

BOARD OF TRUSTEES GUIDING PRINCIPLES  
FOR THE UNIVERSITY OF THE VIRGIN ISLANDS  
RESEARCH AND TECHNOLOGY PARK  
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## SECTION I - UVI AND UVIRTPARK ACADEMIC COLLABORATION

### 1. Principles of Collaboration and Cooperation

In keeping with Section 480 (d), The Corporation shall promote scientific research and development in affiliation with and related to the research and development activities of the University of the Virgin Islands and enhance the University of the Virgin Islands' missions' of teaching, research, and public service. The administrations of the University and the Research and Technology Park shall develop and sign a memorandum of understanding and collaboration that is based on the following principles of collaboration and cooperation:

- The Park Corporation will serve as a teaching laboratory for faculty and students and will be linked to the needs of business and employment opportunities for trainees and graduates. Close collaboration with faculty to explore research and consulting opportunities will also be encouraged.
- The Park Corporation will partner with UVI, industry and government to create information age opportunities for local employment, as well as to broaden the teaching and research capabilities of the University, and facilitate joint ventures with corporate partners in the development and commercialization of new technologies and applications.
- The Park Corporation shall encourage physical and virtual Park tenants to participate in UVI programs and to provide human, technological, physical and financial resources to UVI to support its teaching, research and service programs.
- The Park Corporation and the University administration shall maintain a collaborative and cooperative relationship that supports the mission of the University.
- The Park Corporation and the University administration shall collaborate to develop policies on intellectual property.
- By written agreement the Park Corporation and UVI may arrange for the sharing of resources by way of joint appointments of faculty or administrators on terms that are mutually agreeable.

Collaboration between the Park Corporation and University shall be facilitated by the establishment of joint coordinating committees, or other appropriate mechanisms, to address the on-going relationship on such matters as workforce development, research, entrepreneurship, etc.

## SECTION II - FINANCIAL MATTERS

### 1. Financial Support of the University of the Virgin Islands

In keeping with the Section 480 (d) of Act 6205, the University Research and Technology Park shall provide for the financial support of the University. This financial support shall be in the form of grants and contributions based on the financial operations of the Park. As a revenue

generating entity for the University, the Park is challenged to achieve financial self-sustainability within five (5) years. The University and the Park shall develop a revenue sharing agreement that is governed by the following guidelines:

- a. Payment by the Park for services provided by the University or vice-versa.
- b. Allocation of no less than fifty percent of the net operating revenues of the Park to fund the operations of the University.
- c. Designated funding of University projects and initiatives by Park tenants.
- d. Allocation to the University of no less than fifty percent of earnings from all other sources, including equity interests in tenant businesses or incubators, or earnings derived from investments, capital gains, etc.

## 2. Financial Audits

In keeping with section 489(c) of Act 6205, the Research Park Corporation shall obtain an independent certified audit annually for transmittal annually to the Governor, the Legislature and the Board of Trustees of the University of the Virgin Islands within 120 days of the end of the fiscal year.

## 3. Reports

The Park shall prepare and present an annual report to the Board of Trustees of the University on the results of operations and performance of the Park within 120 days of the end of the Park's fiscal year.

## 4. Fiscal Year

Consistent with the fiscal year of the University, the Park's fiscal year shall be October 1 to September 30.

# **SECTION III - PARK GOVERNANCE AND MANAGEMENT**

## 1. Bylaws and Policies

In keeping with Section 486 (d) the Park corporation is authorized to adopt, amend and repeal by-laws not inconsistent with Act 6205, providing for the internal organization and management of the Corporation, for the administration of its affairs and operations, and for carrying into effect the powers and purposes of the Corporation; The Treasurer of the University shall serve as the Treasurer of the University of the Virgin Islands Research and Technology Park Corporation and the Park and the Research and Technology Park Protected Cell Corporation. These Bylaws and management policies of the Park Corporation shall be consistent with Act 6502 as well as the Guiding Principles prescribed by the University of the Virgin Islands Board of Trustees.

