

# ANNUAL BUDGET

## FISCAL YEAR 2015



***“SETTING PRIORITIES AND MAKING CHOICES”***



**V.I. ECONOMIC DEVELOPMENT AUTHORITY**

**FISCAL YEAR 2015 BUDGET  
October 1, 2014 – September 30, 2015**

**St. Thomas:**

8000 Nisky Shopping Center, Suite 620  
St. Thomas, U.S. Virgin Islands 00803  
Phone: (340) 714-1700  
[www.usvieda.org](http://www.usvieda.org)

**St. Croix:**

116 King Street, Frederiksted  
St. Croix, U.S. Virgin Islands 00840  
Phone: (340) 773-6499  
[www.usvieda.org](http://www.usvieda.org)



## V.I. ECONOMIC DEVELOPMENT AUTHORITY

### FISCAL YEAR 2015 BUDGET October 1, 2014 – September 30, 2015

#### TABLE OF CONTENTS

TABLE OF CONTENTS.....	i
------------------------	---

#### **I. INTRODUCTORY SECTION**

Chief Executive Officer’s Budget Message.....	1
Principal Officials.....	5
Mission Statement .....	6
Scope and Overview.....	7
Organizational Chart .....	8
Accounting System and Financial Reporting Roles and Responsibilities .....	9
VIDEA Cost Accounting Structure .....	10
Goals, Objectives, Performance Measurement, and Performance Evaluation .....	12
Annual Budget Process Overview .....	13

#### **II. DEPARTMENTAL GOALS AND OBJECTIVES**

<b>1.0 VIEDA ADMINISTRATIVE DEPARTMENTS .....</b>	<b>16</b>
1.1 Board of Directors .....	16
1.2 Executive Office.....	19
1.3 Accounting and Finance .....	21
1.4 Human Resources .....	25
1.5 Legal .....	28
1.6 Marketing/Public Relations.....	31



## **V.I. ECONOMIC DEVELOPMENT AUTHORITY**

### **FISCAL YEAR 2014 BUDGET October 1, 2014 – September 30, 2015**

#### **TABLE OF CONTENTS**

<b>2.0 VIEDA OPERATIONAL DIVISIONS .....</b>	<b>35</b>
<b>2.1 V.I. Economic Development Commission .....</b>	<b>35</b>
2.1.1 Applications Department .....	35
2.1.2 Compliance Department .....	389
2.2 Government Development Bank (GDB)/Small Business Development Agency (SBDA) .....	43
2.3 Enterprise Zone Commission .....	489
2.4 V.I. Industrial Park Development Corporation.....	53
 <b><u>III. FINANCIAL SECTION</u></b>	
3.1 Revenue.....	56
3.2 Expenditure Comparison for FY 13, FY 14 Projected and FY 15 Budgeted .....	58
3.3 Professional Services.....	59
3.4 Personnel Service Cost Breakdown by Department and Classification .....	60
3.5 Budget Summary .....	61
 <b><u>IV. OTHER INFORMATION</u></b>	
A. Vehicle List for VIEDA.....	62
B. Listing of Real Property being leased by VIEDA .....	62
 <b><u>V. APPENDIX</u></b>	
GLOSSARY OF TERMS.....	63

May 30, 2014

The Honorable Clifford F. Graham  
Chairman, Committee on Finance  
Legislature of the Virgin Islands  
P.O. Box 1690  
St. Thomas, Virgin Islands 00804

Dear Senator Graham:

It is my privilege to present the Virgin Islands Economic Development Authority's ("VIEDA") Fiscal Year ("FY") 2015 Budget for your consideration and that of your honorable colleagues.

Our FY 2015 budget request of \$4,920,000 represents a reduction of \$18,260 compared to the amount appropriated by the Legislature in FY 2014. This budget contains no frills or buffers and it is the bare minimum that is necessary to successfully carry out the mandates assigned to this Authority.

This budget represents a spending request that compels us to focus on essential priorities and make the difficult choices that will bring the greatest rewards to our Territory. To this end, the Authority intends to build upon the initiatives started in FY 2014 and prior years, which focused on economic growth, revitalization and sustainability.

These initiatives include:

**1. EB-5 Program**

Possibly the most exciting new initiative undertaken this year was the entry of the Virgin Islands into the EB-5 arena. EB-5 is an Immigrant Investor Program administered through the United States Citizenship and Immigration Services ("USCIS"). The intent of the program is to stimulate the U.S. economy through job creation and capital investment by foreign investors. The Authority, in partnership with the American Regional Center Group ("ARCG"), is creating the first U.S. Virgin Islands EB-5 Regional Center for the purpose of creating a predictable investment environment to encourage foreign direct investment capital into projects in the U.S. Virgin Islands. EB-5 investors are required to create at least ten (10) full time permanent jobs and invest a minimum of Five Hundred Thousand Dollars (\$500,000) in the Territory.



WWW.USVIEDA.ORG 1 877 432-8784

Honorable Clifford F. Graham

May 30, 2014

Page 2 –

## **2. Trans-shipment Terminal Facility and Free Trade Zone Area**

The groundwork has been laid for the possible development of a trans-shipment terminal facility on the island of St. Croix. The spin-offs from these initiatives have enormous potential for the creation of jobs in various industries and the establishment of St. Croix as a major commercial hub for the Eastern Caribbean, which may create additional opportunities for attracting new businesses and investments to St. Croix. There are critical steps which must first be taken to allow for this opportunity to become a reality and in this fiscal year budget we are planning to advance those steps including some legislative action items.

## **3. Tax Increment Financing ("TIF")**

Currently, the developers of the TIF Island Crossing on St. Croix are negotiating lease agreements with a national retailer and restaurant chain and are expecting to have agreements in place by the end of the year. Additionally, the developers and the Virgin Islands Waste Management Authority (VIWMA) have agreed on the construction of a pump station and sewerage system for the planned affordable housing development.

## **4. Hotel Development**

The VIEDA has drafted proposed amendments to the Hotel Development Act which excludes Water Island and the other outer islands of the Territory and is scheduled to sunset this fall. Current negotiations are progressing for a hotel development on Water Island. There are six (6) other hotel development projects in various stages of negotiations, four (4) on St. Croix, one (1) on St. Thomas and one (1) on St. John.

## **5. Captive Insurance**

The VIEDA has recently been tasked with assisting the Lieutenant Governor's Division of Banking and Insurance with the marketing of Captive Insurance. This new task was added after initial budgeting was completed and therefore this critical marketing effort is not funded.

Honorable Clifford F. Graham  
May 30, 2014  
Page 3 –

## 6. Marine Economic Development

The VIEDA is determined that this vital marine industry has a key role in our economic development strategy. Therefore, a marine economic development advisor was hired, *inter alia*, to:

- (a) Develop a realistic plan with the Virgin Islands Marine Economic Development Council (“VIMEDC”) for the creation of a sustainable marine technical school for the U.S. Virgin Islands.
- (b) Monitor, through the offices of the Virgin Islands Bureau of Economic Research (“VIBER”), all data pertaining to visiting vessels to the Territory as it pertains to marine tourism for the purpose of identifying growth potential through arrival and resource usage trends.
- (c) Research the offerings of Caribbean countries identified as primary competitors, as well as their success strategies and unique challenges relating to marine tourism. This measure resulted in the passage of the 2014 Coast Guard Reauthorization Act, which will positively affect both the local charter fleet and mega yacht industry.

Our funding request also includes approximately \$120,000, which is the Authority’s FY 2015 matching grant requirement for the VIEDA Disaster Small Mid-Sized Enterprise Incubation Program. Thus far, this Program provided technical assistance to ten (10) local entrepreneurs with significant growth potential.

In last year’s budget submission, we indicated that no funding provisions were made to carry out the mandates of the TIF law, the Hotel Development law and the Sustainable Tourism Through Arts-Based Revenue Streams Act (“STARS”) and there was no additional funding in our current year’s appropriation to support these programs.

However, we continue to find room in our budget to fund them, while executing the mandates of the Authority’s five pillars: Economic Development Commission, the Government Development Bank, the Small Business Development Agency, the Enterprise Zone Commission and the V.I. Industrial Park Development Corporation.



WWW.USVIEDA.ORG 1 877 432-8784

Honorable Clifford F. Graham  
May 30, 2014  
Page 4 –

We continue to perform at the highest level amidst fierce competition in attracting and retaining Economic Development Commission beneficiaries. We are able to do so through a dedicated staff and the constant monitoring, evaluation and analysis of our services, which ensure the greatest benefits to the citizens of this Territory.

My staff and I are available to answer questions or provide additional information that you or the Post Audit Division may have with respect to this submission.

Sincerely,

*Percival E. Clouden*

Percival E. Clouden  
Chief Executive Officer





**VI ECONOMIC DEVELOPMENT AUTHORITY  
FISCAL YEAR BEGINNING OCTOBER 1, 2015  
Principal Officials**

**Governing Board**

<b><u>Board Member</u></b>	<b><u>Position</u></b>
Albert Bryan Jr.	Chairman
Nathan Simmonds	Vice Chairman
Lynn Millin Maduro	Secretary
Jose Penn	Member
Henry Smith	Member
Phillip Payne	Member
Avery Lewis	Member

**Senior Management Team**

Percival E. Clouden, Chief Executive Officer  
 Jennifer Nugent-Hill, Assistant Chief Executive Officer/Chief Operating Officer  
 Ernest Halliday, Director, Administration & Finance  
 Tracy Lynch Bhola, Esq., Legal Counsel  
 Paul Arnold, Projects Coordinator  
 Frederick Handleman, Special Assistant to CEO  
 Margarita Benjamin, Director, EDC, Applications Department  
 Stephanie Berry, Director, EDC, Compliance Department  
 Nadine Marchena Kean, Director, Enterprise Zone Commission  
 Monique Samuel, Acting Director, Lending Division  
 George St. Rose, Park Superintendent



## Mission Statement

The Virgin Islands Economic Development Authority is a semi-autonomous governmental agency responsible for the promotion and enhancement of economic development in the United States Virgin Islands. The VIEDA strives to foster positive public/private sector partnerships for the enhancement of economic growth and development.



## Scope and Overview

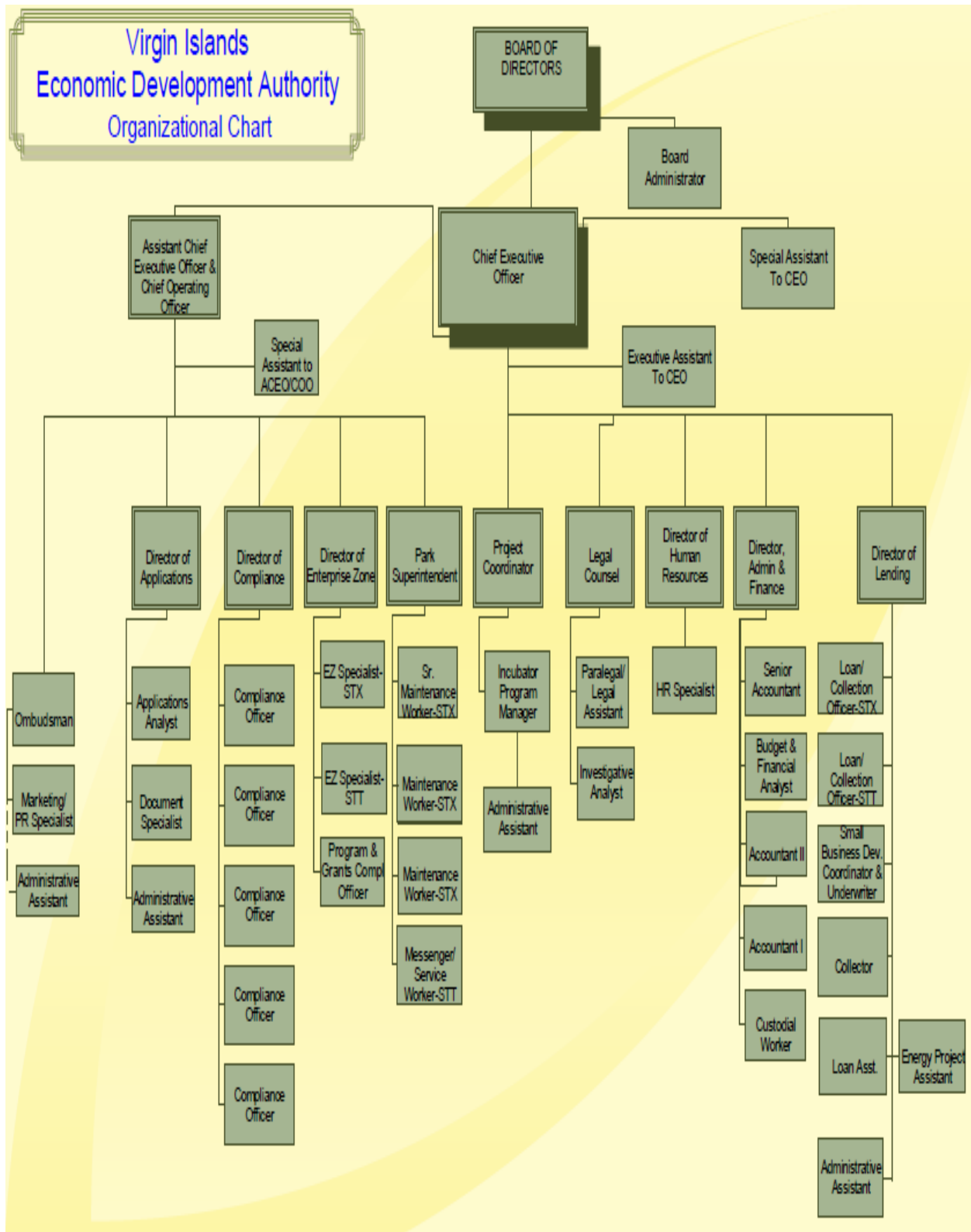
The Virgin Islands Economic Development Authority (“VIEDA”) was created on December 21, 2000 by Act No. 6390, Title 29, Chapter 17, Virgin Islands Code to assume, integrate and unify the functions of the Government Development Bank (GDB), the Economic Development Commission (EDC), the Industrial Park 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.

The VIEDA accomplishes its mission by (1) attracting multinational investors from the mainland to establish or relocate their businesses to the Virgin Islands, and (2) providing financial assistance through its lending arms (GDB and SBDA) to emerging and established businesses in the Territory. The VIEDA 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.

The powers of the VIEDA are exercised by a Governing Board of seven (7) members. Of the seven (7) members appointed to the Board, three (3) shall not be employees of the Government of the United States Virgin Islands or the Government of the United States and shall be appointed by the Governor with the advice and consent of the Legislature. Three (3) shall be appointed by the Governor from among the heads of Cabinet-level executive departments or agencies or his executive staff, and one (1) shall be 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.



## VIEDA ORGANIZATION CHART



## Accounting System and Financial Reporting Roles and Responsibilities



The VIEDA is a component unit of the U.S. Virgin Islands Government and follows enterprise fund accounting and reporting. Therefore, the financial statements are presented in a manner similar to that of a private business, using the economic resources measurement focus and the accrual basis of accounting.

Management prepares a plethora of financial and statistical reports, including the Financial Statements with Supplementary information (annual audit), and is responsible for the integrity and objectivity of management and financial reporting. Reports are prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States of America, applying certain estimates and judgments, as required.

The VIEDA employs internal controls that are designed to provide reasonable assurance as to the integrity and reliability of financial reporting and to adequately safeguard, verify, and maintain accountability of assets. Such controls are based on established written policies and procedures and are implemented by trained, skilled personnel. The VIEDA’s employment policy prescribes that all of its employees maintain the highest ethical standards and that its business practices be conducted in a manner that is above reproach.

The VIEDA engages the services of outside auditors to perform an annual independent audit of its financial statements. The objective of an audit is to express an opinion on the financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The VIEDA has received “Unqualified Audit Opinions” for the last four (4) years, FY 2010 – FY 2014.

The VIEDA Board of Directors formulates the vision and fulfills its responsibility for oversight and administration of the Authority’s practices and governance through actions of the full Board as well as through its committees. The Board’s Finance Committee is responsible for reviewing the annual budgets, making recommendations, and advising the full Board on major financial issues and decisions.

## **VIDEA Direct and Indirect Cost Allocations**

The VIEDA activities are classified into two categories – operational and administrative, and all expenses of the Authority are attributed to both Operational and Administrative Units either as direct or indirect costs.

An Operational Unit is a division within the VIEDA with the responsibility of carrying out organizational mandates. These Operation Units include: the Small Business Development Agency (SBDA) and the Government Development Bank (GDB) – which make up the Lending Division; the Applications and Compliance Units, which make up the Economic Development Commission (EDC) Division; the Enterprise Zone Commission (EJC) Division; and the Industrial Park Development Corporation (IPDC).

An Administrative Unit is a department within the VIEDA that provides support to the Operational Units in fulfilling their mandates. The administrative departments are the VIEDA Board of Directors, Executive Office, Accounting and Finance, Human Resources (HR), Legal, and Marketing.

A direct cost is a cost that can be identified specifically with a Unit and can be traced directly with relative ease and a high degree of accuracy. An indirect cost, on the other hand, is a cost that is incurred in common with other Units and cannot be traced to any specific Unit. Those costs, therefore, are distributed to both the Operational and Administrative Units through an internal allocation process or indirect cost rate.

All operating indirect costs are budgeted and expensed in a temporary department within the administrative grouping referred to as Economic Development Management (“EDM”). At the end of each quarter, the indirect costs that were accumulated in the EDM department are allocated to all operational and administrative Units based on a pre-determined rate.

