget, Appropriation, and Finance, other members of the 36th Legislature, the Legislative staff, the Virgin Islands Economic Development Authority (“USVIEDA” or “the Authority”) team, and the viewing and listening audience. I am Wayne Biggs, Jr., Chief Executive Officer of the Virgin Islands Economic Development Authority. With me today are executive team members Dwayne A. Benjamin, Assistant Chief Executive Officer, Kelly Thompson Webbe, Chief Financial Officer, and Tracy Lynch Bhola, Esquire, General Counsel. I am joined in the Chambers today by the following USVIEDA management team members: Nadine Marchena Kean, Managing Director, Enterprise Zone Commission; Margarita Benjamin, Managing Director, Economic Development; Kirk Callwood, Associate Managing Director, Economic Development; Mark Finch, Director, Physical Plant; Celina Morris, Director, Marketing; Kali Richardson, Director, Human Resources; Sharmane Brookes, Director, State Small Business Credit Initiative Program; K’Nisha Gumbs, Loan/Collections Officer; and Jessica Taylor, Budget & Financial Analyst. Not here with us in person today is Monique T. Samuel, Managing Director, Economic Development Bank. If necessary, they are available to respond to any inquiries you may have.

8000 Nisky Center, Suite 620
St. Thomas, VI 00802
340-714-1700

www.usvieda.org
info@usvieda.org

116 King Street, Frederiksted
St. Croix, VI 00840
340-773-6499

Before we begin, we invite you to view a short video highlighting key accomplishments from Fiscal Year 2025 — showcasing the impact of our collective efforts across the Territory.

As the Territory's lead economic development organization, USVIEDA plays a vital role in building a stronger and more resilient Virgin Islands economy. By uniting several programs and services under one umbrella, the Authority offers a wide range of tools and programs to attract investment, support entrepreneurs, create and sustain jobs, revitalize neighborhoods, and expand access to capital. Additionally, USVIEDA provides affordable commercial space through its industrial park facilities, further enabling business growth and economic opportunities across the Territory.

At the core of our mission is a commitment to improving the quality of place for all Virgin Islanders. We do this by providing tools that support entrepreneurship and small business growth, creating conditions that attract private-sector investment and generate job opportunities, fostering innovation, and driving sustainable, long-term economic growth. USVIEDA fulfills this mission through its four (4) key divisions: the Economic Development Bank for the U.S. Virgin Islands (EDB), the Virgin Islands Economic Development Commission (EDC), the Enterprise Zone Commission (EZC), and the Economic Development Park Corporation (EDPC). Together, these divisions operate under a single strategic framework designed to maximize impact, eliminate redundancy, and position the Territory as a competitive destination for business and investment.

Budget Request, Financial Management, and Expenditure

For Fiscal Year (FY) 2026, USVIEDA has developed a results-driven budget that is both fiscally responsible and strategically aligned with our mission. This budget is not solely about maintaining current operations — it is about building capacity, driving outcomes, and expanding our reach throughout the Territory.

The Authority's FY 2026 Operating Budget totals \$7,316,891 and reflects our continued focus on performance, accountability, and economic impact.

The budget is comprised of:

- a. A General Fund appropriation of \$6,613,000, consistent with the prior fiscal years 2022, 2023, 2024 and 2025; and
- b. Internally generated revenue of \$703,891, comprised of an annual transfer from the EDC Industrial Promotion Fund, interest income from the Micro Loan Fund (authorized for operational use), and other miscellaneous revenue.

This funding structure allows USVIEDA to build on its existing momentum while moving forward with key initiatives that improve access to capital, attract new private-sector investment, and sharpen the Territory's overall economic competitiveness.

78 **Personnel Services**

79 Personnel Services represents the largest share of the Authority's FY 2026
80 operating budget, with a total allocation of \$5,104,525, accounting for
81 approximately 70% of total expenditure.

82

83 This funding supports 46 full-time positions, of which 42 are currently filled and
84 four (4) remain vacant. Of the 46 positions, 27 are based on St. Thomas and 15
85 are based on St. Croix. The four (4) vacant positions include a Compliance Officer
86 and Loan Officer on St. Thomas, and a Compliance Officer and
87 Paralegal/Investigative Analyst on St. Croix. These roles are critical to
88 maintaining tax incentive monitoring and oversight, ensuring legal support, and
89 sustaining lending operations. Recruitment for these positions is actively
90 underway.

91

92 In addition to these 46 positions, the Authority also supports four (4) full-time
93 employees on St. Croix at the Economic Development Park Corporation (EDPC),
94 as well as one (1) grant-funded position on St. Thomas under the State Small
95 Business Credit Initiative (SSBCI) Program. Collectively, these roles form the
96 backbone of USVIEDA's operational capacity—ensuring that the organization
97 can effectively deliver on its mission to drive investment, create jobs, and
98 support small business development throughout the Territory.