## 2. Compensation of Board Members

All members of the Park Board, except Government members shall be entitled to compensation for their service as members. Non-governmental Board members shall be entitled to compensation at the rate of \$250 per meeting up to a maximum of \$250 per day, and the Chairman of the Board shall be entitled to compensation at the rate of \$500 per meeting up to a maximum of \$500 per day, for attending official teleconference and face-to-face meetings of the Board and/or official teleconference and face-to-face committee meetings, to be paid from revenues generated by the Park Corporation. All members of the Board shall be entitled to reimbursement for, or per diem in lieu of, necessary travel expenses.

## 3. Management Principles

Recognizing that one of the Park's mandate is to be a revenue-generating enterprise, the Park must be business-minded in its organization and operations, and respond to the needs of its clients at the speed of business. Accordingly, the Park should develop policies and practices that place a high value on innovation and entrepreneurship to achieve the economic objectives of the Park, including appropriate forms of compensation and the prudent use of financial and other incentives for members of the Board of Directors and employees of the Park. Business policies of the Park must balance the need to be entrepreneurial with the need for public accountability.

## 4. Code of Ethics/Conflict of Interest

The Research and Technology Park is a public trust and, as such, it imposes on the University and the Park an obligation to be publicly accountable in carrying out the mission of the Park as well as its associated fiduciary responsibilities. The management practices of the Park must be beyond reproach, and officers and members of the Board of Directors are obliged to conduct themselves in a manner that is consistent with high ethical standards. In this regard, the Park Board of Directors shall adopt a code of ethics that will prescribe a code of conduct by which directors and officers will be bound in the execution of their duties and responsibilities.

## 5. Know Your Customer Policies

The Park Corporation shall adopt and enforce stringent "Know Your Customer" policies and procedures in the selection of tenants that are consistent with maintaining and promoting a reputation and image of a prestigious University Park with zero tolerance for illegal or illegitimate business activities. The vetting procedures adopted by the park shall provide for the development of regulations and procedures to deter and detect illegal activities or financial crimes. Such regulations and procedures should be designed to reduce the likelihood that the Research and Technology Park will become an unwitting participant in any customer's illicit activities by requiring businesses and park tenants to determine the true identities and legitimate activities of their customers. The regulations would require each tenant determine the identity of its customers, to determine normal and expected transactions for its customers, to determine its customers' sources of funds, to identify transactions that are not normal or expected transactions for the customer, and to report suspicious transactions under existing suspicious activity reporting requirements to the appropriate governmental authorities.

Every tenant shall indemnify the Research and Technology Park and the University of the Virgin Islands and the Government of the Virgin Islands from claims and lawsuits brought against them with respect to a tenant engaging in illegal activities.

## **SECTION IV - PROTECTED CELL CORPORATION**

### **1. The Protected Cell Corporation**

Section 800 of Act 6502 provides for the creation of a protected cell corporation by the Legislature of the Virgin Islands to be owned by the University of the Virgin Islands Research and Technology Park Corporation, defined as the “Research and Technology Park Protected Cell Corporation,” as a means to provide hosting services to knowledge-based businesses, in the Research and Technology Park and to offer tax benefits to the Protected Cells of the Research and Technology Park Protected Cell Corporation.

The Research and Technology Park Protected Cell Corporation is a public corporation and an autonomous governmental instrumentality of the Government of the Virgin Islands. It shall be located in the Research and Technology Park and benefits under this chapter shall only be provided to such Corporation and its Protected Cells as defined in this chapter for revenue generated from its operations in the Research and Technology Park. Incentives of the Research and Technology Park Protected Cell Corporation shall be those enumerated in Section 806 of Act 6502.

The Research and Technology Park Protected Cell Corporation shall pay an annual franchise tax to the Department of Finance based on the worldwide gross receipts of each of the Corporation’s Protected Cells as detailed in Section 800 of Act 6502.

The Research and Technology Park Protected Cell Corporation shall receive the tax benefits for the benefit of each Protected Cell upon the prior written approval of the Board of Directors of the Research and Technology Park Corporation of a plan of operation with respect to the respective Protected Cell. The Protected Cell shall not be subject to any otherwise applicable taxes or tax increases that may be subsequently enacted by the Legislature of the Virgin Islands during the period of its benefits, which is the lesser of fifteen (15) years or the period of time as a Protected Cell. Benefits shall be renewable in increments of ten years, initially, and five years thereafter under rules to be developed by the Board of the Protected Cell Corporation.