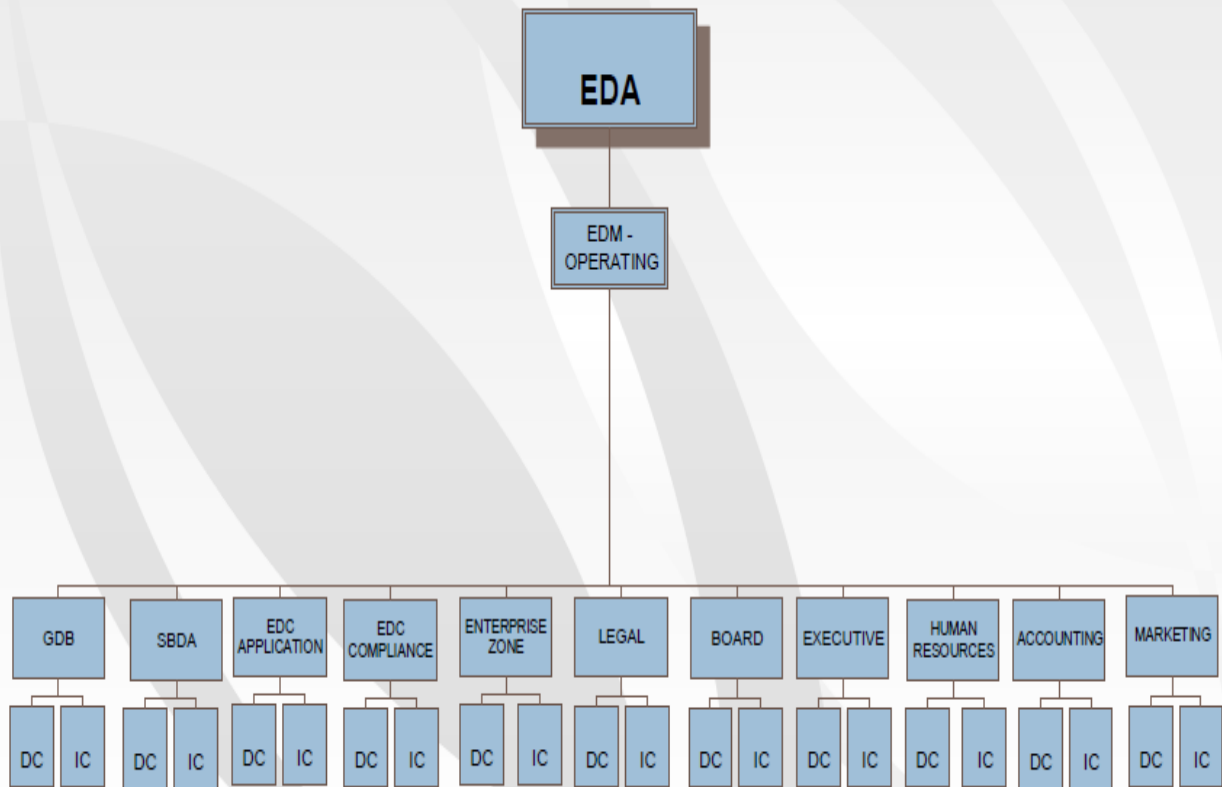
At the end of a fiscal period when all direct costs are posted and all indirect costs are allocated from the EDM department, each operational and administrative unit will be able to determine its total operating cost.

The total direct and indirect costs for each administrative unit are considered indirect costs to the operational units and, thus, must be allocated to the operational units using a pre-determined allocation method.

The method of cost identification and allocation supports the need to set goals and objectives to establish a basis for the budget, develop performance standards, and perform the necessary evaluations to ensure that resources are used in the most efficient manner.

# VI Economic Development Authority

## Cost Accounting Structure



Legend:

DC = Direct Cost  
IC = Indirect Cost

## **Goals, Objectives, Performance Measurement, and Performance Evaluation**

Goals, objectives, performance measurement, and performance evaluation establish the strategic framework for the Authority's economic development operations.

A goal is the end result to be accomplished, and answers the question, "what is the big picture purpose? For the VIEDA, it is the creation of good jobs to improve the standard of living for residents and the expansion of the tax base of the government.

Objectives are the action steps that must be taken to carry out the big picture and set benchmarks to measure performance. The fundamental characteristics of an objective are that it must be:

- Measureable
- Identify the target of program activity
- Set a timeframe for completion
- Provide an expected direction of change.

Performance measurement is the ongoing monitoring and reporting on program accomplishments compared to the pre-established goals and objectives as outlined by each Unit. The basic ingredients of a performance measure include:

- Objectivity
- Relevance
- Ability to indicate degree of success
- Reliability
- Validity

We recognize that the development of performance measurements requires careful thought and planning.

Performance Evaluation becomes an even more important consideration in a period of scarce resources, and provides a means of assessing how well a Unit is performing, and answers questions such as:

- 1) Are stakeholders getting what they deserve?
- 2) Are taxpayers getting their money's worth?
- 3) Are those we serve better off?
- 4) Can the service we provide be improved?

The achievability of the VIEDA goals and objectives rests with supervisors and their subordinates, and the budget provides the financial resources to do so. Most importantly, however, is the carrying out of the measurement and evaluation functions in ensuring that scarce resources are used in the most efficient manner for the benefit of residents.



## **Annual Budget Process continued**

The Virgin Islands Economic Development Authority's budget formulation process is designed to allow the Authority to fulfill its mission; align goals, priorities, and objectives with financial resources; and evaluate actual achievements relative to anticipated outcomes.

### **December - January**

The budget formulation process begins with the development of revenue and expenditure projections for the upcoming fiscal year. These projections are presented to the VIEDA Governing Board's Finance Committee with a comparison and analysis of past trends (i.e. appropriations, allotments and expenditure levels) in addition to other financial data to justify and support the budget recommendation.

During this period, the VIEDA Governing Board outlines the priorities, goals and objectives of the Authority for the upcoming fiscal year. This forms the basis for the development of the budget and determines the final budget amount to be submitted to the Office of Management for inclusion in the Government's annual operating budget.

### **February**

The VIEDA budget staff establishes budget ceilings for each division and department within the VIEDA consistent with the priorities, goals, and objectives as outlined by the EDA Governing Board. This information is communicated to each division or department head through a budget call that provides instructions and guidance for preparing the budget. The budget staff conducts budget orientation sessions with lead members of each division and department, in order to provide an overview of the budgeting process and to address budgetary concerns.

### **March - April**

The budget staff holds individual budget review discussions with all divisions and departments heads to discuss areas of concerns, goals, and new initiatives, or programs the departments desire to implement for the upcoming year. At this meeting, each division or department is provided the opportunity to justify its needs before the Chief Executive Officer and Assistant Chief Executive Officer. After discussions, revisions may be made and the budget schedules are updated accordingly.

The proposed budget is presented to the VIEDA Governing Board for consideration and final approval before submission to the Legislature's Post Audit Division.

## **Annual Budget Process continued**

### **April – June**

Communication is maintained with the Post Audit Division in its analysis of the budget while the VIEDA budget staff researches and gathers data, including conducting round-table sessions with the internal department and division heads before drafting the final version of the CEO's budget presentation to the Finance Committee of the Legislature.

### **July - August**

The Chief Executive Officer accompanied by the Assistant Chief Executive Officer and the Director of Administration and Finance defends the VIEDA budget recommendation before the Finance Committee of the Legislature.

### **October**

Once the budget is approved, it becomes the Authority's legal authorization to request quarterly allotments from the Department of Finance through the Office of Management and Budget.

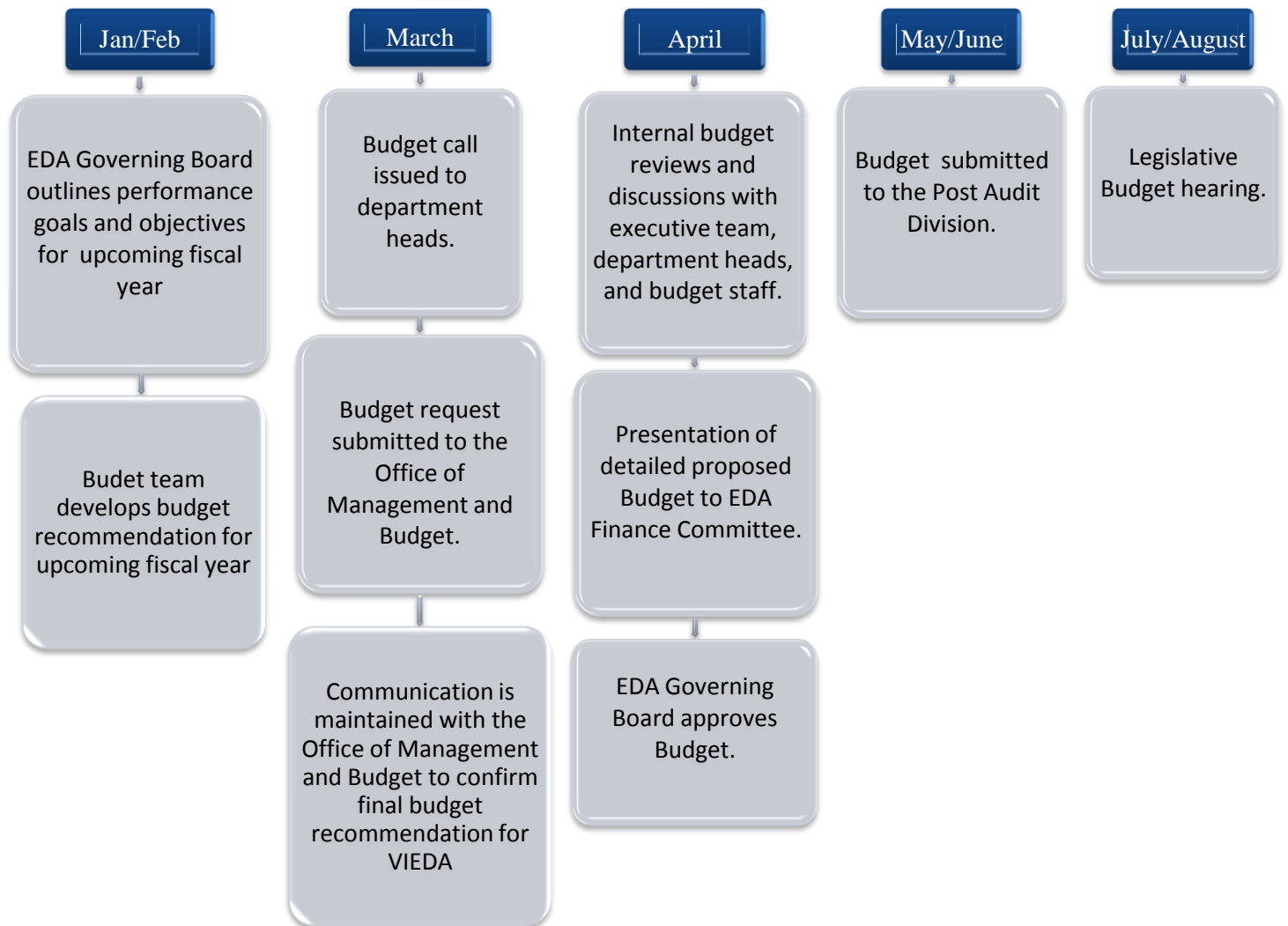
### **12-Month Monitoring (October – September)**

At the end of each month, actual expenditures are compared and analyzed against the budget to ensure that resources are managed in accordance with the budget plan and are consistent with the goals and objectives of the organization. On a quarterly basis, financial reports and analyses are presented to the Finance Committee of the EDA Governing Board detailing the sources and uses of funds compared to the budget the same period in the previous fiscal year.

The budget staff offers recommendations for policy review, when necessary, to improve financial integrity and efficiency to senior staff and management of the organization.

## Annual Budget Process continued

### Budget Calendar Overview



## **1.0 VIEDA ADMINISTRATIVE DEPARTMENTS**

---

The administrative departments within the VIEDA provide support to the operational divisions in ensuring that the VIEDA adheres to and meets statutory and legal requirements.

### **1.1 BOARD OF DIRECTORS**

#### **Functional Statement**

The powers of the VIEDA rest in the hands of a Governing Board, which sets the vision and acts on behalf of the organization. The Board is responsible for establishing all operating policies, hiring a Chief Executive Officer (CEO) who assumes operational responsibilities, approving all major contracts, overseeing overall policy decisions, providing oversight, and, most importantly, ensuring that the organization complies with all applicable law.

#### **Operational Goal(s)**

Collaborate with management in exploring opportunities for the VIEDA and to play a vital role in helping management understand the implications of and adapt to the changing global environment.

#### **Fiscal Year 2014 Objectives**

- Participate in Marketing Events and Activities
- Participate in Professional Development Training (Best Practices in Board Governance)
- Develop policies towards the implementation of various strategic financing tools (i.e. U.S. Government's Employment Based (EB-5) program, New Market Tax Credit program, Tax Increment Financing Expansion, Hotel Development Act)
- Review and approve annual operating budget
- Review and evaluate 3-, 6-, 9-, and 12- month financial performances
- Conduct performance review of Chief Executive Officer and Board Assessment

#### **Fiscal Year 2014 Accomplishments as of March 31, 2014**

- Made presentations on the EDC tax incentive program at the USVI Economic Development Summit
- Attended the 2013 Professional Development Conference for Board Professionals and International Economic Development Council Tax and Financial Seminars
- Reviewed FY 2015 Budget recommendation (Finance Committee)
- Reviewed and evaluated 3- and 6- month financial performance of the VIEDA
- Conducted performance review of the Chief Executive Officer (December 2013)

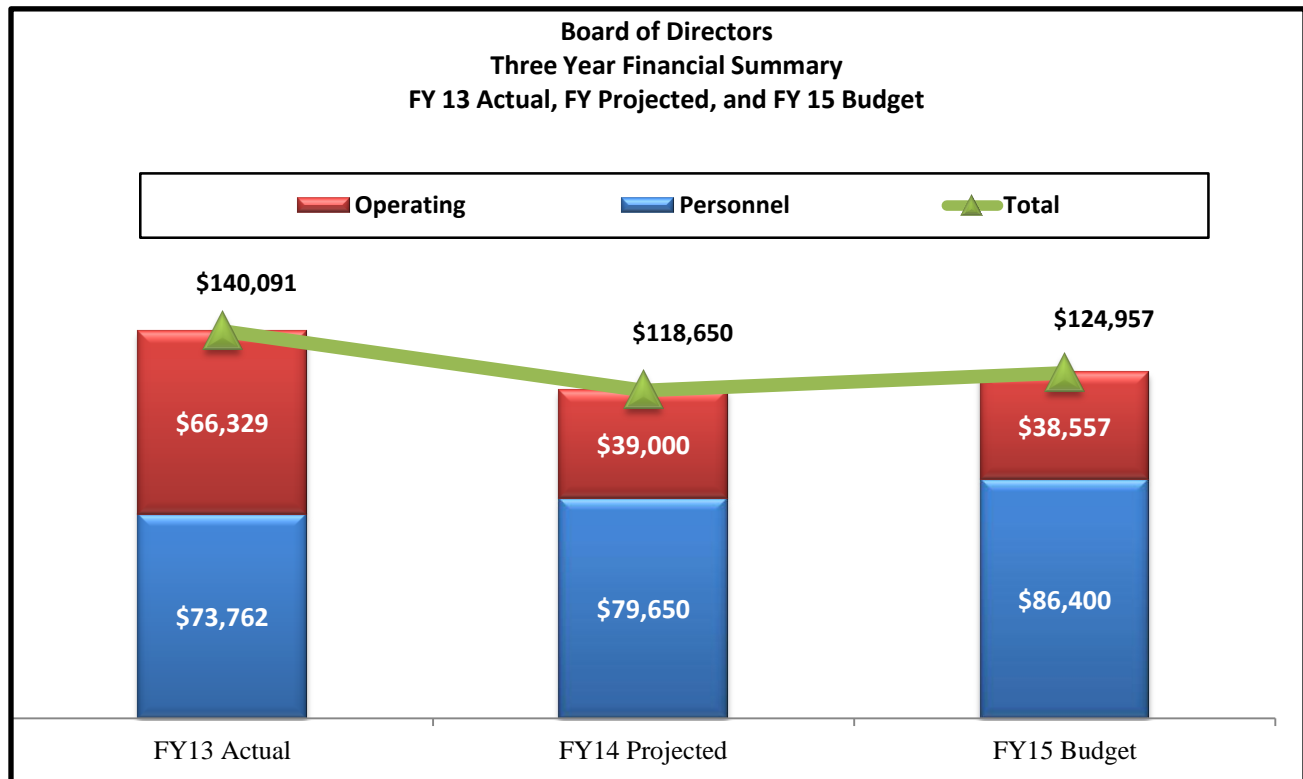
### Fiscal Year 2015 Objectives

- Participate in Marketing Events and Activities
- Participate in Professional Development Training (Best Practices in Board Governance)
- Develop policies towards the implementation of various strategic financing tools (i.e. U.S. Government's Employment Based (EB-5) program, New Market Tax Credit program, Tax Increment Financing Expansion, Hotel Development Act)
- Review and approve annual operating budget
- Review and evaluate 3-, 6-, 9-, and 12- month financial performances
- Conduct performance review of Chief Executive Officer and Board Assessment

Key Performance Indicators (KPI)	Planned FY 2014	Actual FY 14 (as of 3/31/14)	Planned FY 2015
Number of Board Meetings	28	12	28
Number of Policies to be Reviewed and/or Developed	10	5	5
Approval Date of Annual Budget	3/2014	Ongoing	3/2014
Date of CEO Performance Evaluation	6/2014	12/2014	6/2015

**VIEDA Board of Directors  
Three Year Financial Summary  
FY13 Actual, FY14 Projected, and FY15 Budget  
By Expense Category**

<b>EXPENDITURES</b>	<b>FY13 Actual</b>	<b>FY14 Projection</b>	<b>FY15 Budget</b>
Personnel Services	55,460	59,000	64,000
Fringe Benefits	18,302	20,650	22,400
Supplies	5,441	2,000	2,000
Professional Development	39,522	20,000	20,000
Other Svs. & Chgs.	5,782	6,000	11,277
Professional Services	4,595	2,000	-
Inter-Island Travel	7,756	6,000	4,000
Utilities	3,233	3,000	1,280
<b>Total (Direct Cost Only)</b>	<b>140,091</b>	<b>118,650</b>	<b>124,957</b>



## **1.2 EXECUTIVE OFFICE**

---

### **Functional Statement**

The Chief Executive Officer (“CEO”) and the Assistant Chief Executive Officer (“ACEO”)/Chief Operating Officer (“COO”) provide overall leadership and direction in the planning, development, and administration of policies governing the operation of the VIEDA. This office ensures that responsibilities established by statute and policy directives are executed at the highest level.

### **Operational Goal(s)**

Direct and monitor the activities of the VIEDA in a manner that ensures assets of the organization are safeguarded and optimized, and maintain a positive work climate that is conducive to attracting, retaining, and motivating a diverse group of top quality performers.