99

100 **Professional Services**

101 Professional Services represent the second largest component of the Authority's
102 FY 2026 budget, supporting a broad range of operational and strategic functions.
103 Budgeted at just over half a million dollars, this category includes legal counsel,

audit services, compliance consulting, IT and website support, grant writing, marketing, transcription, and now, lead generation. In line with our Global Marketing Plan, this new lead generation component builds on our prior marketing efforts and reflects a renewed push to capitalize on emerging opportunities in the market. It will help us identify and engage prospective investors and spread awareness of the benefits of doing business in the Territory. These services are critical to maintaining program integrity, expanding outreach, and advancing organizational goals. Each engagement is carefully evaluated to ensure alignment with the Authority's priorities and commitment to responsible financial management.

Advertising and Promotion

For FY 2026, the Authority has allocated \$470,118 to advertising and promotional activities — an investment aimed squarely at increasing visibility both locally and globally, generating qualified investor leads, and positioning the U.S. Virgin Islands as a competitive destination for business development.

This allocation will support:

- a. Participation in at least five (5) national investment missions and trade shows, strengthening our global reach and face-to-face engagement with potential investors;
- b. Engagement in site selector and industry conferences to promote opportunities in key sectors;
- c. Development of targeted investor materials and promotional videos that highlight the Territory's special economic zones, infrastructure readiness, and tax incentive programs;

- d. Expanded national media campaigns and digital advertising across platforms that reach corporate decision-makers, site selectors, and emerging industries; and
- e. Territory-wide stakeholder engagement and outreach, including targeted media and events to connect with local entrepreneurs, returning residents, and the business diaspora networks.

These efforts build on the momentum of the FY 2025 marketing campaign and directly support USVIEDA's Global Investment Strategy. They also reflect a proactive approach to lead generation and brand positioning, ensuring the Territory is effectively positioned in an increasingly competitive global and digital marketplace.

Our goal is clear: when firms evaluate expansion opportunities, the U.S. Virgin Islands should not only be on the list — but rise to the top. By broadening our media reach and sharpening our outreach efforts, we are increasing visibility, building strategic connections, and aligning investor interests with the Territory's economic strengths.

As we move into FY 2026, we view this promotional investment not as a cost, but as strategic leverage to attract capital, grow jobs, and expand the Territory's economic footprint—both regionally and globally.

Capital Outlay

For FY 2026, \$40,000 is allocated under Capital Outlay to update our servers that support lending platforms, accounting software, and email communications to

complement our recent laptop upgrades — enhancing cyber security, internal controls, and improving financial reporting.

FY 2025 ACCOMPLISHMENTS (October 1, 2024 – July 15, 2025)

While this budget outlines our financial strategy and key objectives, its real value is reflected in what we’ve already accomplished with the resources entrusted to us. These results are the strongest indicator of our effectiveness and our commitment to turning public investment into meaningful, lasting impact for the people of the Virgin Islands.

I am proud to report that from October 1, 2024, through July 15, 2025, the Virgin Islands Economic Development Authority has made tangible progress in advancing our mission. Across every division — from compliance and lending to investment promotion and community revitalization — our team has delivered outcomes that reflect discipline, innovation, and a strong commitment to the people of the U.S. Virgin Islands.

Allow me to now share some of the key accomplishments that have shaped this fiscal year and positioned us for continued success.

Marketing, Promotion, and Investor Outreach

In FY 2025, USVIEDA significantly elevated its national and international presence by prioritizing strategic promotion of both the Territory and the Authority’s economic development programs. We used multiple platforms to amplify the message that the U.S. Virgin Islands is a serious, competitive, and attractive destination for global investment.

We secured media placements and targeted features in high-profile publications such as *Area Development Magazine*, *The Miami Herald*, *Newsweek*, and *Business Facilities* — all of which are trusted sources for site selectors, business advisors, and corporate decision-makers evaluating U.S. expansion.

A major milestone this year was USVIEDA's participation in a nationally broadcast PBS documentary-style program, *ViewPoint with Dennis Quaid*. This feature, which profiles the Territory as a rising investment hub, is expected to reach an estimated 60 million U.S. households across platforms such as CNBC, Fox Business, CNN, and Discovery. The production will highlight our business environment, incentive offerings, and lifestyle advantages — delivering a compelling message that the Territory stands as a resilient and forward-thinking destination, where innovation meets opportunity to an audience of investors, entrepreneurs, and industry leaders.

To connect directly with global markets, USVIEDA participated in several high-impact investor events and forums:

1. Uncorrelated Puerto Rico | Alternative Investments Conference | March 2025 | San Juan, PR
2. ALIS CALA | Caribbean and Latin American Hotel Investment Summit | April 2025 | Miami, FL
3. SelectUSA Investment Summit | U.S. International Investment Summit | May 2025 | National Harbor, MD
4. Trade and Investment Convention | July 2025 | Trinidad and Tobago, W.I.

5. Upcoming: National Association of Black Hotel Owners, Operators, and
Developers (NABHOOD) | 29th Int'l. African American Hotel Ownership &
Investment Summit | July 2025 | Miami, FL

Through these efforts, our FY 2025 marketing outreach not only improved
USVIEDA's visibility, it reinforced the message: The U.S. Virgin Islands is a serious
player in the global investment landscape, offering the value, stability, and
support businesses need to succeed.

