Welcome

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

1. Credible Sources for COVID-19 Updates in the USVI
2. Small Business Incubator Program
3. Enterprise Zone Commission
4. Economic Development Commission
5. Economic Development Bank
Credible Sources for COVID-19 Resources

• Virgin Islands Department of Health – [https://www.covid19usvi.com/](https://www.covid19usvi.com/) or Text COVID19USVI to 88877 or call 340-713-6200 or 340-776-1519

• VI Territorial Emergency Management Agency: [www.vitema.vi.gov](http://www.vitema.vi.gov)

• Office of the Governor of the USVI: [www.facebook.com/GovernmentHouseUSVI](http://www.facebook.com/GovernmentHouseUSVI)

• Center for Disease Control & Prevention (CDC): [www.cdc.gov](http://www.cdc.gov)

• World Health Organization (WHO): [www.who.int](http://www.who.int)
Speakers

Cusa Holloway
Incubator Program Manager

Nadine Marchena Kean
Managing Director, Enterprise Zone Commission

Margarita A. Greenidge-Benjamin
Managing Director, Economic Development

Monique Samuel
Acting Director of Lending
THE LAUNCH PAD
Small Business Incubator
VIEDA Incubator Program Services

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

• Provided over 4000 hours of consulting and entrepreneurial assistance to local residents since 2013

• Businesses have grossed over $5 million dollars in revenue

• UVI Hackathon

• Winners/Nominations St. Croix Chamber of Commerce Awards:
  • (2) Small Business of the Year Winners
    • Neighborhood Pharmacy (2016)
    • Cultured Naturals Body Care (2018)
  • (1) Business of the Year Winner
    • Nearix (2016)
    • Netwave Unlimited (2016 Nominee)
Enterprise Zone Commission

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

Frederiksted
Christiansted
Savanne-Downstreet
Garden Street-Upstreet
Program Portfolio

**Rejuvenation**
- Scrape & Paint
- Construction
- Streetscape
- Signage

**Revitalization**
- Tax Credits
- Tax Exemptions
- Plan Implementation

**Resilience**
- Abandon Property Elimination
- Estate Planning
- Board up
- Training to Zero
- EntrepreNow

**Acceleration**
- Export Promotion
- Made in the USVI
- Business-to-Business
- Acceleration Guidance
Revitalization: Tax Benefit Program

**Tax Credits**

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

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

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

**Tax Exemptions**

- **90%**
  An income tax exemption of 90%;

- **100%**
  An exemption from gross receipts of 100%;

- **100%**
  And an exemption from property taxes of 100%.
Acceleration: Growing your company

Made In the USVI
- Branding
- Pop-up Shop

Export Promotion
- Brazil
- Canada
- Denmark
- UK
- Italy
- Caribbean
- & tradeshow in the USA

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

Acceleration Guidance
- Personalized assistance to existing businesses.
Thank You

340-714-1700 ext 1811
EZC@usvieda.org
PRESENTATION
ECONOMIC DEVELOPMENT COMMISSION

Margarita A. Greenidge-Benjamin
Managing Director, Economic Development
TAX INCENTIVES

- 90% Exemption on corporate income tax
- 90% Reduction on personal income tax
- 100% Exemption on gross receipt taxes
- 100% Exemption on property taxes
- 100% Exemption on excise taxes
- 1% Due on custom duties
ELIGIBLE ACTIVITIES

Category I:
Rum Production, Milk/Dairy Production, Watch & Jewelry Manufacturing & Assembly

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

Category III:
Facilities, Tourism and Communications Developments, etc.

Category IV:
Designated Service Business
Benefit Periods

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

- **15 Years**
  - St. Croix District

- **10 Years**
  - St. Thomas/St. John District

- **5 Years**
  - One-Time Extension

- **5 Years**
  - Investment greater than $10M

- **2.5 Years**
  - Investment greater than $1M
**In Exchange for Incentives…**

<table>
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<tr>
<th>Employment</th>
<th>SMALL BUSINESS PROGRAM**</th>
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<tr>
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<td>A minimum of 2 full-time employees; Hire one VI Resident for every $1M of net income prior to salaries</td>
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<td>80% Residents of the Virgin Islands</td>
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<td>20% Management / Supervisory / Technical Positions filled by V.I. residents</td>
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<tr>
<td>Investment</td>
<td>A minimum of $20,000 <em>and Purchase or Build a home within 18 months of benefits</em></td>
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**Small Business applicant must be certified by SBDA, now known as EDB, as meeting small business criteria**
## In Exchange for Incentives…

### Other requirements:

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<th>Requirement</th>
<th>Description</th>
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<tr>
<td>Local Procurement</td>
<td>Purchase goods &amp; services locally from VI businesses (VIC 708(h))</td>
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<td>Educational Assistance</td>
<td>Public School Assistance; Territorial Scholarship Fund (Monetary, Scholarship, Internship, Training, etc.)</td>
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<tr>
<td>Management Training Program</td>
<td>Include training budget and trainees</td>
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<tr>
<td>Employee Benefit Program</td>
<td><em>(Small Busines Applicants Exempted)</em></td>
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<tr>
<td>Charitable Contribution</td>
<td>Local non-profits, and/or 501(c)3 entities, government programs</td>
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<tr>
<td>Other</td>
<td>Compliance with local and federal laws and rules</td>
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is certified by the Small Business Development Agency (SBDA) as meeting the statutory criteria for being awarded a SBDA loan.