### **Fiscal Year 2014 Objectives**

- Establish VIEDA as the premier driver of economic development and policy in the Territory
- Concentrate recruitment efforts on designated services businesses, high value manufacturers, healthcare suppliers and EB5 candidates to catalyze business development opportunities
- Ensure the completion of the Comprehensive Economic Development Strategy Plan
- Support economic diversification initiatives in the Broadband, Maritime, Marine, and Shipping industries
- Increase the VIEDA presence and visibility in the Virgin Islands Leadership Council
- Present an economic development orientation program with key local stakeholders

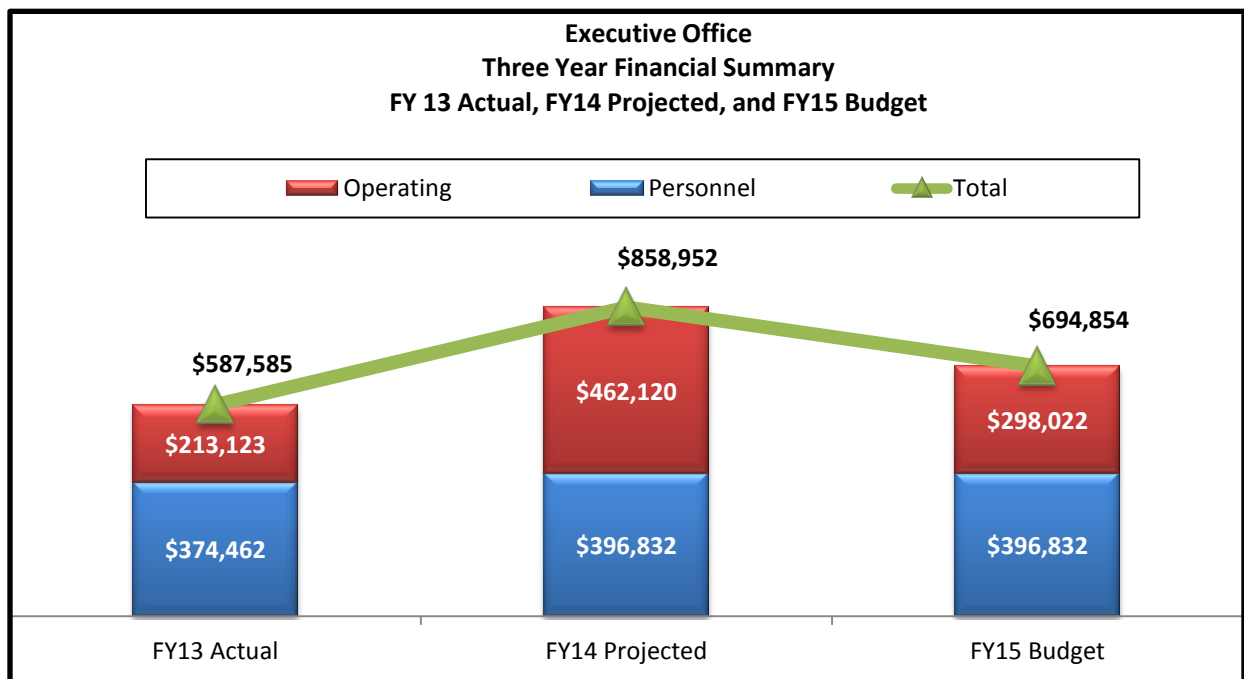
### **Fiscal Year 2014 Accomplishment as of March 31, 2014 (On going)**

- Establishing VIEDA as the premier driver of economic development and policy in the Territory
- Concentrating recruitment efforts on designated services businesses, high value manufacturers, healthcare suppliers and EB5 candidates to catalyze business development opportunities
- Ensuring the completion of the Comprehensive Economic Development Strategy Plan
- Supporting economic diversification initiatives in the Broadband, Maritime, Marine, and Shipping industries
- Increasing the VIEDA presence and visibility in the Virgin Islands Leadership Council
- Presenting an economic development orientation program with key local stakeholders

Key Performance Indicators (KPI)	Planned FY 2014	Actual FY 14 (as of 3/31/14)	Planned FY 2015
Number of new industry partnerships	5	On-going	6
Number of existing partnership collaborations	7	On-going	8
Number of new initiatives to drive economic diversification	5	On-going	8
Number of legislative proposals in support of economic development	5	On-going	4



Executive Office Three Year Financial Summary FY13 Actual, FY14 Projected, and FY15 Budget By Expense Category			
EXPENDITURES	FY13 Actual	FY14 Projection	FY15 Budget
Personnel Services	418,564	610,263	508,913
Fringe Benefits	116,732	201,387	167,941
Supplies	2,243	2,000	600
Professional Development	20,165	16,000	-
Other Svs. & Chgs.	9,678	11,970	3,000
Professional Services	-	-	-
Inter-Island Travel	16,704	13,332	10,500
Utilities	3,500	4,000	3,900
<b>Total (Direct Cost Only)</b>	<b>587,585</b>	<b>858,952</b>	<b>694,854</b>



### **1.3 ACCOUNTING AND FINANCE DEPARTMENT**

---

#### **Functional Statement**

The accounting and finance department provides financial planning, accounting, and reporting for the VIEDA. It is primarily responsible for relationships with auditors, financial institutions, the Post Audit Division of the Legislature, rating agencies, and others within the financial community. It provides leadership in developing proposals and policies on strategic issues that affect the VIEDA's long-term financial integrity and competitiveness. The responsibility for the establishment of financial policies and procedures for organization-wide guidance and internal control falls within this unit.

#### **Operational Goal(s)**

Provide quality customer service to the VIEDA departments and divisions while practicing responsible stewardship of VIEDA resources; and aspire to excellence in its financial and administrative practices, including the institution of measures to reduce costs and improve overall efficiency.

#### **Fiscal Year 2014 Objectives**

- Obtain Fiscal Year 2013 financial audit report by February 2014
- Prepare and submit Fiscal Year 2015 budget to the Post Audit Division by May 15, 2014
- Upgrade financial reporting software to improve recording, reporting, and analytical functions
- Identify and implement measures to reduce operating expenses by a minimum of 5%
- Reconcile and close general ledgers by the 20<sup>th</sup> day of each month
- Provide staff enrichment training in management, budgeting, and accounting

#### **Fiscal Year 2014 Accomplishments as of March 31, 2014**

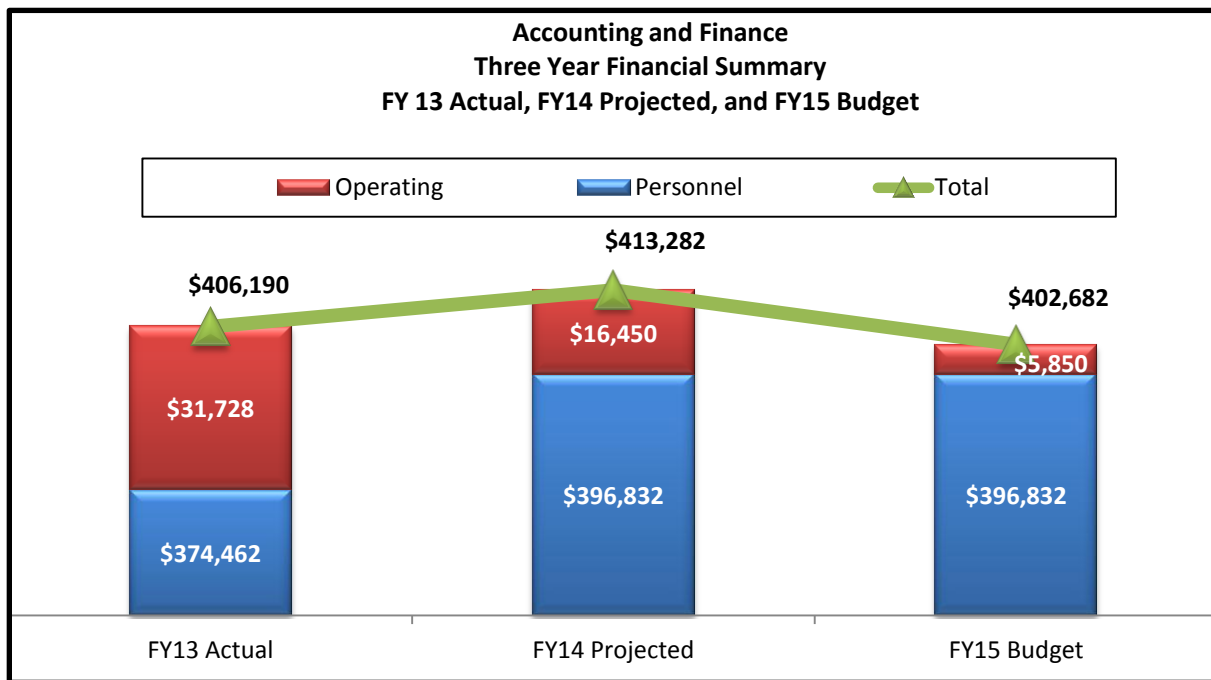
- FY 2013 financial audit fieldwork completed. Final report due by June 30, 2014.
- FY 2015 budget to Post Audit to be completed and delivered by June 10, 2014
- Installed Biznet software to improve reporting and analytical functions
- Updated MAS 500 accounting software to current version
- Completed the closing of all general ledger accounts by the 15<sup>th</sup> of each preceding month
- Implemented financial guidelines to reduce operating cost and improve operational efficiency

### Fiscal Year 2015 Objectives

- Conduct at least six (6) site visits to EDA units and program locations
- Draft for Board approval an accounting policy manual for the VIEDA by December 2014
- Finalize the Fiscal Year 2014 Financial Audit by March 2015
- Computerized the acquisition and disposal of all VIEDA assets
- Provide staff training in accounting, budgeting and finance and procurement practices
- Continue to work with the banks in facilitating payments to/from vendors, EDC Beneficiaries and IP Tenants

Key Performance Indicators (KPI)	Planned FY 2014	Actual FY 14 (as of 3/31/14)	Planned FY 2015
Percentage of instances General Ledger closed on schedule	85%	85%	100%
Financial Audit Completion Date	3/2014	Ongoing	3/2015
Date of Annual Budget Submission	5/2014	6/10/2014	5/2015
Number of Finance Committee Reports	4	2	4

Accounting and Finance Three Year Financial Summary FY13 Actual, FY14 Projected, and FY15 Budget By Expense Category			
EXPENDITURES	FY13 Actual	FY14 Projection	FY15 Budget
Personnel Services	275,978	298,370	298,370
Fringe Benefits	98,484	98,462	98,462
Supplies	1,663	-	-
Professional Development	15,014	6,000	-
Other Svs. & Chgs.	4,735	1,500	2,850
Professional Services	6,913	6,000	-
Inter-Island Travel	2,750	2,450	2,000
Utilities	654	500	1,000
<b>Total (Direct Cost Only)</b>	<b>406,190</b>	<b>413,282</b>	<b>402,682</b>



## **1.4 HUMAN RESOURCES DEPARTMENT**

---

### **Functional Statement**

The Human Resources (HR) Department is responsible for human capital management, workforce development and personnel operation services, which includes staffing/recruitment, position classification and management, benefits counseling, and employee and labor relations. It is also responsible for providing a cost-effective and coordinated strategy for the delivery of training and employee development programs.

### **Operational Goal(s)**

Provide an HR organizational framework to recruit, select, classify, compensate, develop and reward employees, and ensure an environment that optimizes productivity, efficiency and effectiveness.

### **Fiscal Year 2014 Objectives**

- Conclude desk audits for all union and classified positions and develop a grade and salary structure for the VIEDA by October 2013
- Conduct annual sexual harassment training for all employees by June 2014
- Work with supervisors to ensure that all employee evaluations are completed by June 2014
- Develop self-awareness, self-care, and other programs to improve employee wellness and productivity
- Research and recommend employee professional development training to improve leadership and team building skills, productivity, and workplace etiquette by January 2014

### **Fiscal Year 2014 Accomplishments as of March 31, 2014**

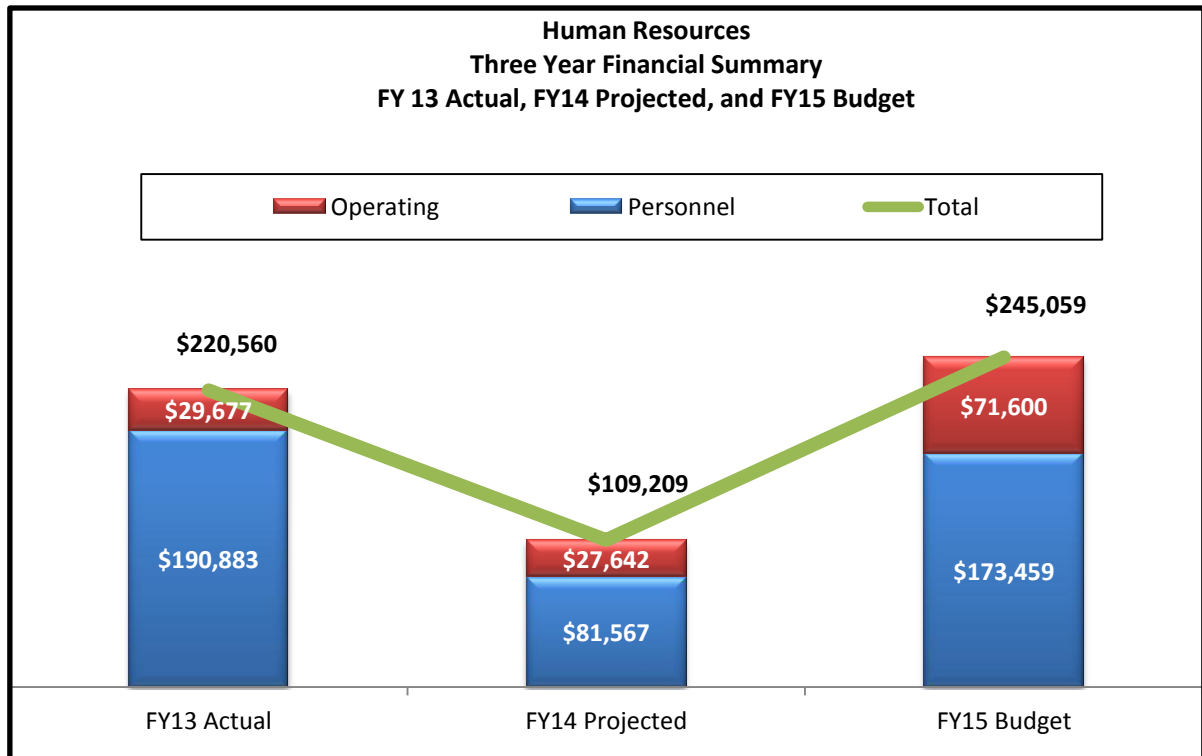
- Employee Compensation Study and Desk Audit ongoing. Projected Completion Date: July 2014.
- Conducted Annual Sexual Harassment training in December 2013.
- Employee performance evaluations ongoing. Scheduled completion date July 2014.
- Coordinated routine biometric screenings by CIGNA Health Care Coaches
- Participated in the Department of Labor and Department of Education internship programs
- Organized employee appreciation activities and the selection of the “VIEDA Employee of the Year”

### Fiscal Year 2015 Objectives

- Analyze the results of the comprehensive compensation/desk audit study and appropriate/possible implementation
- Conduct staff training in Sexual Harassment, Conflict Resolution Management, and Contract Administration
- Update and incorporate all HR policies into one comprehensive document
- Review and amend employee appraisal procedure form to reflect proper job descriptions and provide greater efficiency
- Offer employee professional development training to improve leadership and team building skills, productivity, and workplace etiquette

Key Performance Indicators (KPI)	Planned FY 14	Actual FY 14 (as of 3/31/14)	Planned FY 15
Percentage of employee evaluations completed	100%	50%	100%
Number of HR Trainings	5	2	6
Number of new employee relations initiatives	5	4	6
Number of researched professional development training	10	5	12

Human Resources Three Year Financial Summary FY13 Actual, FY14 Projected, and FY15 Budget By Expense Category			
EXPENDITURES	FY13 Actual	FY14 Projection	FY15 Budget
Personnel Services	141,395	60,420	130,420
Fringe Benefits	49,488	19,939	43,039
Supplies	2,531	1,000	-
Professional Development	6,332	8,000	50,000
Other Svs. & Chgs.	15,910	19,100	19,600
Professional Services	-	-	-
Inter-Island Travel	2,030	750	1,500
Utilities	2,874	-	500
<b>Total (Direct Cost Only)</b>	<b>220,560</b>	<b>109,209</b>	<b>245,059</b>



## **1.5 LEGAL DEPARTMENT**

---

### **Functional Statement**

The Legal Department provides a broad range of legal services to the five (5) component entities of the Virgin Islands Economic Development Authority (“VIEDA”). This Department provides legal analysis, preparation and review of legal documents, legislative and policy guidance, draft legislation, draft rules and regulations, special project guidance, litigation management, human resource management, and legal guidance to executive staff and the Board of Governors.

### **Operational Goal(s)**

A primary focus of the Legal Department is to understand the intricacies of each entity within the VIEDA and how these entities link together with a shared goal of promoting economic development in the U.S. Virgin Islands. In providing legal advice, this Department must be knowledgeable of changes in federal and territorial laws, and must integrate legal with economic development advice. The Legal Department also provides guidance regarding best practices, policies, and procedures; institutes measures to prevent litigation and loss to the assets of the VIEDA; and monitors the activities of the VIEDA to ensure compliance with applicable laws, rules, regulations and policies.