Economic Development Bank for the U. S. Virgin Islands – FY 2025 Accomplishments

The Economic Development Bank (EDB) continued to deploy targeted financing
tools to support small business growth, promote homeownership, and advance
energy sustainability throughout the Territory. Through a focused and
coordinated approach, EDB leveraged both local and federal resources to
expand access to capital and deliver measurable progress in key areas of
economic need.

State Small Business Credit Initiative (SSBCI 2.0)

The U.S. Virgin Islands was awarded \$57.8 million under the State Small Business
Credit Initiative Program, also known as SSBCI 2.0 , a federally funded program
administered by the U.S. Department of the Treasury. Designed to support small
businesses and entrepreneurship, SSBCI provides loan guarantees that reduce
lender risk, making it easier for businesses to access the capital needed to
launch, expand, and build resilience. SSBCI 2.0 represents a transformative

investment in our Territory's economic future. It expands access to capital, fuels job creation, and empowers local enterprises to grow.

The funding is released in three (3) tranches. The first tranche, totaling \$18.9 million, was received in February 2023. Each subsequent tranche is contingent on meeting performance benchmarks set by the U.S. Department of the Treasury, including demonstrating that at least 80% of the previous tranche has been deployed to eligible businesses. This phased structure ensures accountability and directly links funding to measurable economic outcomes.

I'm pleased to report that, as of July 15, 2025, \$15.7 million of the first tranche has been expended or obligated through small business loan guarantees. These investments are projected to create 109 new jobs and retain 100 existing jobs across the Territory. Approved businesses represent a diverse cross-section of our economy — from aviation and construction to healthcare, marine services, social support, hospitality, tourism, and more. An additional \$6 million in loan guarantee requests is currently in the pipeline, undergoing review by participating financial institutions.

With approximately 86% of Tranche 1 already committed ahead of schedule (February 2026), we are now applying for Tranche 2, an additional \$18.9 million in funding to continue strengthening our small business sector.

To ensure that more Virgin Islands entrepreneurs can take advantage of this opportunity, the Authority applied for and was awarded \$521,109 in competitive grant funding to launch the SSBCI 2.0 Technical Assistance Program.

This program helps local small businesses become loan-ready through tailored consulting support in business planning, financial literacy training, and assistance with legal documentation at no cost to eligible participants.

We also expanded our outreach efforts, hosting lender roundtables, conducting town halls on both St. Thomas and St. Croix and rolling out a targeted marketing campaign to increase awareness. These efforts ensure that businesses of all sizes and across industries understand how to access SSBCI resources and receive the support they need to thrive. The success of this program is due in large part to strong collaboration with our lending partners: First Bank, Merchants Commercial Bank, and Banco Popular. We are also actively engaging additional institutions, including Oriental Bank, Bank of St. Croix, Stearns Bank (Minnesota), and Alba Capital (Rhode Island), to broaden access and extend our reach across the Territory.

Through these combined efforts, SSBCI 2.0 is doing much more than deploying capital, it is helping to build a more inclusive, resilient, and opportunity-rich economy for all businesses in the U.S. Virgin Islands.

Direct Lending and Small Business Support

In addition to administering federally funded programs, the EDB continues to provide direct lending support to small businesses and entrepreneurs across the Territory. These loans are essential for driving new business formation, supporting job creation, and advancing economic diversification, particularly in areas where traditional financing options remain limited.

As of July 15, 2025, the Authority approved \$705,000 in new loans through its Internal Credit Committee and Governing Board. These approvals led to the creation of 22 new jobs and the retention of 13 existing positions. Borrowers represented a diverse mix of industries, including food services, transportation, retail, and wellness — highlighting the responsiveness of the EDB’s programs to the Territory’s evolving commercial needs. We are also developing a program specifically designed to provide technical assistance and access to capital to our local fishers and farmers to grow and sustain their operations in collaboration with the Department of Agriculture, the Agriculture Business Center, the Local Food and Farm Council, and other related stakeholder agencies.

In total, the EDB approved or committed over \$16.4 million in financing through both direct loans and SSBCI loan guarantees. These efforts are projected to create 131 new jobs and retain 113 existing positions, a clear reflection of the EDB’s critical role in supporting sustainable economic growth and financial empowerment across the Territory.

VI Slice Moderate-Income Homeownership Program

EDB also administers the VI Slice Moderate-Income Homeownership Program (VI Slice), which offers gap financing to qualified first-time homebuyers. As of July 15, 2025, a total of 82 applications were received under VI Slice, requesting approximately \$8.7 million in gap financing.

Of these, 61 applications were approved, representing \$6.2 million in gap financing, leveraging \$18.7 million in primary lender financing. Approved

applications included 44 properties on St. Croix, 16 on St. Thomas, and 1 on St. John.