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

A person shall be eligible if he or she:

• Owns at least fifty percent (50%) legal or equitable interest in small business concern, either established or to be established in the US Virgin Islands

• Is active in the management or operation of a small business concern on a full-time basis and such small business concern is or will be his principal means of support
SBDA ELIGIBILITY REQUIREMENTS

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

A small business concern, including firms, partnerships of all kinds and corporations, shall be eligible if at least 50% legal or equitable interest therein is owned by a person or persons eligible under the above provisions.
Receipts from all sources of any year cannot reasonably be expected at the time of application for assistance to exceed $4,000,000

A. Receipts up to $1,000,000, whose investments total $20,000 and which employs at least two persons; or

B. receipts exceed $1,000,000 but are not more than $1,500,000, whose investments total at least $30,000 and which employs at least three persons; or

C. receipts are more than $1,500,000 but less than $2,500,000, whose investments total at least $40,000 and which employs at least four persons; or

D. receipts exceed $2,500,000 but are less than $3,000,000, whose investments total at least $50,000 and which employs not less than five persons; or

E. receipts exceed $3,000,000 but are not more than $4,000,000, whose investments total at least $60,000 and which employs not more than 50 persons.
ELIGIBLE VIRGIN ISLANDS SUPPLIER PROGRAM
VIEDC PROGRAM MANDATE

The Commission shall endeavor to encourage and assist in the creation, development and expansion of locally owned businesses and industries originating in the US Virgin Islands.
All VIEDC Beneficiaries are required to agree in writing to employ or contract, and to require all contractors retained by him to employ or subcontract, for services and to purchase goods, materials and supplies with and from those persons, firms or corporations who are

1. Residents of the Virgin Islands; or

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

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

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

• **An individual** – must be a resident of the US Virgin Islands

• **A firm or partnership** – each member must be a resident of the US Virgin Islands

• **A corporation** – must be incorporated in the US Virgin Islands, be in good standing and over 50% of the voting stock must be owned by residents of the US Virgin Islands
“Eligible Virgin Islands Supplier” is a responsible US Virgin Islands supplier of goods or services which meet the following criteria:

1. As of the date of the certification, the supplier has been licensed to do business and has actually conducted business in the US Virgin Islands for at least one (1) year:

2. The supplier physically maintains its principal place of business in the US Virgin Islands; and
Eligible Virgin Islands Supplier Criteria

3. The supplier maintains an inventory in the US Virgin Islands appropriate to the size of its business; and

4. The supplier is in compliance with all US Virgin Islands laws and regulations; including all tax laws; and

5. The supplier is in good standing with all agencies and departments of the government of the US Virgin Islands to include the issuance of a current Certificate of Good Standing, Certificate of Existence or Certificate of Trade Name, as may be appropriate.
Reporting Requirements

Eligible Virgin Islands Suppliers must submit annually to the VIEDC:

1. Certificate of Good Standing or Certificate of Existence;
2. A current copy of their USVI Business License; and
3. Shall comply with any and all reasonable requests from the Commission, especially relating to goods and/or services provided to the Beneficiary.
PAYCHECK PROTECTION PROGRAM FLEXIBILITY ACT OF 2020

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

a subsidiary entity of the

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

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

- Micro-Credit
  up to $50,000

- Farmers and Fishers
  up to $50,000

- Development
  up to $500,000

- Frederiksted
  up to $20,000

- Small Business Development
  up to $100,000

- Economic Development Administration
  up to $75,000

- Intermediary Relending
  up to $100,000

- State Small Business Credit Initiative – Guarantee Program
On June 5, 2020, the Paycheck Protection Program Flexibility Act (PPPFA) was signed into law, which made several enhancements to the original Paycheck Protection Program (PPP). The new law amends provisions of the CARES Act specifically related to forgiveness of the loans under the PPP.
A provision of the CARES Act is designed to provide quick access to SBA loans for companies with 500 or fewer employees whose principal place of residence is in the United States, to assist with payroll and certain costs during short-term business disruption caused by COVID-19 pandemic.

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

Available at financial institutions currently extending SBA loans.
USES

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

- 1% interest rate on unforgiven portion
- Maturity of all PPP loans approved on or after June 5, 2020 will be 5 years instead of 2 years
- Covers payroll cost including benefits for up to 24 weeks
- No collateral
- No fees
- No personal guarantees
- Deferred payment for up to 10 months from the date of closing (or as specified in PPP guidelines)
Thank you to our team and our clients for participating in this webinar!

We Support Small Business, Entrepreneurship, & Startups!

Q&A

For more information contact: info@usvieda.org
St. Croix: (340) 773-6499 or St. Thomas: (340) 714-1700

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