### **Fiscal Year 2014 Objectives**

- Conduct background checks for all applicants for benefits and/or loans from any division of the EDA
- Conduct background checks for the V.I. Department of Property & Procurement for proposed contractors on economic development projects.
- Prepare rules and regulations for various legislative measures which directly impact the VIEDA
- Track proposed and approved legislative measures that have a direct impact on the VIEDA
- Manage the litigation or settlement of delinquent loans in the GDB and SBDA portfolios

### **Fiscal Year 2014 Accomplishment as of March 31, 2014**

- Ongoing revisions to the EDC-tax incentive law, Enterprise Zone Commission Program, Hotel Development Act, SBDA and GDB Law, and STARS Act
- Drafted and reviewed memoranda of agreement and understanding, leases, contracts, and requests for proposal, and evaluated bid submittals for legal sufficiency



#### **Fiscal Year 2014 Accomplishment as of March 31, 2014**

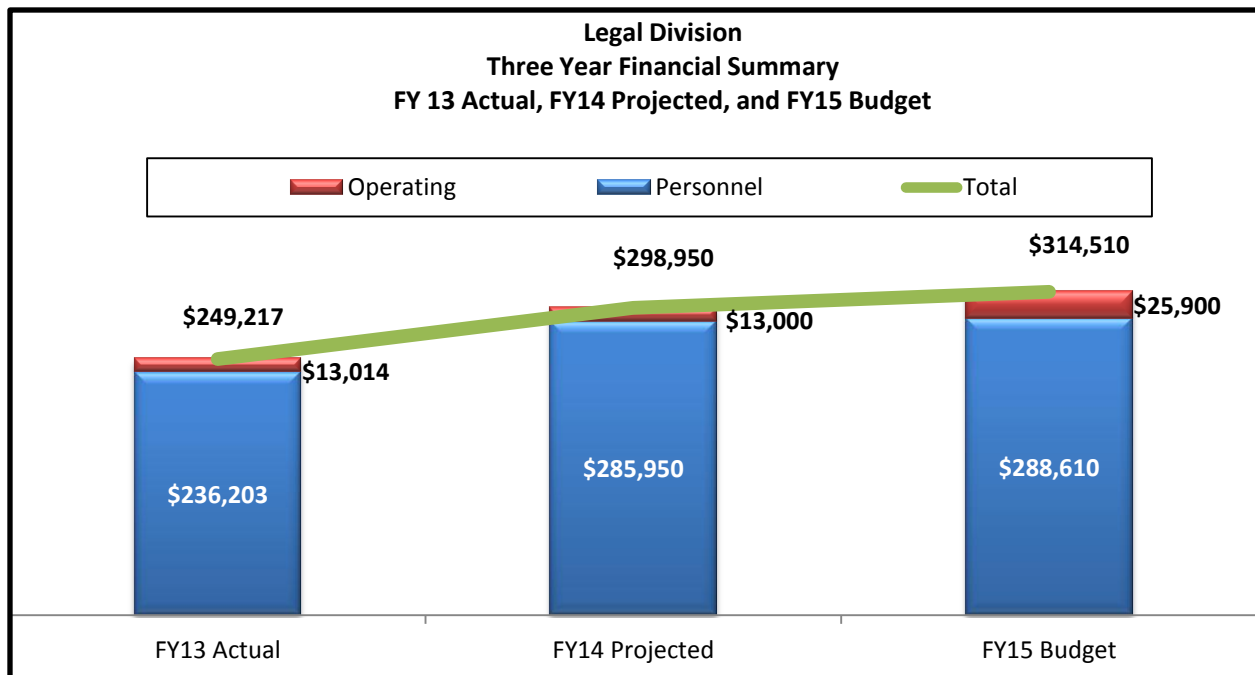
- Managed actions for debt and/or foreclosure on delinquent loans carried by the GDB and SBDA
- Commenced cross-training of legal staff to perform paralegal as well as investigative analyst duties

#### **Fiscal Year 2015 Objectives**

- Enhance the quality of investigative reports by exploring collaborative agreements with government agencies that can provide criminal justice information using databases such as, the National Crime Information Center (“NCIC”), which operates under a shared management concept between the FBI and federal, state, and local users.
- Manage the litigation of delinquent loan portfolios carried by the GDB and SBDA
- Coordinate staff training opportunities provided by the Public Employees Relations Board and other government agencies regarding common issues within the workplace, industry or profession and their legal ramifications; timely identification and analysis of issues to prevent or mitigate liability, and developing best practices, policies and procedures for legal compliance
- Improve the efficiency of legal research by cross training the Legal Department’s staff to perform background investigative analyses and paralegal duties
- Conduct ongoing assessments and implement measures to improve the security of information in the Legal Department
- Update computer software to enhance the processing of legal documents

<b>Key Performance Indicators (KPI)</b>	<b>Planned FY 2014</b>	<b>Actual FY 2014</b>	<b>Planned FY 2015</b>
Number of collaborative agreement to be explored, update or amended	6	3	6
Number of loans to be managed in litigation	12	6	15
Number of training opportunities to be identified	7	4	6
Number of Standard Operating Procedures (SOP) to be identified, reviewed, implemented or amended	6	2	7
Number of contracts and leases drafted and reviewed	30	23	30

<b>Legal Division</b> <b>Three Year Financial Summary</b> <b>FY13 Actual, FY14 Projected, and FY15 Budget</b> <b>By Expense Category</b>				
<b>EXPENDITURES</b>	<b>FY13 Actual</b>	<b>FY14 Projection</b>	<b>FY15 Budget</b>	
Personnel Services	\$ 177,596	\$ 215,000	\$ 217,000	
Fringe Benefits	58,607	70,950	71,610	
Supplies	100	1,500	-	
Professional Development	610	2,000	-	
Other Svs. & Chgs.	2,095	2,500	20,400	
Professional Services	4,167	-	-	
Inter-Island Travel	5,025	6,000	5,000	
Utilities	1,018	1,000	500	
<b>Total (Direct Cost Only)</b>	<b>\$ 249,217</b>	<b>\$ 298,950</b>	<b>\$ 314,510</b>	



## **1.6 MARKETING / PUBLIC RELATIONS DEPARTMENT**

---

### **Functional Statement**

Our key responsibility is to help attract new investment opportunities to the Territory, retain existing companies, especially small and medium sized enterprises, create opportunities to expand businesses, and improve the Virgin Islands Economic Development Authority's image as it relates to the Authority's strengths, products, and services. To promote sound economic development policies and programs through its 5 pillars: Enterprise Zone Commission, Economic Development Commission, Government Development Bank, Small Business Development Agency, and the Industrial Park Development Corporation, and together with our various programs including the Incubator, State Small Business Credit Initiative (SSBCI), Employment Based Immigration Fifth Preference (EB-5), and State Trade Export Promotion (STEP) Program. Our job is to get the message to the community, our customers, and prospective clients.

### **Operational Goal(s)**

Our goal is to position the U.S. Virgin Islands as the best place for businesses to invest, whether local, national or international. The Marketing Team will use promotional initiatives to include various marketing missions, targeted events, targeted advertising, messaging via social media, web presence, and other media outlets.

### **Fiscal Year 2014 Objectives**

- Conduct two (2) national and two (2) international targeted events for the V.I. Economic Development Commission program
- Continue local public relations efforts with TV show, "VIEDA Focus on Marketplace"
- Feature a monthly OP-ED article on VIEDA efforts in economic development
- Publish all annual reports (VIEDA and EZC) by mandated deadlines
- Complete a three (3) -year economic impact study of the EDC program
- Identify and target qualifying companies in the high volume manufacturing industry
- Increase project engagement by ten (10) percent
- Track results of marketing events and activities

#### **Fiscal Year 2014 Accomplishments as of March 31, 2014**

- Launched newly designed VIEDA website
- Executed phase II of VIEDA's public relations campaign through the "VIEDA Focus on the Marketplace" radio show
- Implemented a comprehensive branding initiative, which included the redesign of the Economic Development Commission brochure, Beneficiary Profiles, High Value Manufacturing Fact Sheet, and Captive Insurance Fact Sheet
- Heavily promoted the Captive Insurance Program
- Attended three (3) marketing missions: Select USA (Washington, D.C), High Value Manufacturing Fair (Hannover, Germany), and RIMS 2014 Elevate Captive Insurance Conference (Denver, Colorado)
- Added two (2) beneficiaries to the EDC Ambassador Program
- Conducted five (5) national media interviews with the VIEDA Delegation and the Governor, which included: TheStreet.com, International Business Times, The New York Times and Market Watch
- Conducted eleven (11) site visits with prospective EDC Applicants.
- Strategically placed billboard advertisements in airport terminals to market the EDC Program
- Commenced analyzing statistical data tracked on our website
- Published 2013 Annual Reports

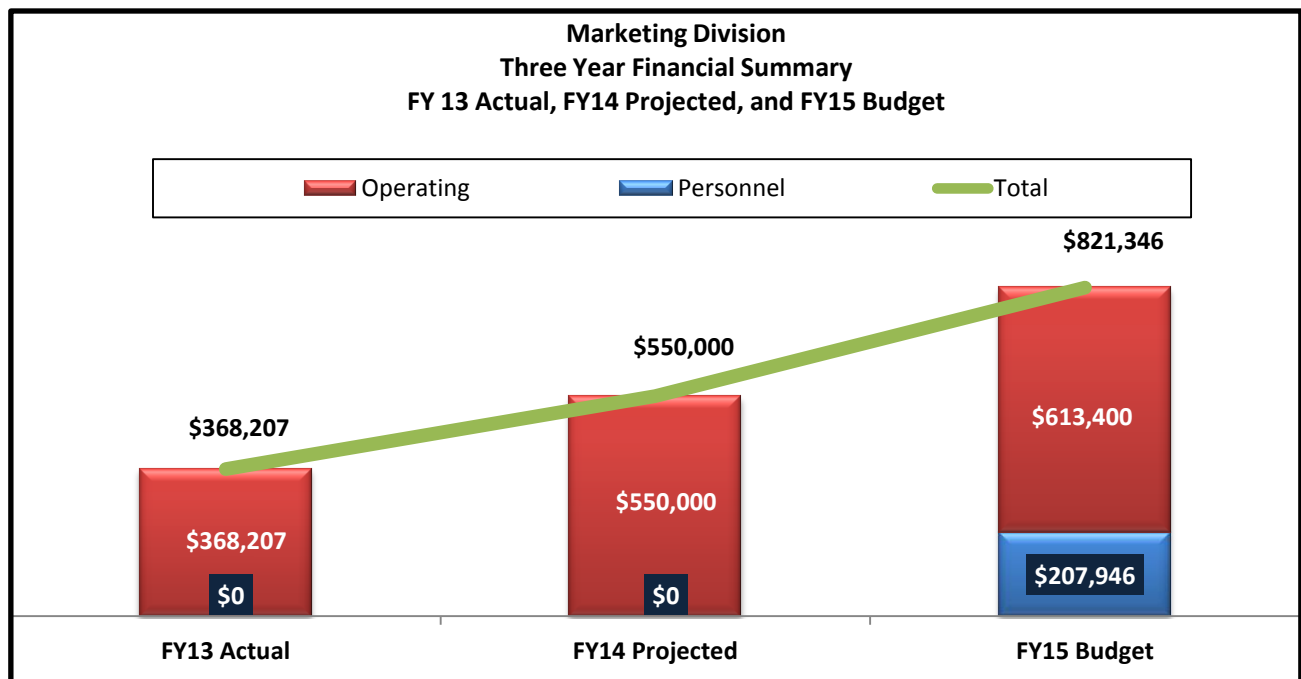
#### **Fiscal Year 2015 Objectives**

- Update the VIEDA's 5-year Marketing and Strategic Plan
- Implement a data-mining module to profile the Territory's assets and investment prospects
- Develop for mass distribution a "Doing Business in the U.S. Virgin Islands" Guide
- Identify targeted firms and/or prospective investment leads in High-Value Manufacturing, IT Services, Captive Insurance, Back Office Support Services, and Hotel Development Industries
- Execute final phases of the VIEDA's website and other collateral material

Key Performance Indicators (KPI)	Planned FY 2014	Actual FY 2014 (as of 3/31/14)	Planned FY 2015
Number of targeted marketing events to be held and/or attended	7	11	13
Number of qualifying companies to be identified in targeted industries	10	9	23
Number of Territorial visits planned by potential EDC beneficiaries	6	11	20
Number of investment successes through marketing efforts	5	12	15

**Marketing Division**  
**Three Year Financial Summary**  
**FY13 Actual, FY14 Projected, and FY15 Budget**  
**By Expense Category**

<b>EXPENDITURES</b>	<b>FY13 Actual</b>	<b>FY14 Projection</b>	<b>FY15 Budget</b>
Personnel Services	\$ -	\$ -	\$ 156,350
Fringe Benefits	-	-	51,596
Supplies	926	5,000	2,700
Professional Development	538	400	-
Other Svs. & Chgs.	130,661	147,600	213,650
Professional Services	232,798	392,000	392,050
Inter-Island Travel	3,284	5,000	5,000
Utilities	-	-	-
<b>Total (Direct Cost Only)</b>	<b>\$ 368,207</b>	<b>\$ 550,000</b>	<b>\$ 821,346</b>



## **2.0 VIEDA OPERATIONAL DIVISIONS**

### **2.1 V.I. ECONOMIC DEVELOPMENT COMMISSION**

#### **Functional Statement**

The Economic Development Commission (EDC) is charged with promoting the growth, development, and diversification of the economy of the United States Virgin Islands, developing the human and economic resources of the Territory, preserving job opportunities for residents of the U.S. Virgin Islands, and promoting capital formation to support industrial development in the Territory. The EDC is comprised of the Applications Unit, which is the first point of contact by a business seeking to apply for economic development benefits, and the Compliance Unit, which monitors beneficiaries to ensure that they comply with the terms and conditions of their certificates and other requirements of law.

#### **2.1.1 Applications Department**

##### **Operational Goal(s)**

Promote capital investment opportunities to support economic development.

##### **Fiscal Year 2014 Objectives**

- Approve 25 new applications into the EDC program.
- Research an electronic document management system
- Host an Economic Development Commission Work Fair
- Encourage approved applicants to activate benefits within the fiscal year.
- Enhance and streamline the online application to be industry specific and user friendly
- Prepare quarterly report that shows actual EDC generated tax revenues to the Virgin Islands Government

##### **Fiscal Year 2014 Accomplishments (as of March 31, 2014)**

- Received twenty-three (23) applications which included twelve (12) new, six (6) extensions, four (4) modifications and one (1) transfer
- Presented eleven (11) applications to the EDC Governing Board for consideration of granting EDC tax-incentive benefits and ten (10) petitions to include reconsideration of benefits and admissions of new partners

**Fiscal Year 2014 Accomplishments as of March 31, 2014 continued**

- Mailed seventy-nine (79) letters to EDC applicants that were approved but did not activate benefits between 2001 – 2008 to determine continued interest in the Program
- Commenced research on an integrated EDC Case / Document Management System
- Incorporated projected tax revenues in Applications reports

**Fiscal Year 2015 Objectives**

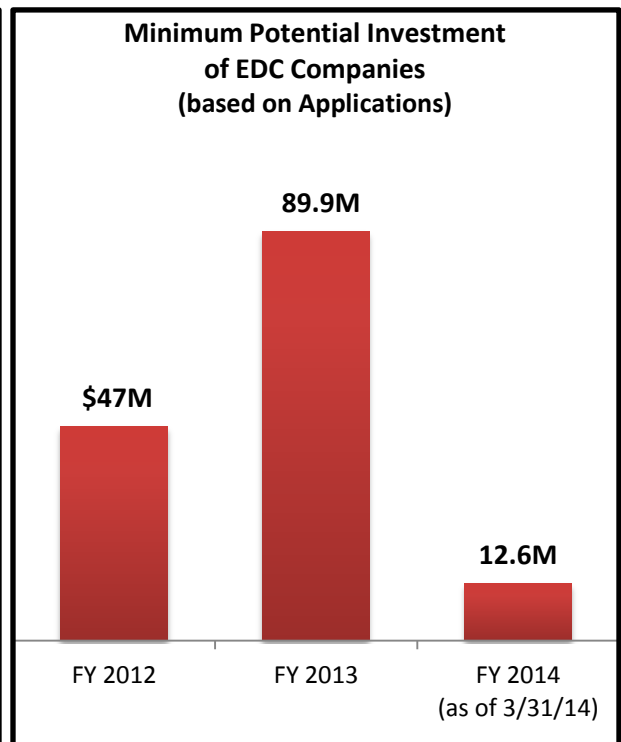
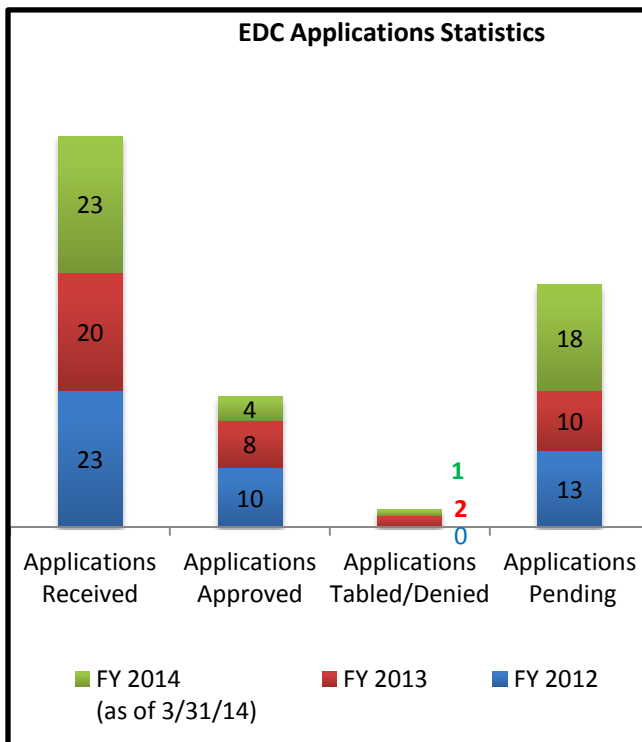
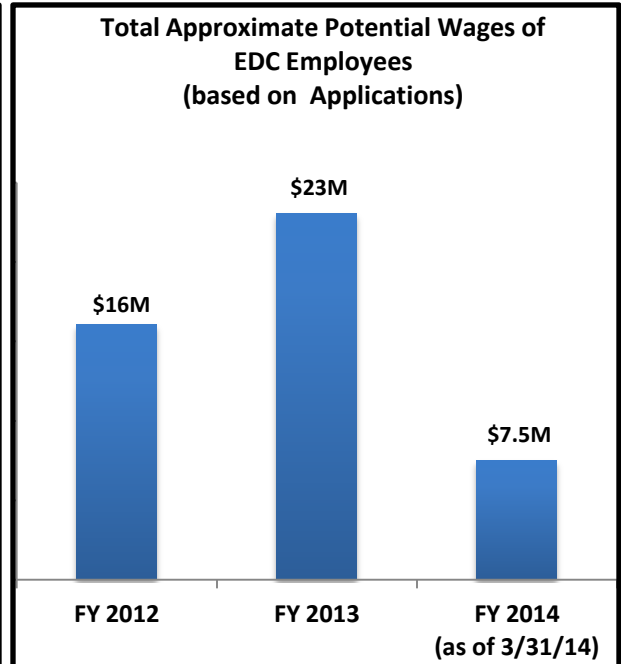
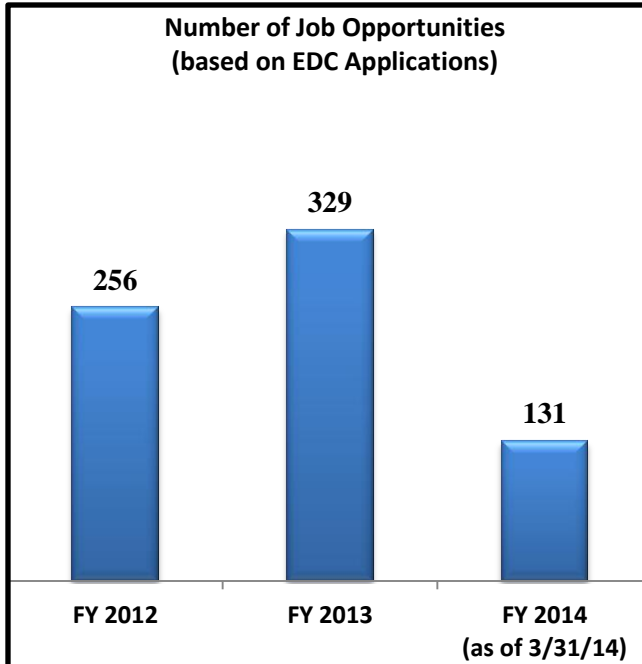
- Re-implement Online Application within the first six (6) months of the fiscal year
- Host Eligible Supplier Seminar, open house and/or educational forum by May 2015
- Host EDC Job Fair to address employment gap by Summer 2015
- Host EDC Consultants Seminar within the first eight (8) months of the fiscal year
- Update Multiplier used for Cost Benefits Analysis Model