To date, 57 of the approved applications have been fully disbursed, providing \$5.6 million in funding and enabling more than \$17.6 million in home purchases or construction. An additional four (4) applications are pending loan closing due to title issues.

Among the remaining applications:

- a. Two (2) recently received are being reviewed for final decision by the EDB;
- b. Six (6) are pending supplemental documentation from primary lenders;
- c. Seven (7) were withdrawn by the primary lender; and
- d. Six (6) were declined due to eligibility.

This program continues to bridge the affordability gap for moderate-income Virgin Islanders, supporting both family wealth creation and local housing market stability.

Solar Plus Financing Pilot Program (Solar+)

In partnership with the Virgin Islands Energy Office (VIEO), the EDB team administers the Solar Plus Financing Pilot Program, a zero-down, low-interest loan program for residential solar and battery installations. As part of this collaboration, EDB provides the back-office support for this initiative, including document review and preparation, title clearance, disbursement coordination, pre- and post-closing administration, and financial reporting.

The VIEO received 112 applications, of which 80 were pre-approved based on available funding. From the pre-approved pool, 51 applications were forwarded for title searches, while the remaining 29 are still under review by VIEO. Twenty-nine of the 51 were cleared for processing and closing by EDB. The remaining 22 were returned to VIEO for further action due to various title-related issues. Among the cleared applications, 24 were successfully funded totaling \$662,965.08 - of which \$480,492.54 was disbursed on St. Croix and \$182,472.54 on St. Thomas. Five (5) applicants withdrew from the program prior to closing. EDB remains actively engaged with VIEO to advance the remaining applications and ensure the program's successful execution.

Virgin Islands Economic Development Commission – FY 2025 Accomplishments

The Virgin Islands Economic Development Commission (EDC) continues to serve as one of the Territory's most effective tools for attracting private-sector investment, creating quality jobs, and fostering long-term economic growth. At its core, the EDC program offers strategic tax incentives to companies that relocate or expand their operations to the Virgin Islands. These incentives primarily apply to income earned from services performed within the Territory for clients located outside of the U.S. Virgin Islands. Participating companies pay a minimum of ten percent (10%) in income taxes on revenues or sales generated from clients on the U.S. mainland or abroad, injecting new money into the Virgin Islands economy. In return, these businesses establish operations locally, hire USVI residents, and commit to a broader set of obligations, including investing in the Territory's infrastructure, local procurement, employee benefit packages,

and contributing to charitable giving and public/private educational assistance programs and initiatives.

The EDC tax-incentive program attracts new money and job opportunities that would not have otherwise existed. More importantly, it adds new tax dollars to the Territory's tax base, helping to fund essential public services without placing an additional burden on local taxpayers. By tying incentives to measurable economic outcomes, the EDC program helps convert beneficiary income into local opportunity — broadening the tax base, supporting entrepreneurship, job creation, and delivering meaningful benefits for the people of the Virgin Islands. This strategy is delivering results. As of July 15, 2025, the number of active VIEDC beneficiaries has surpassed 100 beneficiaries, up from 80 in FY 2022. This 26% growth over three (3) years signals strong investor confidence in the Territory and reflects the success of USVIEDA's continued outreach and program modernization.

Moreover, between October 1, 2024 and July 15, 2025, 10 new EDC applicants were approved for EDC tax-incentive benefits, with committed local investments exceeding \$29.6 million. These companies are projected to create approximately 70 full-time jobs and generate significant wages and charitable contributions. In addition, nine (9) certificates were executed during this period, reflecting capital investment commitments of approximately \$17.3 million, the creation of at least 65 full-time positions, and the injection of approximately \$4.4 million annually into the local economy through salaries, wages, and charitable giving.

The continued growth of the EDC Portfolio has reinforced the critical role of the Compliance Unit, which ensures adherence to program requirements through orientations, site visits, and comprehensive compliance reviews.

While we are encouraged by the program's progress, USVIEDA remains focused on continuous improvement. To meet the demands of the growing portfolio, we are actively pursuing opportunities to modernize, embrace technology, and improve operational efficiency, while ensuring greater accountability and long-term program effectiveness. In FY 2025, the Authority made significant strides in this area by developing a cloud-based Compliance Reporting Portal to streamline beneficiary submissions and improve monitoring capabilities.

However, with an increased number of beneficiaries comes the need for additional resources. To maintain the standard of oversight required by the EDC Program, there is an urgent need to ramp up staffing in the Compliance Unit. Additional Compliance Officers are urgently needed to sustain thorough reviews, timely reporting, and on-site engagement, ultimately preserving the integrity of the program.

To ensure long-term program effectiveness, the Authority also began discussions for a comprehensive update to its Cost-Benefit Analysis (CBA) model to include the integration of EDC and EZC program specific performance metrics. These enhancements will sharpen economic impact assessments, improve transparency, and ensure decisions remain aligned with the Territory's evolving development goals. We are currently negotiating a professional services agreement to support the execution of this initiative.