Key Performance Indicators (KPI)	Planned FY 2014	Actual FY 2014 (as of 3/31/14)	Planned FY 2015
<sup>1</sup> No. of Applications Received	25	23	25
No. of Potential Job Opportunities	250	127	300
Approx. Wages of New Applications	\$5.2M	\$7.5M	\$6M
Min. Investment of New Applications	\$2.5M	\$12.6M	\$15M



**Economic Development Commission  
Applications Unit  
Statistical Data**

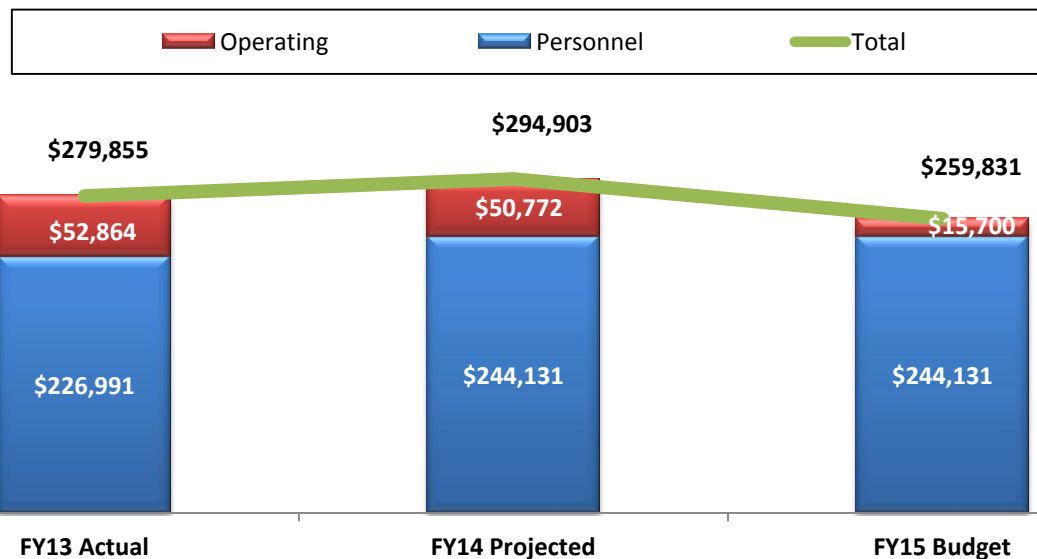
---



**Applications**  
**Three Year Financial Summary**  
**FY13 Actual, FY14 Projected, and FY15 Budget**  
**By Expense Category**

<b>EXPENDITURES</b>	<b>FY13 Actual</b>	<b>FY14 Projection</b>	<b>FY15 Budget</b>
Personnel Services	\$ 170,670	\$ 183,557	\$ 183,557
Fringe Benefits	56,321	60,574	60,574
Supplies	1,101	750	850
Professional Development	6,448	4,500	-
Other Svs. & Chgs.	21,369	23,522	9,350
Professional Services	10,044	16,500	-
Inter-Island Travel	13,513	5,000	5,000
Utilities	389	500	500
<b>Total (Direct Cost Only)</b>	<b>\$ 279,855</b>	<b>\$ 294,903</b>	<b>\$ 259,831</b>

**Applications Division**  
**Three Year Financial Summary**  
**FY 13 Actual, FY14 Projected, and FY15 Budget**



## **2.1.2 COMPLIANCE DIVISION**

---

### **Functional Statement**

The Compliance Unit ensures the integrity of the Economic Development Program and assists the beneficiaries in meeting the requirements outlined in their Certificates. The Compliance Unit reports its findings to the EDC Commission, which has the legal authority to assess fines and penalties for non-compliance. The funds derived from such penalties are used for workforce development and training programs within the Territory.

### **Operational Goal(s)**

Ensure that beneficiaries adhere to the requirements of the EDC Program.

### **Fiscal Year 2014 Objectives**

- Conduct annual beneficiary compliance summits in August 2014 and one (1) beneficiary consultant forum by May 2014
- Complete twenty (20) compliance reviews and conduct one hundred twenty (120) site visits by the end of the fiscal year
- Implement concise standard operating procedure, to include quality assurance standards and code of ethics
- Research an electronic compliance case management system with an online compliance reporting component by January 2014
- Analyze, design, develop and implement an electronic compliance case management system which includes an online compliance reporting component that can interface with other units
- Evaluate and enhance the electronic cost benefits analysis application and internal reporting on impact analysis

### **Fiscal Year 2014 Accomplishment as of March 31, 2014**

- Completed seventeen (17) annual compliance reviews
- Conducted eight (8) compliance beneficiary orientations
- Performed thirty-seven (37) outreach / beneficiary care site visits

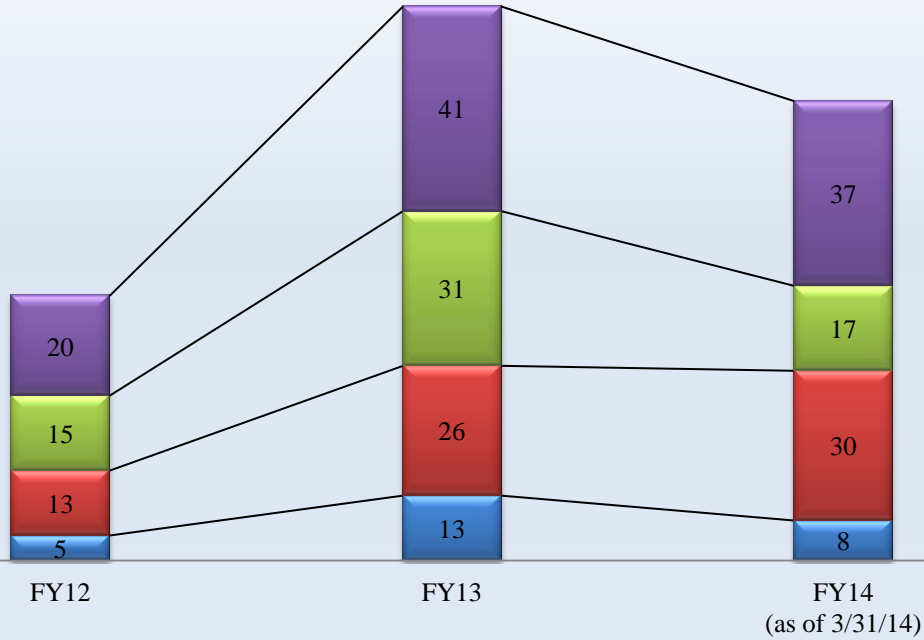
### **Fiscal Year 2015 Objectives**

- Conduct annual beneficiary summits in August 2015 and Economic Development program's consultant forum in May 2015
- Increase beneficiary care initiatives to ensure retention and expansion while maintaining the integrity of the EDC Program
- Complete twenty (20) compliance reviews and eighty (80) outreach/beneficiary care visits by the end of the fiscal year
- Implement concise standard operating procedures to include quality assurance standards and code of ethics
- Analyze, design, develop and implement an electronic compliance case management system which includes an online compliance reporting component to work in conjunction with other units within the organization
- Evaluate and enhance the electronic Cost Benefit Analysis model and internal reporting on impact analysis

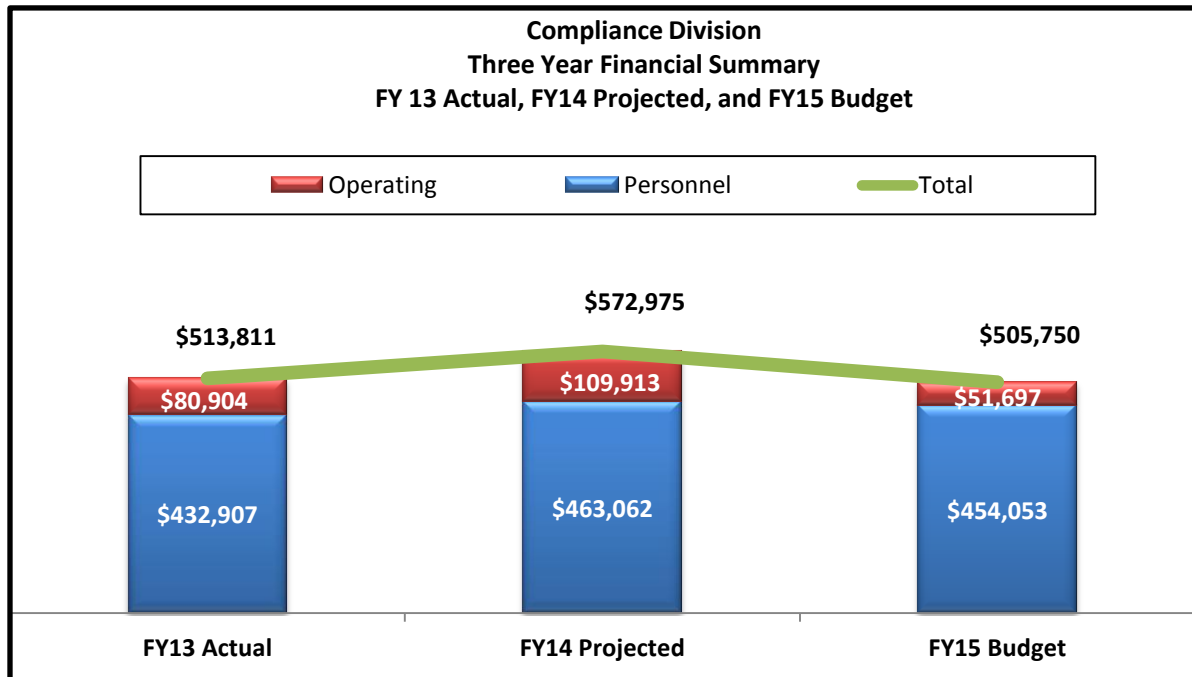
KEY PERFORMANCE INDICATORS (KPI)	Planned FY 2014	Actual FY 2014 (as of 3/31/14)	Planned FY 2015
No. of Petitions to the EDC Board	10	30	25
No. of Certificate Modifications completed	6	17	15
No. of Non-Compliance matters resolved	15	8	15
No. of Outreach/Beneficiary Care Visits	120	37	80

## Compliance Activities FY 12- FY 14

■ Beneficiary Care Visits   ■ Compliance Reviews   ■ Petitions   ■ Orientations



<b>Compliance Division</b> <b>Three Year Financial Summary</b> <b>FY13 Actual, FY14 Projected, and FY15 Budget</b> <b>By Expense Category</b>			
<b>EXPENDITURES</b>	<b>FY13 Actual</b>	<b>FY14 Projection</b>	<b>FY15 Budget</b>
Personnel Services	\$ 325,494	\$ 348,167	\$ 341,391
Fringe Benefits	107,413	114,895	112,659
Supplies	1,101	1,000	-
Professional Development	17,264	20,328	-
Other Svs. & Chgs.	42,113	44,585	46,200
Professional Services	10,119	36,000	-
Inter-Island Travel	9,861	7,500	5,000
Utilities	446	500	500
<b>Total (Direct Cost Only)</b>	<b>\$ 513,811</b>	<b>\$ 572,975</b>	<b>\$ 505,750</b>



## **2.2 GOVERNMENT DEVELOPMENT BANK (GDB)/SMALL BUSINESS DEVELOPMENT AGENCY (SBDA)**

---

### **Functional Statement**

The Government Development Bank (“GDB”) was created by legislation in 1978 “to aid the insular government in the performance of its duties in developing the economies of the United States Virgin Islands.” The GDB became functional in 1997 and since then has been providing access to capital for small and medium-sized businesses in the Territory. In 2000, the legislation that created the VIEDA placed the GDB within its purview. The GDB currently manages three (3) programs in its lending portfolio: The Intermediary Revolving Program (IRP), the Micro Loan Program, and the PFA Economic Development Fund.

The Small Business Development Agency (SBDA) provides access to capital for small and medium-sized businesses in the Territory. It currently manages six (6) loan programs in its lending portfolio: Farmers and Fishermen Loan Program, Small Business Development Agency Direct Loan Program, Frederiksted Loan Program, Economic Development Administration Loan Program 3801, the Economic Development Administration Loan Program 3804 and the Post-Disaster Relief Revolving Loan Program (the last three programs are components of the United States Department of Commerce - Economic Development Administration).

The SBDA and the GDB presently operate as independent entities. Legislation to merge the SBDA with the GDB in order to improve operating efficiency in the Lending division is presently at the Legislature.

### **Operational Goal(s)**

Assist small and medium-sized businesses to access capital by providing financial resources and technical and managerial assistance to ensure continued viability thereby facilitating employment growth and opportunities.

### **Fiscal Year 2014 Objectives**

- Reduce the delinquency rate by 25% through aggressive collection efforts
- Increase the loan portfolio by 30% or \$2M with credit quality loans
- Apply to the Small Business Administration for a \$750K relending loan by January 2014
- Review and update files with loans of \$100,000 or more by September 2014
- Provide staff enrichment training on lending software and industry best practices

**Fiscal Year 2014 Accomplishment as of March 31, 2014**

- Increased collections on delinquent loans by seventy four percent (74 %) compared to the same period last fiscal year
- Legally pursued one hundred sixty-three (163) delinquent borrowers and filed twenty (20) actions for debt and foreclosure in the V.I. Superior Court
- Procuring a fully-integrated, multi-user loan software that will streamline lending processes from clients initial point of contact through the servicing of an approved loan

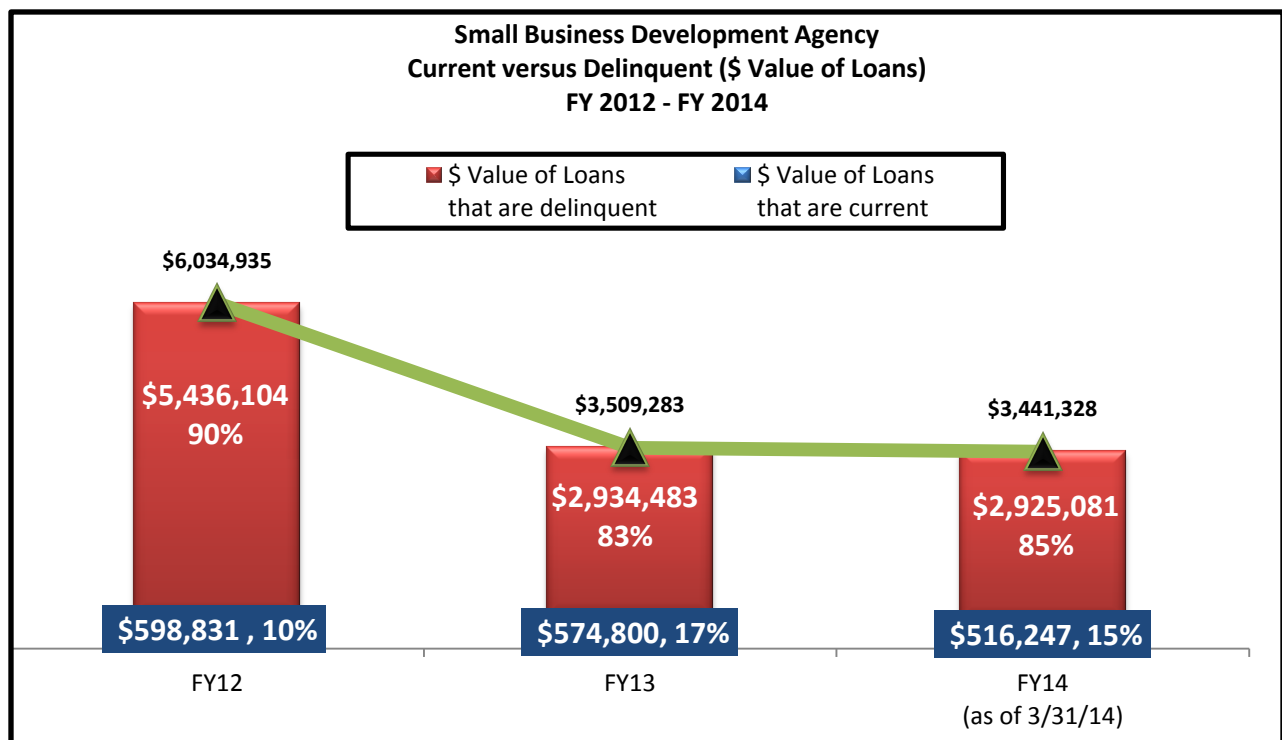
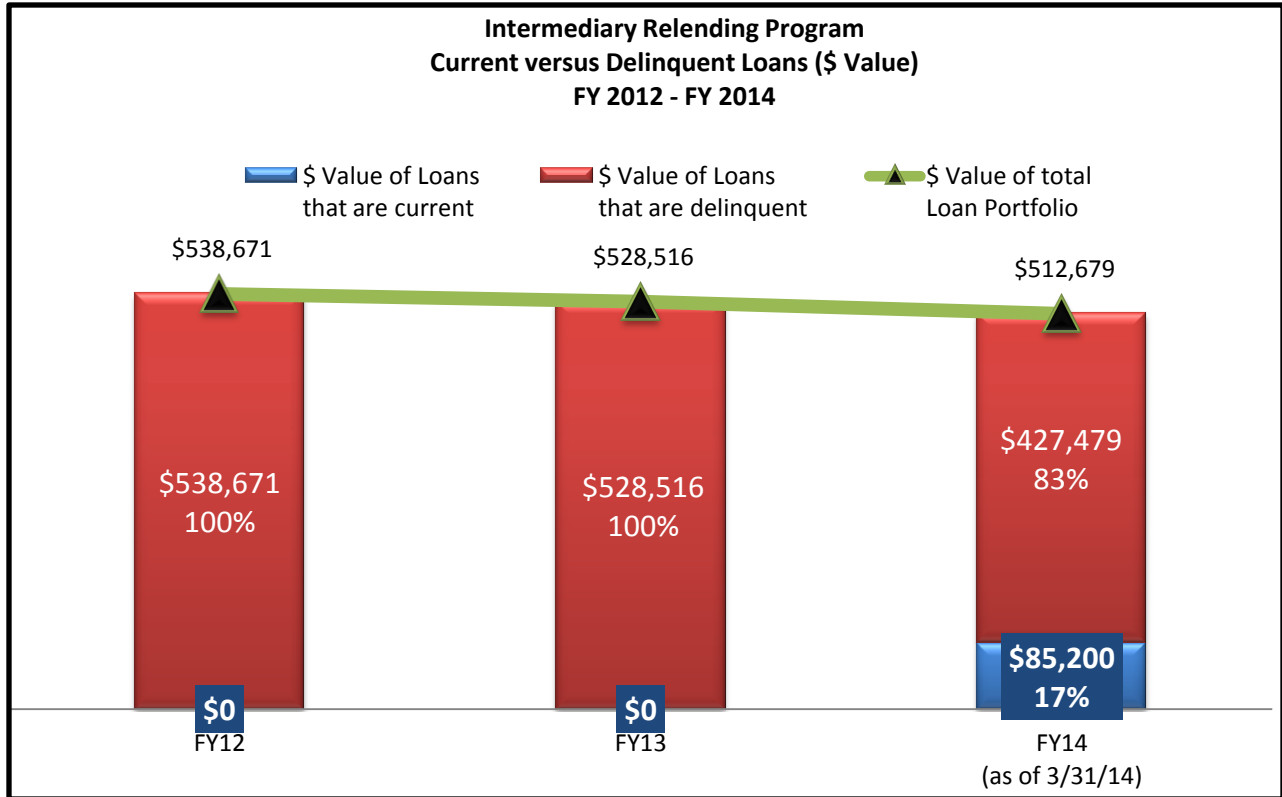
**Fiscal Year 2015 Objectives**

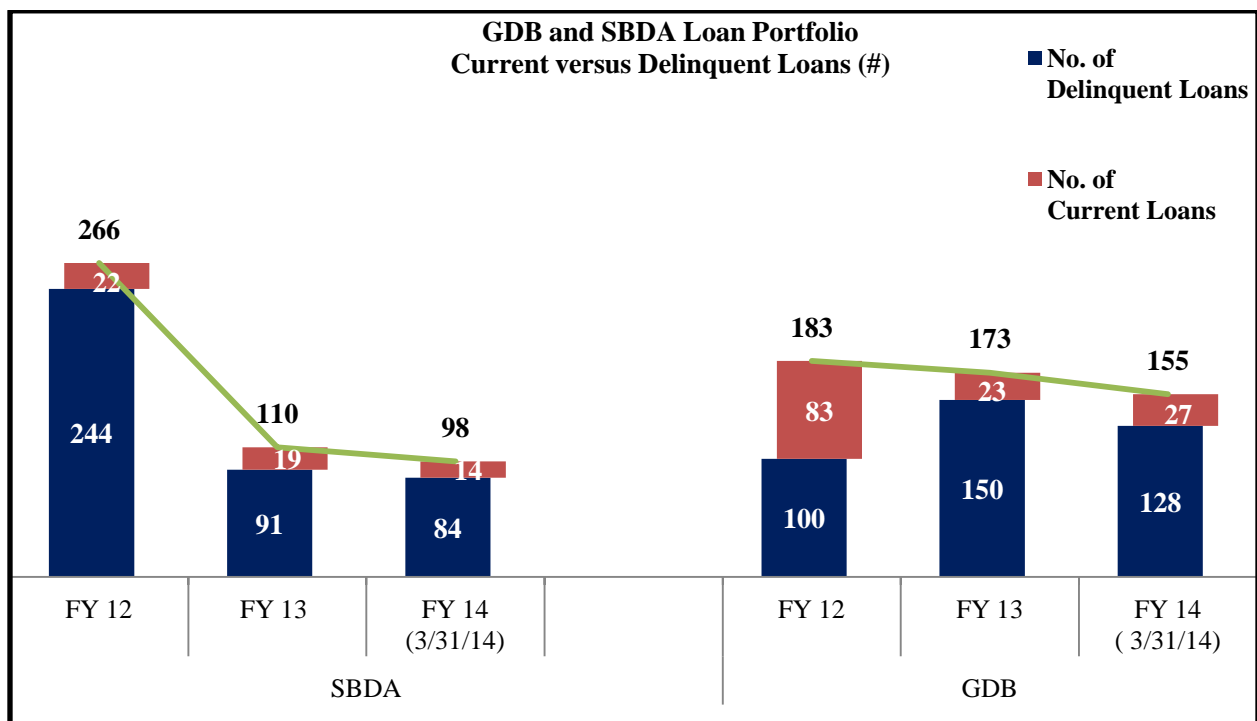
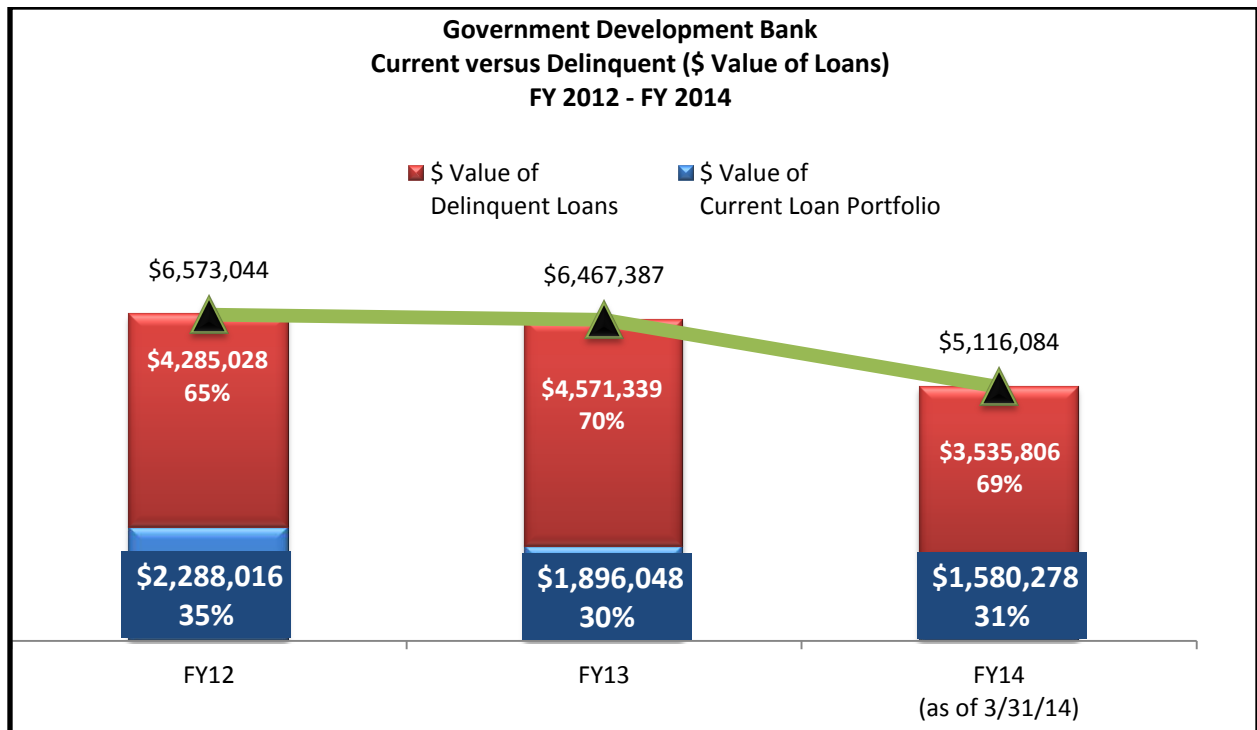
- Reduce the delinquency rate by 30% through aggressive collection efforts
- Increase the loan portfolio by 20% or \$1.8M with credit quality loans
- Recruit experienced staff to support the Lending initiatives
- Hire outside counsel to handle loan closings and lending delinquencies

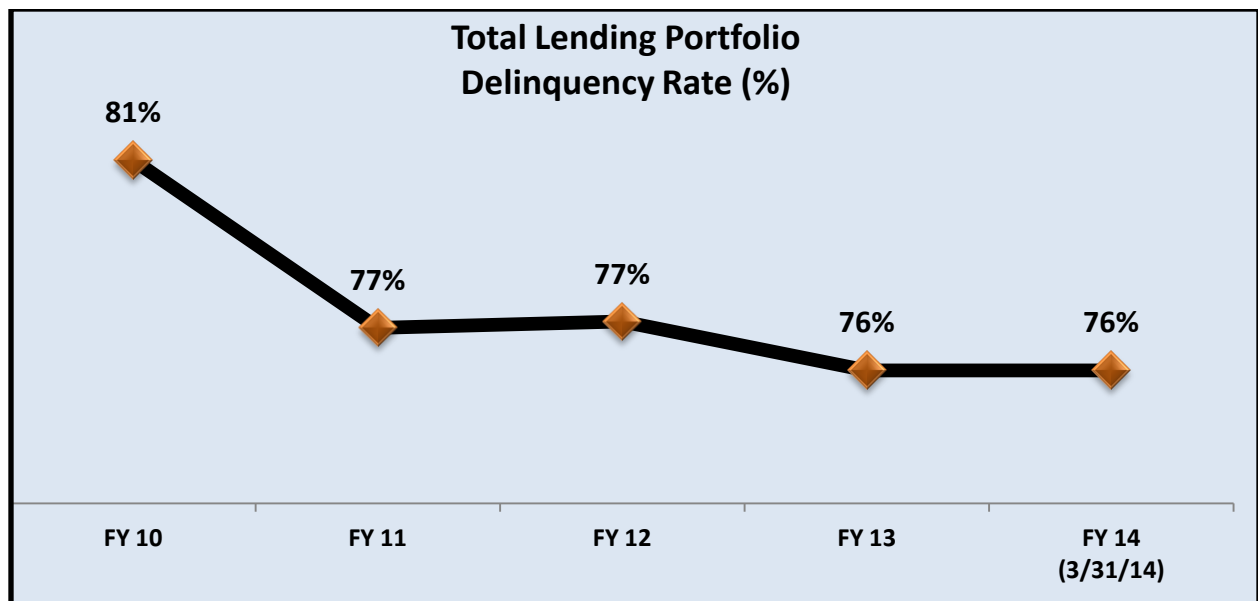
Key Performance Indicators (KPI)	Planned FY 2014	Actual FY 2014 (as of 3/31/14)	Planned FY 2015
Reduction in Loan Delinquency Rate (%)	55%	75%	45%
No. of Site/Customer Care Visits	144	163	175
No. of Clients assisted with Development Business Plans	30	5	20
No. of Educational/Outreach programs	16	10	12



**Virgin Island Economic Development Authority  
Lending Division  
Statistical Data**

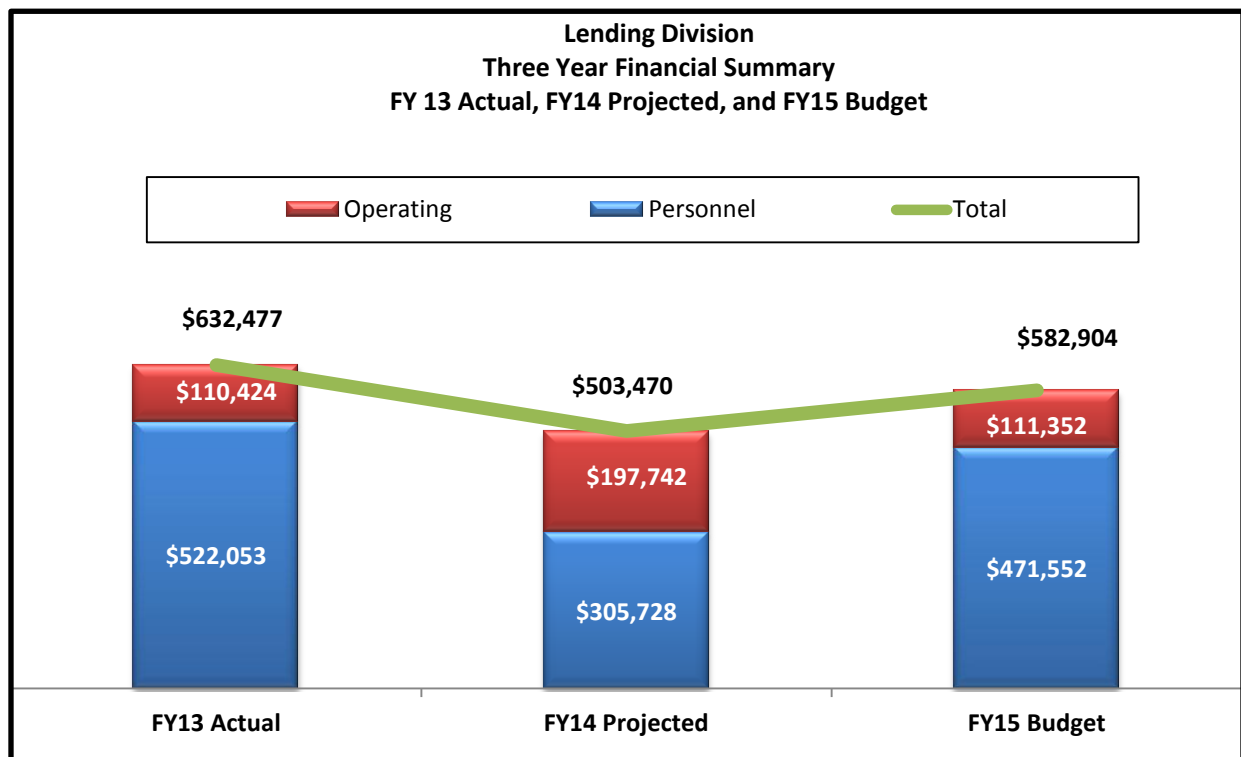






**Lending Division  
Three Year Financial Summary  
FY13 Actual, FY14 Projected, and FY15 Budget  
By Expense Category**

<b>EXPENDITURES</b>	<b>FY13 Actual</b>	<b>FY14 Projection</b>	<b>FY15 Budget</b>
Personnel Services	\$ 392,521	\$ 305,728	\$ 370,662
Fringe Benefits	129,532	100,890	100,890
Supplies	1,562	-	2,500
Professional Development	658	-	12,000
Other Svs. & Chgs.	31,173	34,000	34,000
Professional Services	68,453	57,326	57,326
Inter-Island Travel	8,190	5,026	5,026
Utilities	389	500	500
<b>Total (Direct Cost Only)</b>	<b>\$ 632,477</b>	<b>\$ 503,470</b>	<b>\$ 582,904</b>



## **2.3 ENTERPRISE ZONE COMMISSION**

---

### **Functional Statement**

The Enterprise Zone Commission (EZC) was created by the Legislature of the United States Virgin Islands with the passage of Act No. 6294. The Act mandates the revitalization of designated blighted and severely distressed areas in the U.S. Virgin Islands that were once socially and economically vibrant communities. The legislation provides for tax incentives and economic development program benefits that relax or eliminate fiscal and regulatory constraints that hinder economic growth. The legislation encourages collaboration between public, private and non-profit entities and provides a number of tax incentives and other benefits to support economic growth.

### **Operational Goal(s)**

Promote growth that include business expansion opportunities through public/private partnerships to create jobs, sustain community self-sufficiency and involvement.

### **Fiscal Year 2014 Objectives**

- Seek financing for the Save A Building Program
- Complete two Charrettes, one for Savanne and Downstreet and the other for Upstreet
- Implement components of Frederiksted, Garden Street, and Christiansted plans through the provision of grant financing
- Implement community development tax programs (EZ Tax Credit, EZ Plan Program and Commercial Zone Benefits)
- Provide an estate planning conference in each district to mitigate multiple ownership of buildings within the zones by May 2014
- Maintain open lines of communication with stakeholders to educate on activities, programs, ideas, and challenges through radio and print media
- Increase efficiency through staff enrichment and training
- Conduct community programs such as open house activities to allow the community to learn about the EZ and other EDA programs

#### **Fiscal Year 2014 Accomplishment as of March 31, 2014**

- Provided business support services to approximately 40 companies in the Enterprise Zones
- Approved four (4) applications for benefits totaling \$1,735,000 in direct investments
- Submitted modifications to the Enterprise Zone Law to include the creation of the Commercial Zone program for Governor's approval
- Spurred the formation of a new EZ stakeholder, the Christiansted Community Alliance
- Held the first annual EZC Beneficiary and EZC Stakeholder Seminars
- Completed the Christiansted Collaborative Town Plan and the Garden Street Community Plan
- Conducted the Upstreet Charrette
- Applied to the US Dept. of Commerce for a \$20M Choice Neighborhood grant
- Completed the Scrape, Paint & Rejuvenate program for the Frederiksted Zone
- Held Successful Estate Planning Conference in both districts

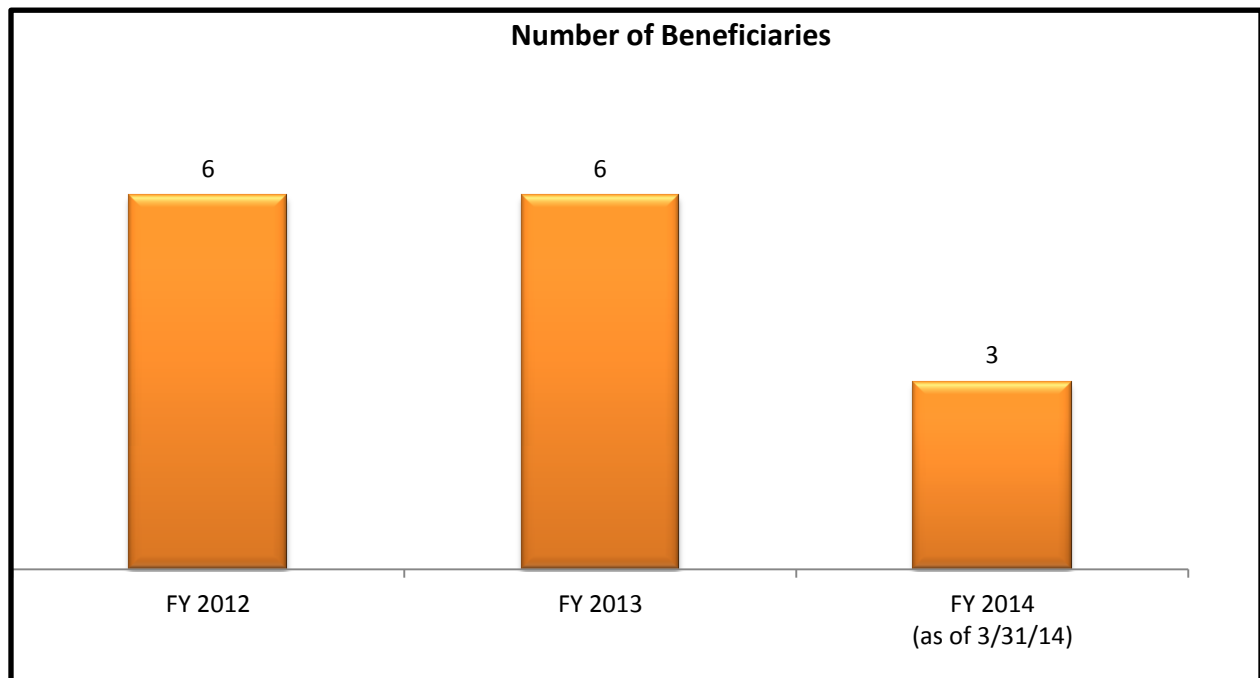
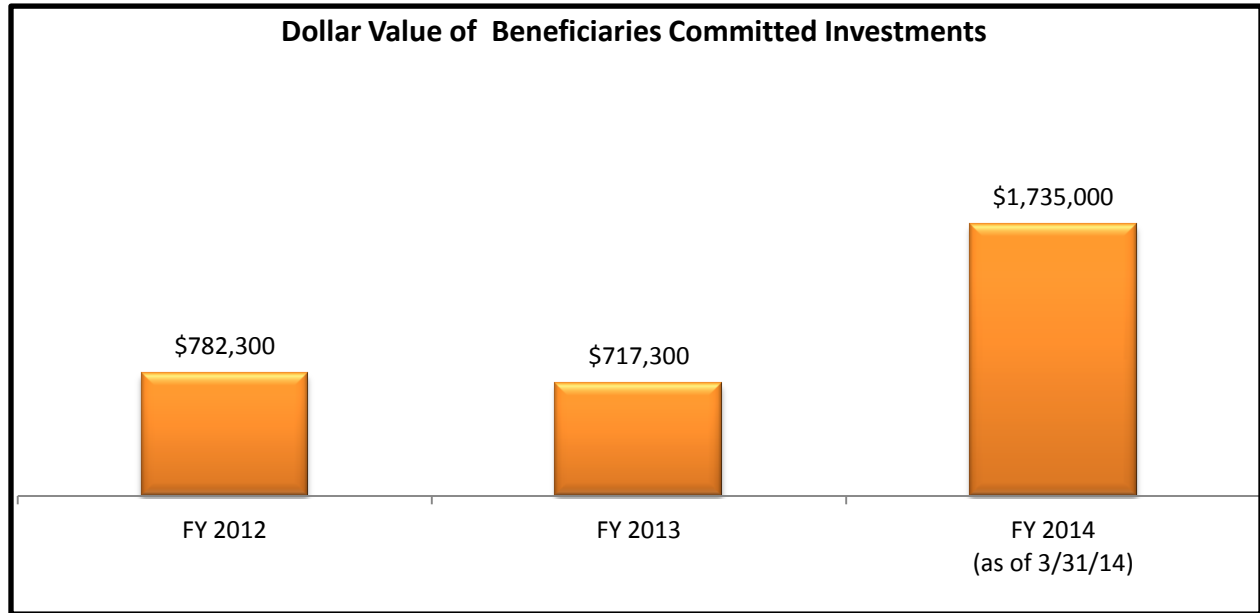
#### **Fiscal Year 2015 Objectives**