In addition to administering the EDC tax-incentive program, the Applications Unit also processes applications under the Hotel Development Act (HDA), Sustainable Tourism Through Arts-Based Revenue Streams (STARS), Tax-Increment Financing (TIF), and Eligible Supplier programs. These complementary tools are increasingly being used in tandem to accelerate high-impact development projects across the Territory.

In particular, HDA continues to serve as a powerful catalyst for advancing tourism infrastructure development. By offering tailored incentives to developers, HDA supports both new construction, reconstruction, expansion, and revitalization of existing hotel properties. Increasingly, developers are leveraging a combination of USVIEDA programs – including EDC, HDA, and SSBCI to fast-track high impact projects that yield broad economic benefits.

Flagship Projects Benefitting from Multi-Program Support:

- *Haven Development LLC d/b/a Hampton by Hilton – St. Thomas*
Located adjacent to Havensight Mall, this five-story, 126-room hotel spans 71,000 square feet and represents the first new ground-up branded hotel construction in the Territory in over 30 years. Backed by both EDC and HDA incentives, the \$44.1 million project is nearing completion and is scheduled to open in August 2025. It is expected to generate at least 21 full-time jobs.
- *By-the-Sea Resort Properties, LLC d/b/a The Botany Hotel – St. Thomas*
This planned \$44 million, 68-key, five-star boutique luxury resort is advancing with support through both the EDC and SSBCI programs and is

also under consideration for HDA participation. Located at the Preserve at Botany Bay on the scenic west end of St. Thomas, the development promises world-class accommodations and long-term economic returns. With its distinctive character and upscale positioning, the resort will enhance the Territory's luxury tourism offerings and strengthen its presence in the Caribbean hospitality market.

- *DV USVI Investment, LLLP (Formerly Sugar Bay Hotel)– St. Thomas*

This \$12 million plus revitalization project aims to restore the former 294-room resort property, which is expected to reopen in late 2026. While still in early development, this EDC beneficiary may qualify for HDA incentives — highlighting our continued efforts to reactivate dormant properties and re-energize the tourism landscape.

- *Historic Heritage Holdings, LLP – St. Croix*

This boutique hotel project was approved for EDC benefits. Project commitments include over 80 hotel rooms, \$11 million in capital investment, 15 full-time hotel and 5 full-time designated service business jobs, and structured employee training programs in partnership with the University of the Virgin Islands and other local providers.

- *MJB Caribbean Ventures, Inc. d/b/a Hotel 1829 & At Home In The Tropics – St. Thomas*

This project involves the restoration and reopening of the 19-room historic Hotel 1829 in downtown Charlotte Amalie. Supported by EDC incentives, this \$4 million redevelopment is designed to invigorate the

downtown area by attracting visitors and stimulating commercial activity in the historic district.

- *Betty's Hope – St. Croix*

Identified as a promising site for an airport hotel or mixed-use tourism development, Betty's Hope highlights territory-wide efforts to support infrastructure revitalization and attract new hospitality investment. The developer, having received the Virgin Islands Port Authority (VIPA) property lease, is actively engaged in discussions with USVIEDA regarding participation in both the EDC and HDA programs.

These projects exemplify a growing trend of leveraging multiple USVIEDA programs to bring transformational tourism developments to life—aligning public policy, private investment, and community benefit within a unified strategic framework.

As the Territory continues to attract tourism-related capital, the EDC remains committed to refining the HDA process, deepening engagement with developers, and ensuring that hotel projects translate into long-term, sustainable economic benefits for the people of the Virgin Islands.

Together, these accomplishments reaffirm the EDC's role as a cornerstone of economic development. Through targeted incentives, modernized platforms, and a strong emphasis on accountability, the EDC continues to drive business growth, job creation, and resilient economic progress across the Territory.

Enterprise Zone Commission – FY 2025 Accomplishments

As we continue to attract new investment and grow key industries, we also understand the importance of restoring our historic neighborhoods that have long been the backbone of our communities. This is where the Enterprise Zone Commission (EZC) plays a vital role. Through targeted revitalization efforts, business support, and community partnerships, the EZC is working to bring renewed energy and opportunity to communities that were once socially and economically vibrant.

Neighborhood Revitalization

EZC's core mission is to revitalize neighborhoods within the four (4) designated Enterprise Zones: Christiansted and Frederiksted on St. Croix, and Savanne-Downstreet and Garden Street-Upstreet on St. Thomas. By offering customized tax incentives, the EZC helps bring these areas back to life through strategic support and cross-sector collaboration.

Among the Commission's most impactful tools is the Rejuvenation Program, which offers financial and technical assistance to help property owners rehabilitate underused or deteriorating structures for business, housing, or community use. In FY 2025, the EZC completed 10 of these projects utilizing the Historic Recovery Grant administered by the Department of Planning and Natural Resources. Each project continues to contribute to the preservation of our historic architecture and the reactivation of local economic spaces.