- Implement the Enterprise Zone 5-year Strategic Plan
- Implement components of Enterprise Zone's Town and Neighborhood plans
- Market and administer the community development tax programs (EZ Tax Credit, EZ Plan Program & Commercial Zone Benefits)
- Offer an estate planning conference by May 2015 in each district to provide information to individuals with joint ownership of properties within the zones
- Educate stakeholders on activities and programs through radio and print media
- Increase staff efficiency through selected trainings and programs

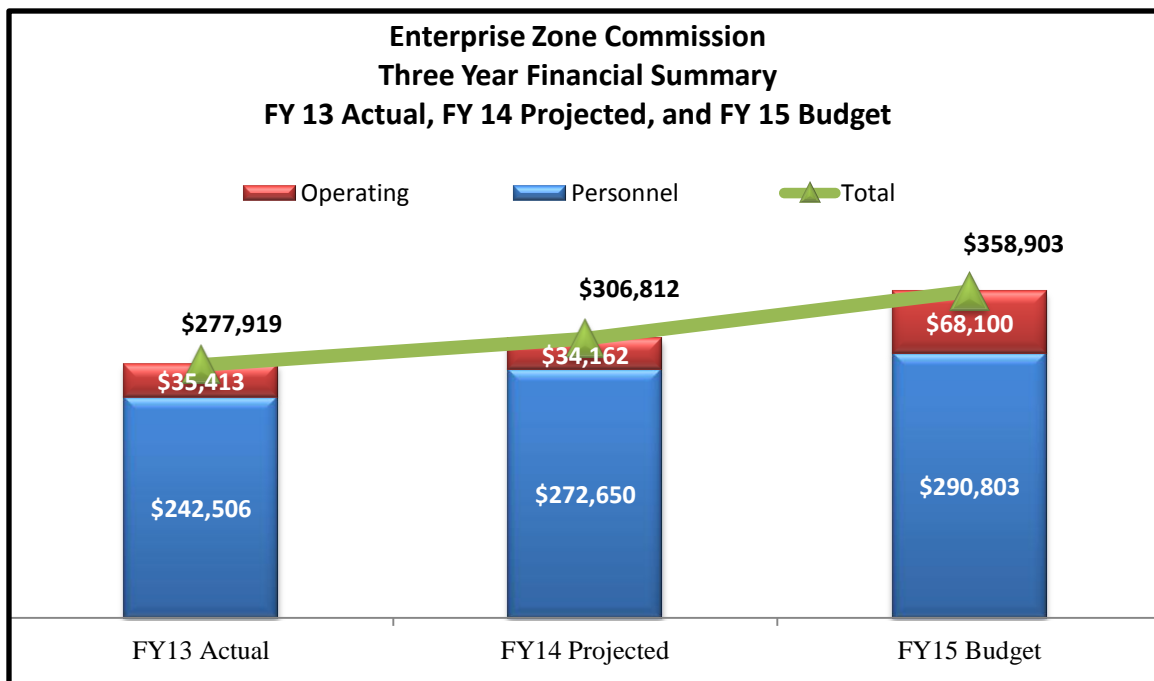
Key Performance Indicators (KPI)	Planned FY 2014	Actual FY 2014	Planned FY 2015
No. of financing institution contacted for funding	5	3	3
No. of stakeholders care activities conducted	7	9	10
No. of community programs undertaken	6	6	6

Virgin Island Economic Development Authority  
Enterprise Zone Commission  
Statistical Data

---



Enterprise Zone Commission Three Year Financial Summary By Budget Category			
EXPENDITURES	FY 2013 Actual	FY 2014 Projection	FY 2015 Budget
Personnel Services	187,682	205,000	218,649
Fringe Benefits	54,824	67,650	72,154
Supplies	782	2,000	-
Professional Development	11,176	8,933	-
Other Svs. & Chgs.	799	4,527	50,800
Professional Services	17,288	15,000	14,000
Inter-Island Travel	4,943	3,500	2,800
Utilities	424	202	500
<b>TOTAL (DIRECT COST ONLY)</b>	<b>277,919</b>	<b>306,812</b>	<b>358,903</b>





## **2.4 VI Industrial Park Development Corporation**

---

### **Functional Statement**

The Industrial Park Development Corporation (“IPDC”) is chartered as a public corporation to acquire and operate industrial parks in the United States Virgin Islands and to complement activities of the Economic Development Commission (EDC). The IPDC does not receive any funding from Government appropriations and is self-supported by revenues generated from its tenants. Two Industrial Parks fall under the auspices of the Industrial Park Development Corporation. They are the William D. Roebuck Industrial Park in Frederiksted, St. Croix and the St. Thomas Industrial Park located in Contant, St. Thomas. Presently, the IPDC facilities management team has the responsibility of maintaining all of VIEDA’s property, plant, and equipment.

### **Operational Goal(s)**

Meet the present and future needs of business and industry by making space available for commercial use and maintaining property value through a systematic and long-term maintenance program.

### **Fiscal Year 2014 Objectives**

- Reduce outstanding rent receivables by thirty percent (30%)
- Increase tenant occupancy by fifty percent (50%)
- Maintain and improve infrastructure to attract quality tenants

### **Fiscal Year 2014 Accomplishment as of March 31, 2014**

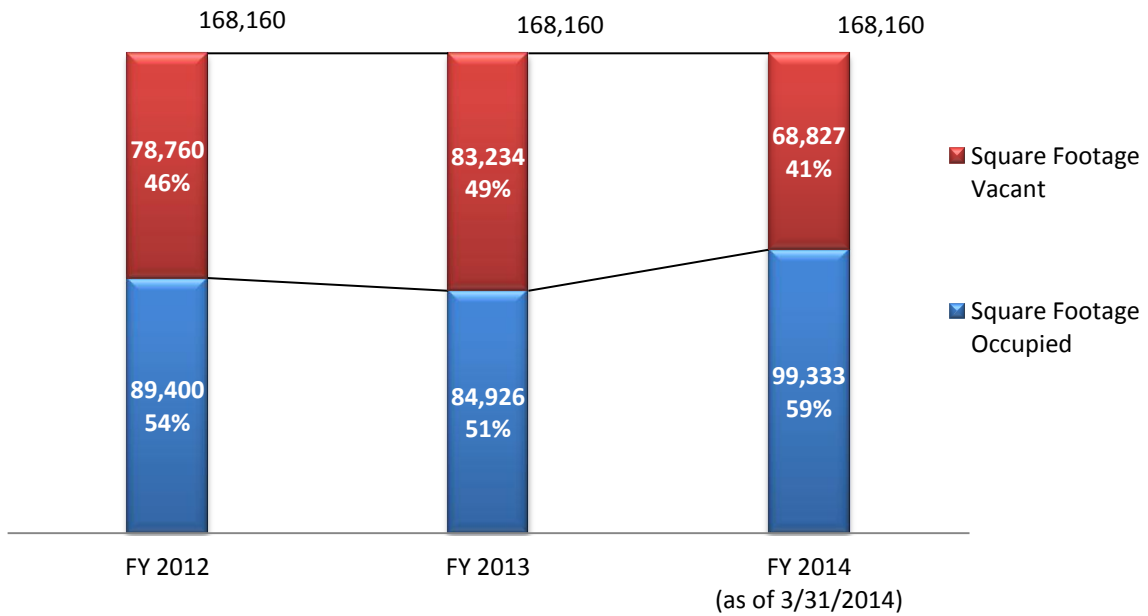
- Reduced the outstanding rent receivables by seventeen percent (17%)
- Negotiated lease agreement with four (4) new tenants
- Continued to research grants to assist in the maintenance and upkeep of the Park’s infrastructure
- Began an aggressive marketing campaign to attract new tenants
- Improve customer care services to enhance relationship with tenants

### Fiscal Year 2015 Objectives

- Seek federal funding to improve the Park's infrastructure
- Increase the tenant occupancy by thirty percent (30%)
- Develop long and short term preventative maintenance programs
- Improve tenant relationships to encourage retention and expansion of services
- Reduced outstanding receivables by at least sixty percent (60%)

Key Performance Indicators (KPI)	Planned FY 2014	Actual FY 2014 (as of 3/31/14)	FY 2015
Percentage reduction in accounts receivables	30%	17%	60%
Number of new tenants	5	4	6
Dollar value of capital improvements/enhancements	\$50K	\$30K	\$.5M
Percentage of scheduled maintenance to be completed	95%	30%	90%

**VI Industrial Park Development Corporation  
Occupancy / Vacancy Rate (Square Footage)  
Both Islands**

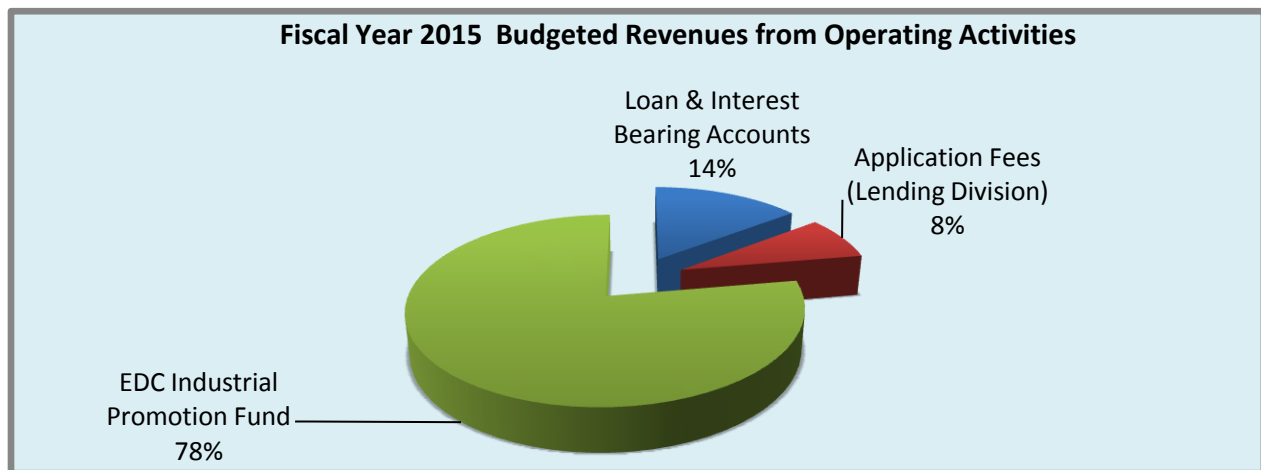


### 3.0 FINANCIAL INFORMATION

#### 3.1 REVENUE

The VIEDA's revenue is derived from three primary sources, namely government allotments, interest earned on unrestricted loans and interest bearing accounts, and fees collected from operating activities.

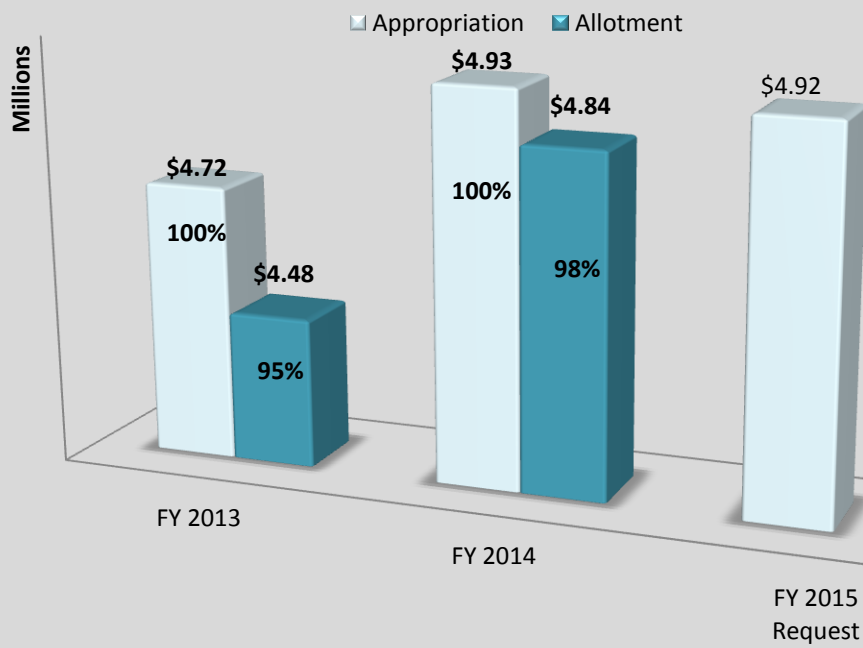
Fees received from operating activities include activation, application and compliance fees from EDC Beneficiaries. These amounts are deposited into the EDC Industrial Promotion Fund. An annual amount is transferred from this fund, as authorized by the Board of Directors, to help fund the VIEDA operation.



#### Projected Revenues Generated from Operational Activities

	Actual FY 2013	Actual 10/1/13-3/31/14	Projected 4/1-9/30/14	Total Projected FY 2014	Budgeted FY 2015
<b><u>Interest Income</u></b>					
Loan & Interest Bearing Accounts	\$ 99,508	\$ 31,319	\$ 31,319	\$ 62,638	\$ 95,000
<b><u>Fees</u></b>					
Loan Origination / Application Fees	55,281	6,065	35,000	41,065	50,000
Miscellaneous fees (i.e. copy, registration, etc.)	9,653	1,269	900	2,169	-
<b><u>Internal Transfer</u></b>					
EDC Industrial Promotion Fund	448,800	505,000	-	505,000	505,000
<b>Total Budgeted Revenues from Operating Activities</b>	<b>\$ 613,243</b>	<b>\$ 543,654</b>	<b>\$ 67,219</b>	<b>\$ 610,873</b>	<b>\$ 650,000</b>
<b>Plus:</b>					
Government Allotment	4,481,815	2,469,130	2,370,365	4,839,495	4,920,000
<b>Total Budgeted Revenue</b>	<b>\$ 5,095,058</b>	<b>\$ 3,012,784</b>	<b>\$ 2,437,584</b>	<b>\$ 5,450,368</b>	<b>\$ 5,570,000</b>

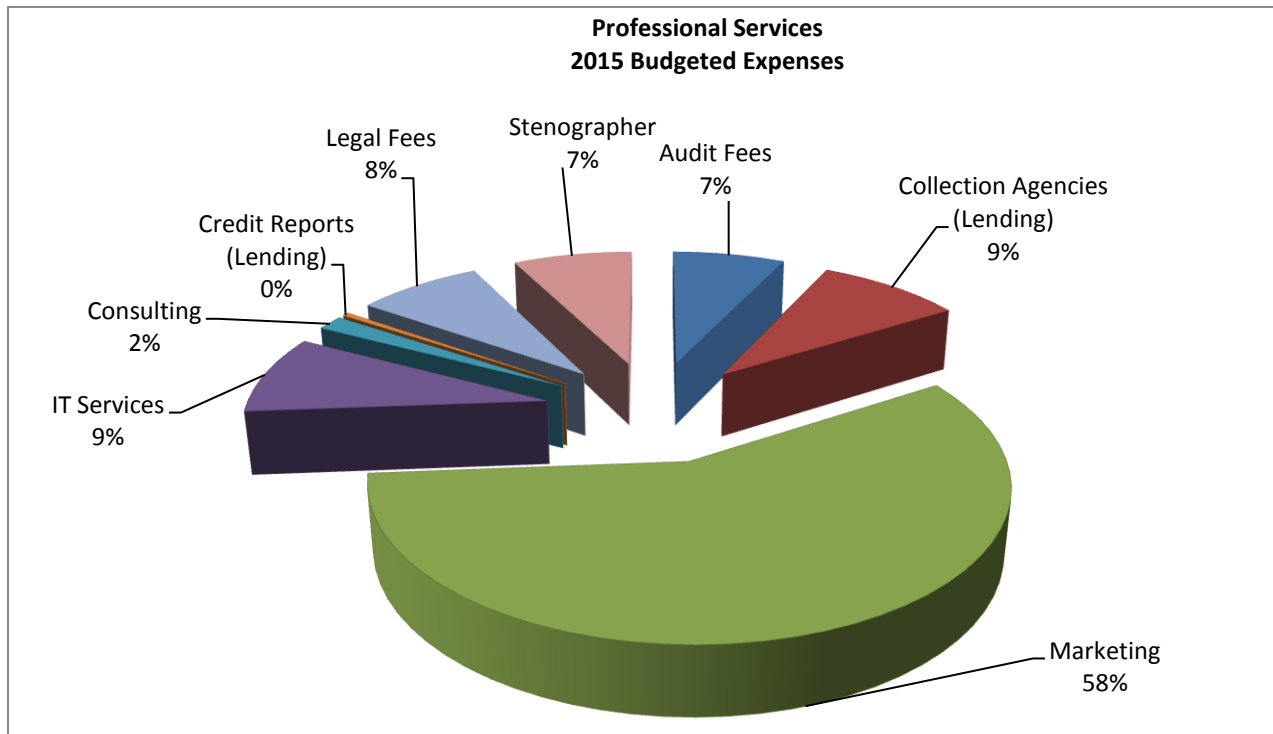
### Appropriation and Allotment Comparisons Historical Data (FY 2010 - FY 2014)