To support continued revitalization efforts, the EZC Governing Board also approved recommendations to Governor Bryan to expand the Frederiksted and

Savanne-Downstreet Enterprise Zones and to establish new Commercial Zones in Cruz Bay, St. John and Charlotte Amalie, St. Thomas. These actions are intended to bring investment and resources to neighboring corridors that share similar conditions as the original zones.

Agro & Food Centers

The EZC advanced two (2) key infrastructure projects focused on food-based entrepreneurship and value-added agriculture. On St. Croix, the Authority purchased a complex, known as the Padilla Building on King Street in Frederiksted as the site for the future Agro & Food Innovation Center, supported by an appropriation from the 33rd Legislature of the Virgin Islands through Act No. 8385. On St. Thomas, EZC is awaiting an assignment of the former Marcelli School facility, where the Agro & Food Technology Center will be located. These two (2) centers are designed to serve as hubs for agricultural innovation, offering technical assistance, commercial-grade equipment, and market access for entrepreneurs working in food production, processing, and packaging.

Community-Based Initiatives

In FY 2025, the EZC also conducted two (2) innovative pilot programs that reflect its deep commitment to strengthening local infrastructure and empowering Virgin Islanders.

Tech Thyme Program

As part of the early programming for the Agro & Food Technology Center, EZC partnered with the Gryelda Lois Foundation to launch *Tech Thyme* — an initiative aimed at cultivating a tech-savvy community. This summer program

engages high school students and adults in technology-based learning and innovation, providing early exposure to future-focused career paths and helping to build a resilient, locally grounded workforce.

Heirs Property Program

With funding support from the U.S. Department of the Interior, EZC also continued its pilot Heirs Property Program to assist families in addressing complex estate planning and property inheritance issues. To date, eight (8) families have received assistance through this initiative. The program is being fully documented to provide long-term educational value to the wider Virgin Islands community, with key findings to be presented at the upcoming Estate Planning Conference.

South Shore Trade Zone

In addition to its work in historic neighborhoods, the EZC is also laying the foundation for new centers of industry and commerce. One of the most promising examples is the South Shore Trade Zone (SSTZ), a designated economic area on St. Croix created to attract strategic investment and support long-term development in emerging sectors. A major highlight this year was the inaugural South Shore Trade Zone Investor Roundtable, a multi-day event that welcomed 12 prospective investors representing 10 companies across industries such as aquaculture, renewable energy, advanced manufacturing, and capital investment. Through site tours, panel discussions, and one-on-one meetings, the event spotlighted the zone's infrastructure, strategic location, and tailored incentives—reinforcing investor interest in the Territory's newest development area.

The Authority received and reviewed its first SSTZ tax benefit application from In the Mix Cakery, LLC, a local business based on St. Croix. This marked a key step in activating the zone and demonstrated growing confidence in the Territory's broader vision for sustainable economic development. As interest continues to build, the EZC finalized SSTZ's boundary mapping and collaborated with the VIPA to align infrastructure priorities with investor demand. This momentum is reflected in the rising number of inquiries from businesses and site selectors, especially as companies navigate global supply chain shifts and evolving trade conditions.

Trade and Export Development

To support the expansion of Virgin Islands businesses into global markets, the EZC successfully closed out its State Trade Expansion Program (STEP) grant from the U.S. Small Business Administration. This grant enabled local entrepreneurs to participate in national and international trade shows — broadening their export capacity and positioning them for long-term success. Through this grant, the Authority facilitated STEP-client participation in two (2) of the nation's most prominent trade events held in New York City, Summer Fancy Food Show and NY NOW, as well as the Trade and Investment Convention (TIC) in Trinidad and Tobago.

The Summer Fancy Food Show is the largest specialty food and beverage exhibition in North America, drawing thousands of buyers from restaurants, retail chains, and global distributors. By showcasing Virgin Islands-based food producers, the Authority helped open the door to new markets and national distribution opportunities. Similarly, NY NOW is a leading marketplace for home,

lifestyle, and artisanal products. With the Authority's support, Virgin Islands creative entrepreneurs were able to present their brands to top-tier retailers, expanding their customer base and building relationships that can drive future sales. In FY 2025, the Authority secured a new STEP grant and returned to the Summer Fancy Food Show, continuing efforts to promote export-ready products and further strengthen our local presence in the national specialty foods market. Building on this momentum, the EZC led a delegation to the Trade and Investment Convention (TIC) in Trinidad and Tobago (T&T) — one of the Caribbean's largest business-to-business networking events. Hosted by the Trinidad and Tobago Manufacturers' Association, the convention attracted over 20,000 attendees and 30,000 registered buyers, featured 317 booths, and brought together regional policymakers and private-sector leaders to discuss trade, investment, and market access.

Participation served a dual purpose: 11 STEP clients exhibited and connected with international buyers and explored export opportunities, while the EZC promoted the SSTZ as a dynamic hub for regional manufacturing, logistics, and commerce. The USVI delegation held an SSTZ VIP networking event that had over 85 attendees, many of whom expressed interest in pursuing trade with and investment opportunities within the USVI. The Territory also gained visibility through multiple T&T radio and newspaper interviews as well as television and social media coverage. The Virgin Islands' presence was widely praised, generating enthusiastic interest from businesses across the region and affirming Territory's growing reputation as a serious player in Caribbean commerce.

Economic Development Park Corporation – FY 2025 Accomplishments

The Economic Development Park Corporation (EDPC) operates two (2) industrial parks in the Territory: the Virgin Islands Industrial Park on St. Thomas and the William D. Roebuck Industrial Park (Roebuck Park) on St. Croix—collectively referred to as “the Parks.” I am pleased to report that both locations are at 100% occupancy.

This level of demand underscores the value of our industrial spaces and the growing interest in doing business in the Virgin Islands. To maintain and enhance the quality of our commercial offerings, we are actively investing in capital improvements that support tenant success and long-term resilience.

On St. Thomas, Phase I hurricane repairs at the Virgin Islands Industrial Park—addressing damages from Hurricanes Irma and Maria—were completed earlier this fiscal year. These repairs included restoration of three (3) commercial bays and the installation of a new entrance gate. Phase II will include the construction of a new 10,000-square-foot office facility, which will serve as the new home of USVIEDA’s St. Thomas office. The project is expected to break ground before the end of the calendar year 2025.

On St. Croix, we are working to finalize FEMA-funded repairs for the William D. Roebuck Industrial Park. Following multiple revisions, final project approval is anticipated in the Q4 of FY 2025.

EDPC has also prioritized energy resilience as part of our modernization efforts. In partnership with the VIEO, one (1) public Level II electric vehicle charging

station was installed at Roebuck Park—supporting the Territory’s renewable energy goals and establishing the park as a modern industrial zone.

We are also engaged in microgrid planning at Roebuck Park, the Fleming Building, and the Virgin Islands Industrial Park to reduce reliance on the central grid and improve energy reliability. Working with VIEO and an experienced design firm, we are identifying funding opportunities—including federal grants—to bring this energy transition to life.

To meet sustained demand, EDPC is actively seeking funding to construct two (2) new 40,000-square-foot buildings at Roebuck Park. These spaces will support the growth of assembly, light manufacturing, and related industries on St. Croix. We continue to receive daily inquiries from businesses looking for space in the Parks or for designated SSTZ sites—underscoring the critical need for expansion.

In Frederiksted, EDPC also manages the historic Fleming Building, which serves as USVIEDA’s St. Croix headquarters. Bids have been received for hurricane-related repairs, and construction is anticipated to begin in Q4 of FY 2025. This restoration will protect a landmark structure while ensuring it continues to support the Territory’s economic development goals.

Although EDPC operates independently and does not receive direct government funding, it remains an essential driver of USVIEDA’s broader mission. Through strategic facility upgrades, energy-focused innovation, and strong tenant engagement, EDPC continues to deliver value, stimulate business growth, and strengthen the industrial ecosystem of the U.S. Virgin Islands.

669

670 **Financial Management**

671 In addition to our programmatic accomplishments, I am proud to report that the
672 Virgin Islands Economic Development Authority received an unmodified audit
673 opinion for the 14th consecutive year. This continued clean audit outcome
674 reflects the Authority's strong financial management, adherence to sound
675 accounting practices, and commitment to transparency and fiscal responsibility.
676 It also reinforces stakeholder confidence—both locally and externally—and
677 underscores the integrity with which we manage public funds and federal
678 resources.

679

680 **Other Collaboration - Agricultural and Food Systems Investment**

681 Equally important to our mission is our continued support for agriculture in the
682 Virgin Islands, recognizing its vital role in advancing food security and economic
683 resilience. Through close collaboration with the Local Food and Farm Council,
684 USVIEDA has partnered with the Virgin Islands Department of Agriculture to
685 advance initiatives that directly benefit local farmers.

686

687 Late last year, USVIEDA disbursed a \$500,000 legislative appropriation as a
688 component of the Virgin Islands Agricultural Plan to provide direct financial
689 assistance to 14 farmers, helping to increase local food production and build the
690 Territory's agricultural capacity.

691

692 Continuing this trajectory, we have requested the draw down of the FY 2025
693 \$500,000 appropriation to provide direct financial support to qualified local
694 farmers.

695

696 These funds are essential to:

- 697 • Expand support for the Territory’s agricultural community;
- 698 • Promote long-term food security and local self-sufficiency; and
- 699 • Deepen cross-agency collaboration through sustained engagement with
- 700 the Local Food and Farm Council.

701

702 These efforts reflect our ongoing commitment to building a stronger, more

703 sustainable food system that empowers producers, reduces our reliance on

704 imported goods, and contributes to a more resilient Virgin Islands economy.

705

706 **Looking Ahead: Priorities for Continued Economic Growth**

707 As we look to Fiscal Year 2026, USVIEDA remains focused on building an

708 economy that is resilient, dynamic, and forward-looking. Guided by the progress

709 made to date, we are advancing a set of targeted initiatives that will broaden

710 the Authority’s impact, strengthen investor confidence, and deliver lasting value

711 to the people of the U.S. Virgin Islands.