### 3.2 EXPENDITURE COMPARISON FOR FISCAL YEAR 2013, 2014 PROJECTED AND 2015 BUDGETED

LEGISLATURE OF THE VIRGIN ISLANDS					
POST AUDIT DIVISION					
EXPENDITURES BY PRIME ACCOUNTS					
DEPARTMENT/AGENCY/OFFICE NAME	Actual	Actual Expenditures	Proj. Expenditures	Total Proj. Expenditures	PROJECTED
Fiscal Period	FY 2013	Oct. 1, 2013 - Mar. 31, 2014	Apr. 1, 2014 - Sept. 30, 2014	FY 2014	Budget 2015
<b>PERSONNEL SERVICES</b>					
CLASSIFIED EMPLOYEE SALARIES	1,373,869	495,022	577,526	1,072,548	1,323,304
UNCLASSIFIED EMPL. SALARIES	940,943	605,027	705,865	1,310,892	1,268,200
TEMP/PART TIME SALARIES				-	
OVERTIME SALARIES	18	-		-	
LUMP SUM PAYMENTS				-	
NIGHT DIFFERENTIAL COMP				-	
OTHER DIFFERENTIAL COMP				-	
FEES & COMPENSATION NOC				-	
HOLIDAY PAY				-	
ALL OTHER				-	
<b>SUB-TOTAL</b>	<b>2,314,830</b>	<b>1,100,049</b>	<b>1,283,391</b>	<b>2,383,439</b>	<b>2,591,504</b>
				-	
<b>CAPITAL OUTLAYS</b>					
MACHINERY & EQUIPMENT		-	-	-	
VEHICLES				-	
ALL OTHER	-	12,598	62,668	75,266	35,000
<b>SUB-TOTAL</b>	<b>-</b>	<b>12,598</b>	<b>62,668</b>	<b>75,266</b>	<b>35,000</b>
<b>FRINGE BENEFITS</b>					
EMPLOYER CONTR. RETIREMENT	328,468	192,509	224,593	417,102	453,513
F.I.C.A.	141,626	68,203	79,570	147,773	160,673
MEDICARE	32,777	15,951	18,609	34,560	37,577
HEALTH INSURANCE PREMIUM	205,009	88,004	102,671	190,675	203,433
WORKERS COMP. PREMIUMS	1,593	-		-	
UNIFORM ALLOWANCE			-	-	
ALL OTHER		1,125	-	1,125	
<b>SUB-TOTAL</b>	<b>709,473</b>	<b>365,791</b>	<b>425,444</b>	<b>791,235</b>	<b>855,196</b>
				-	
<b>SUPPLIES</b>					
OFFICE SUPPLIES	53,894	24,327	35,000	59,327	45,000
OPERATING SUPPLIES					
SMALL TOOLS/MINOR EQUIPMENT					
ALL OTHER	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>53,894</b>	<b>24,327</b>	<b>35,000</b>	<b>59,327</b>	<b>45,000</b>
				-	
<b>OTHER SERVICES &amp; CHARGES</b>					
PROFESSIONAL SERVICES	581,942	358,024	400,000	758,024	714,050
COMMUNICATION	81,225	37,697	40,000	77,697	77,100
TRAVEL	82,653	43,345	60,000	103,345	78,800
TRANSPORTATION - NOT TRAVEL	-			-	
ADVERTISING AND PROMOTION	190,815	165,963	126,726	292,689	272,248
PRINTING AND BINDING	482	272	5,000	5,272	7,000
INSURANCE	67,120	42,878	23,000	65,878	65,000
REPAIRS AND MAINTENANCE	109,510	30,547	30,000	60,547	60,965
RENTAL- LAND/BUILDING	262,157	116,034	116,034	232,068	232,068
RENTAL - MACHINES/EQUIPMENT	-			-	
TRAINING	117,727	57,393	50,000	107,393	65,000
SECURITY	-			-	
ALL OTHER	317,928	174,237	175,000	349,237	385,069
<b>SUB-TOTAL</b>	<b>1,811,559</b>	<b>1,026,390</b>	<b>1,025,760</b>	<b>2,052,150</b>	<b>1,957,300</b>
				-	
<b>UTILITY SERVICES</b>					
ELECTRICITY	198,903	41,354	45,000	86,354	84,000
WATER	699	1,096	1,500	2,596	2,000
<b>SUB-TOTAL</b>	<b>199,602</b>	<b>42,450</b>	<b>46,500</b>	<b>88,950</b>	<b>86,000</b>
				-	
<b>TOTAL EXPENSES</b>	<b>5,089,358</b>	<b>2,571,605</b>	<b>2,878,763</b>	<b>5,450,368</b>	<b>5,570,000</b>
<b>Appropriation/Allotment</b>	<b>4,481,815</b>	<b>2,469,130</b>	<b>2,370,365</b>	<b>4,839,495</b>	<b>4,920,000</b>
<b>EDA Revenue</b>	<b>613,243</b>	<b>543,654</b>	<b>67,219</b>	<b>610,873</b>	<b>650,000</b>
<b>Total Projected (Actual) Revenues</b>	<b>5,095,058</b>	<b>3,012,784</b>	<b>2,437,584</b>	<b>5,450,368</b>	<b>5,570,000</b>

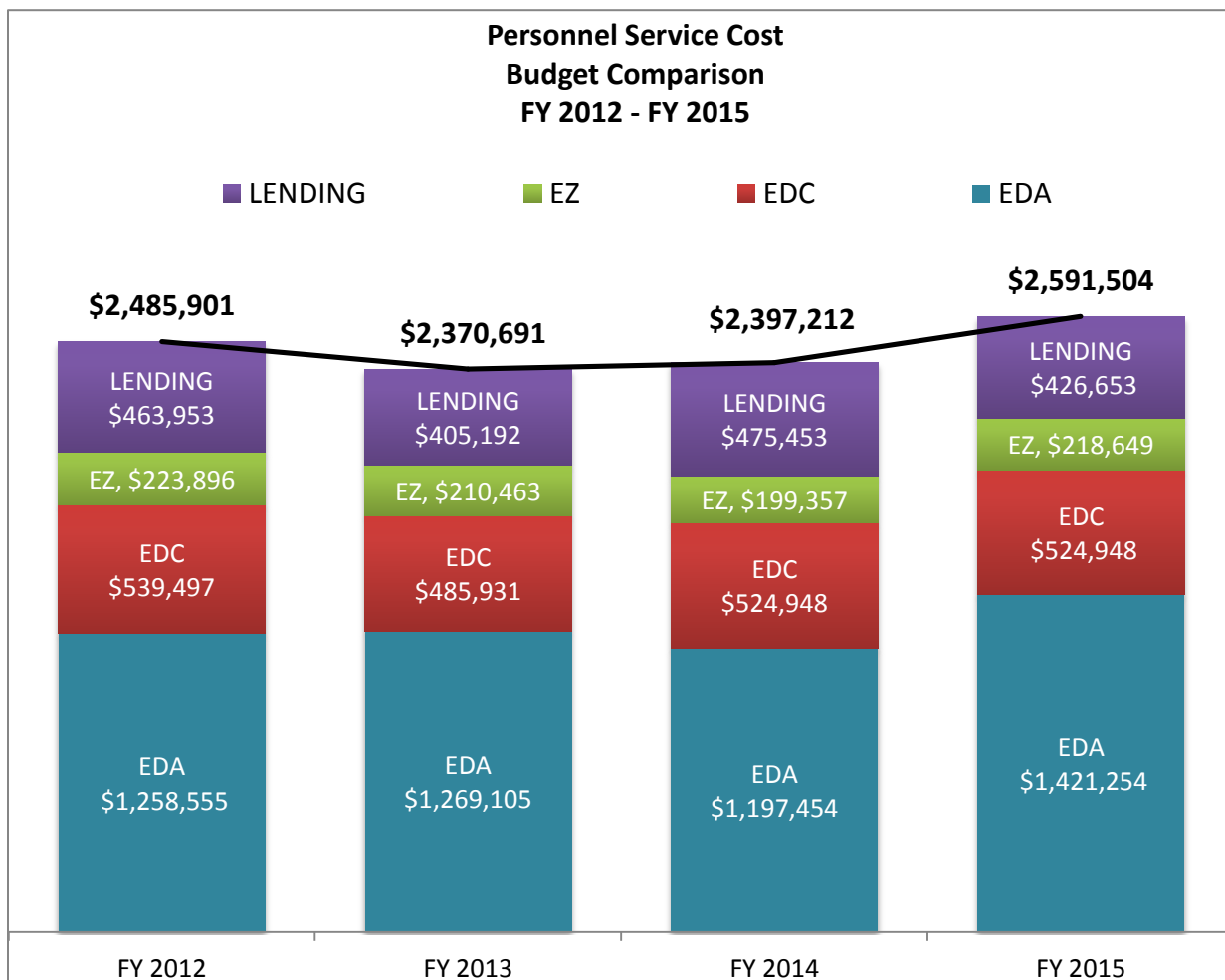
### 3.3 PROFESSIONAL SERVICES



Professional Services	FY 2013 Actual	FY 2014 Projected	FY 2015 Budgeted
Audit Fees	\$ 43,400	\$ 46,000	\$ 43,000
Collection Agencies (Lending)	54,794	55,000	55,000
Marketing	227,893	392,050	392,050
IT Services	49,992	65,000	53,500
Consulting	35,631	80,000	75,000
Credit Reports (Lending)	1,683	2,500	2,500
Legal Fees	120,723	67,474	47,500
Stenographer	47,826	50,000	45,500
<b>Total</b>	<b>\$ 581,942</b>	<b>\$ 758,024</b>	<b>714,050</b>

### 3.4 Personnel Service Cost Breakdown by Department and Classification

Personnel Listing - All Positions	Position Classification					
Department	Positions #	Unclassified Amount	Positions (#)	Classified Amount	Total Positions (#)	Total Salary Amount
EDA	12	\$ 890,200	12	\$ 531,054	24	\$ 1,421,254
EDC	2	\$ 160,000	7	\$ 364,948	9	\$ 524,948
Enterprise	1	\$ 90,000	3	\$ 128,649	4	\$ 218,649
Lending	2	\$ 128,000	6	\$ 298,653	8	\$ 426,653
Total	17	\$ 1,268,200	28	\$ 1,323,304	45	\$ 2,591,504





### 3.5 BUDGET SUMMARY

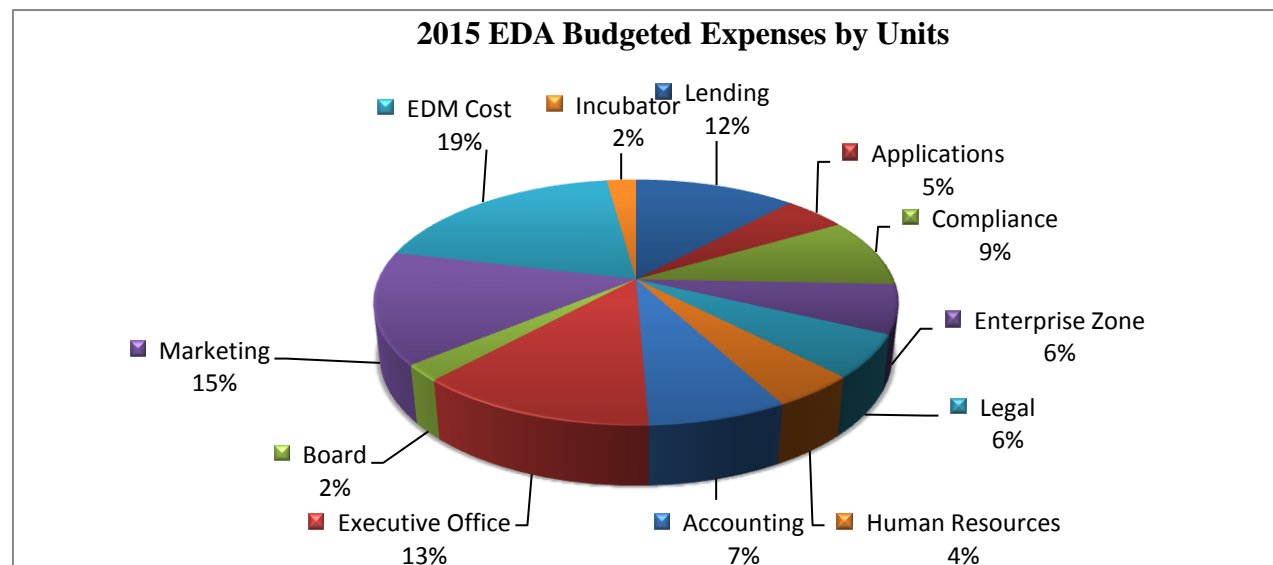
- The V.I. Economic Development Authority's Fiscal Year 2015 Budget - \$5,570,000.
- VIEDA Generated revenues - \$650,000
- The request level of appropriation for Fiscal Year 2015 - \$4,920,000.

#### 2015 Budget Allocations by Units

Division/Dept. No. of Employees	Lending	APP	COMP	EZ	Legal	HR	ACTNG	EXECUTIVE	Board	MARKETING	EDM	TOTAL
	8	3	6	4	3	2	5	7	1	3	1	45
Personnel Service	\$ 426,653	\$ 183,557	\$ 341,391	\$ 218,649	\$ 217,000	\$ 130,420	\$ 298,370	\$ 508,913	\$ 64,000	\$ 156,350	\$ 46,201	\$ 2,591,504
Fringe Benefits	140,795	60,574	112,659	72,154	71,610	43,039	98,462	167,941	21,120	51,596	15,246	855,196
Total Personnel Cost	567,448	244,131	454,050	290,803	288,610	173,459	396,832	676,854	85,120	207,946	61,447	3,446,700
Operating Expense	94,700	15,700	51,700	68,100	25,900	71,600	5,850	18,000	34,500	613,400	1,123,850	2,123,300
Ceiling Level	\$ 662,148	\$ 259,831	\$ 505,750	\$ 358,903	\$ 314,510	\$ 245,059	\$ 402,682	\$ 694,854	\$ 119,620	\$ 821,346	\$ 1,185,297	\$ 5,570,000

#### Revenues:

2015 Appropriation Request	\$ 4,920,000
2015 EDA Generated Revenues	\$ 650,000
<b>TOTAL PROJ. REVENUES</b>	<b>\$ 5,570,000</b>



#### 4. OTHER SUPPLEMENTAL INFORMATION

##### A. Vehicle Listing for VIEDA

Presently, EDA has ten (10) vehicles. Seven (7) were purchased with local funds and three (3) with Industrial Park Development Corporation funds.

YEAR	MAKE	MODEL	ASSIGNED USE	SOURCE OF FUNDING	ISLAND
2007	TOYOTA	RAV4	ADMIN – VIEDA	GENERAL FUND	ST. CROIX
2007	TOYOTA	RAV4	EXECUTIVE – VIEDA	GENERAL FUND	ST. CROIX
2002	HONDA	CRV-LX	ADMIN – VIEDA	GENERAL FUND	ST. CROIX
2005	CHEVROLET	PICK UP	ADMIN – VIEDA	INDUSTRIAL PARK FUND	ST. CROIX
2005	CHEVROLET	TRAIL BLAZER	EXECUTIVE – VIEDA	INDUSTRIAL PARK FUNDS	ST. CROIX
2007	TOYOTA	RAV4	EXECUTIVE – VIEDA	GENERAL FUND	ST. THOMAS
2007	TOYOTA	RAV4	EXECUTIVE – VIEDA	GENERAL FUND	ST. THOMAS
2013	CHEVY	TRANVERSE	EXECUTIVE – VIEDA	GENERAL FUND	ST. THOMAS
2005	HONDA	CRV-LX	EXECUTIVE – VIEDA	GENERAL FUND	ST. THOMAS

##### B. Listing of Real Property being rented or leased by the VIEDA

Physical Address	Landlord	Sq. Ft.	Annual Rent	Lease Terms	Use of Lease Premises
Nisky Shopping Center Second Floor, Suite 620 St. Thomas	B & W Realty Investments, Ltd.	6,800	\$166,600	5 Years	Office Space
116 King Street F'sted, St. Croix	VI Industrial Park Development Corp.	4,088	\$49,464	Month to Month	Office Space
18B-2 Lindberg Bay St. Thomas	Crown Holding	2,000	\$16,000	Month to Month	Storage Space

### Glossary of Selected Terms

**BUDGET.** An estimate of income and expenditure used to plan, monitor, and evaluate financial activities.

**CAPITAL OUTLAY.** Expenditures for the acquisition, maintenance or upgrade of assets exceeding \$500 and benefiting more than one period.

**TEMPORARY EMPLOYEE.** An employee hired for a particular project or a definite period of time.

**DIRECT COST.** A direct cost is a cost that can be identified specifically with a Unit and can be traced directly with relative ease and a high degree of accuracy.

**FRINGE BENEFITS.** Various types of non-wage compensation provided to employees that include retirement contributions, F.I.C.A, health insurance and uniform allowance.

**INSURANCE.** Cost to cover risks of a contingent or uncertain loss and these include personal injury, directors' and officers' liability and auto insurance.

**INDIRECT COSTS.** An indirect cost is a cost that is incurred in common with other Units and cannot be traced to anyone Unit

**KEY PERFORMANCE INDICATOR (KPI).** A quantitative or qualitative factor that measures program results against an objective. It "suggests" or "approximate" an outcome which need not be based on an official standard.

**PERSONNEL SERVICE.** The gross salary amounts paid to full-time, part-time and temporary employees.

**PROFESSIONAL DEVELOPMENT.** Employer sponsored training to improve and enhance employees' job related skills

**RENT.** Compensation paid for the use of offices or storage space.

**REPAIRS AND MAINTENANCE.** Amount for repairs, maintain and upkeep of buildings and equipment.

**OFFICE SUPPLIES.** The materials needed by staff to perform their daily tasks. Examples of office supplies include pens, paper and other stationery items.

**INTER- ISLAND TRAVEL.** Staff travel between Islands and includes airfare, per diem and hotel cost.

**UTILITIES.** This expense category includes electricity, water, telephone, cell phone and internet services.