712

713 Our top seven (7) priorities aligned with Vision 2040 include:

714 **1. Attracting a New Hotel Investment and New Hotel Brand**

715 USVIEDA will actively expand its hotel development portfolio by

716 supporting the completion of current projects and securing a new hotel

717 flag that aligns with the Territory’s tourism goals. USVIEDA will continue

718 to support hotel projects such as, Historic Heritage Holdings, The Botany

719 Hotel, Hampton by Hilton, and the former Sugar Bay Resort, representing

720 hundreds of new rooms, substantial job creation, and renewed

721 confidence in the Virgin Islands as a premier travel and business
722 destination.

723
724 In addition, USVIEDA will work to secure both a new hotel development
725 and a new hotel brand for St. Croix, further diversifying the Territory's
726 tourism offerings, stimulating economic activity on the island, and
727 meeting the growing demand for high-quality accommodations.

728
729 **2. Expanding Participation in the EDC Program**

730 The Authority will continue its outreach efforts to attract qualified
731 businesses to the Virgin Islands through the Economic Development
732 Commission (EDC) program. This includes promoting the benefits of
733 relocating or expanding operations in the Territory. These companies
734 inject fresh dollars into the local economy while committing to job
735 creation, infrastructure investment, and procurement from local
736 suppliers.

737
738 **3. Launching the EDC Compliance Reporting Portal**

739 In FY 2026, we will launch a secure, cloud-based Compliance Reporting
740 Portal for EDC beneficiaries. This platform will streamline reporting,
741 improve data integrity, and allow for more efficient compliance
742 monitoring—ensuring the program continues to operate with
743 accountability and transparency.

744 **4. Strengthening Small Business Access to Capital through SSBCI**

745 Building on momentum from SSBCI 2.0 Tranche 1, the Authority will
746 continue to work with local and other lending institutions, conduct

747 outreach events, and expand technical assistance programs to help small
748 businesses qualify for funding. These efforts are essential to accessing
749 Tranche 3—an additional \$20 million in capital that can fuel business
750 growth, job creation, and entrepreneurship across the Territory.

751
752 **5. Expanding Homeownership through VI Slice**

753 The VI Slice Moderate-Income Homeownership Program is one of several
754 targeted efforts aimed at increasing homeownership opportunities in the
755 Territory. With funding set to expire in 2026, our priority is to accelerate
756 the release of financial assistance for qualified applicants – whether for
757 down payment, closing costs, new construction, or the purchase and
758 rehabilitation of homes. By helping more Virgin Islands’ residents become
759 homeowners, the program also stimulates lending activity, strengthens
760 the local real estate market, and supports broader housing development
761 across the Territory.

762
763 **6. Positioning the South Shore Trade Zone for Anchor Investment**

764 We will continue to market and prepare the South Shore Trade Zone
765 (SSTZ) for large-scale industrial and logistics investment. With available
766 commercial land and active infrastructure development underway, SSTZ
767 is well-positioned to support light manufacturing, assembly, warehousing,
768 transshipment, cold storage, logistics, shipbuilding, agribusiness, and
769 renewable energy projects. As developments unfold, the SSTZ is primed
770 to become a major driver of job creation and commercial growth on St.
771 Croix—unlocking new opportunities and positioning the island as a

772 strategic gateway for trade and investment throughout the wider
773 Caribbean.

774 775 **7. Modernizing Economic Evaluation Tools**

776 USVIEDA will complete the overhaul of its Cost-Benefit Analysis (CBA)
777 model to ensure economic impact evaluations reflect current business
778 realities. New performance metrics will further enhance our ability to
779 measure all USVIEDA's tax incentive programs' effectiveness and ensure
780 alignment with evolving policy goals.

781 782 **Conclusion**

783 The Fiscal Year 2026 budget represents more than a funding request—it is a
784 strategic plan to maintain operational excellence, grow internal capacity, and
785 scale the impact of our programs. Every line item in this budget has been
786 purposefully structured to support the delivery of measurable outcomes that
787 benefit the people and economy of the U.S. Virgin Islands.

788
789 Our accomplishments to date demonstrate that we are delivering strong results
790 and are effective stewards of public resources. With the support provided in
791 prior fiscal years, USVIEDA has advanced key economic development initiatives,
792 strengthened program performance, and expanded access to critical resources
793 for businesses and investors. This budget builds on that trend.

794
795 With adequate funding, we can expand our impact, fast-track project
796 implementation, and open new avenues to strengthen the Territory's economy

797 – attracting investment, creating jobs, and promoting sustainable growth
798 throughout the Virgin Islands.

799

800 We thank the Committee for its continued support and reaffirm our
801 commitment to responsible financial stewardship, economic transformation,
802 and transparency. We also extend our sincere appreciation to the Governor, the
803 Legislature, our Board of Directors, and the dedicated staff of Authority for their
804 ongoing leadership, guidance, and service to the people of the Virgin Islands.