### **2. Primary Function of Protected Cells**

The primary function of the “Research and Technology Park Protected Cell Corporation,” is to create an environment to enable technology and knowledge based companies to conduct their e-commerce and knowledge-based e-commerce operations in the territory in a virtual way, while generating income to the park and the territory. One of the important purposes of the Cell Corporation is to help develop the territory into a world-class center for e-commerce. To achieve this purpose, the “Protected Cell Corporation” will host “Cells” that are engaged in providing and using hosting and e-commerce services to conduct e-commerce operations in the territory.

Upon the written approval by the Board of the plan of operation, which shall include, but not be limited to, the specific business and investment objectives of each Protected Cell, the Research and Technology Park Protected Cell Corporation may establish the Protected Cell and may establish written procedures therefore, which will include an establishment fee and an annual fee payable to the Research and Technology Park Protected Cell Corporation. In order to receive a protected cell, the following conditions must be met:

- a. The company must either (a) be providing hosting services to technology or knowledge-based companies located the Park, or (b) be a technology or knowledge-based company located in the Park for the purpose of acquiring hosting services for its e-commerce or business operations, or (c) otherwise be involved in eligible business activity that is legally consistent with the legislation.
- b. The company must be incorporated and licensed to do business in the territory.
- c. The company must run its business transactions on web-servers physically located in the territory.
- d. The company must do its banking and process its financial transactions related to its e-commerce operations in banks or other financial institutions located in the territory.

## **SECTION V - OCCUPANT SELECTION AND STANDARDS OF APPROVAL**

The Research and Technology park Board shall develop regulations setting forth guidelines for approval of tenancy in the park. These regulations shall be consistent with the guidelines and standards of approval set out below:

All occupants of the Research and Technology Park must be approved by the Research and Technology Park Board. The Board will evaluate and make decisions upon all requests for tenancy in the Research and Technology Park based upon “Standards of Approval” which shall include the following:

- General considerations
- Eligibility and relationship requirements
- The permitted uses for the Research and Technology Park
- Benefits and capabilities
- Other provisions of this Policy on Occupant Selection Criteria and Procedures.

### **1. Applications**

Any individual or entity interested in physical or “virtual” tenancy in the UVI Research and Technology Park must request approval from the Research and Technology Park Board in writing, providing the following information:

- a. Applicants for physical tenancy in the Park are required to submit a Business Plan that must,

at a minimum, provide the following:

- ✓ A description of the proposed type of business to be conducted in the Park..
- ✓ The proposed relationship with the University and the Park.
- ✓ Business and investment objectives of the company.
- ✓ A detailed list of shareholders and background/curricula vitae of principal shareholders
- ✓ The proposed number and types of jobs to be created.
- ✓ The proposed staffing plan and levels of compensation.
- ✓ If applicable, a five-year history of the annual world wide revenues generated by the company.
- ✓ A five-year projection of annual world wide revenues to be generated by the cell.
- ✓ The company's proposals and plans to pursue community service objectives and projects to enhance the social development in territory.
- ✓ Other information deemed necessary by the Park administration.

b. Applicants for virtual tenancy in the Park are required to submit a Plan of Operation that must, at a minimum, include the following:

- ✓ The specific name and description of the business.
- ✓ The business / investment objectives of the company and the cell.
- ✓ A detailed list of any and all shareholders of the proposed cell.
- ✓ If applicable, a five-year history of the annual world wide revenues generated by the company.
- ✓ A five-year projection of annual world wide revenues to be generated by the cell.

c. Applicants desiring to provide an ancillary service within the Park will provide a plan of operations that describes in sufficient detail how tenancy in the Park will provide a service or function that is deemed a necessary or desirable ancillary service for the long-term success of the Research and Technology Park.

- ✓ All applicants are to provide supporting information including financial statements for the company as a whole and its subsidiaries.
- ✓ When deemed applicable, applicants must submit supporting information on the existing and/or potential collaborative relationship with the University in the area of instruction, research or community service.
- ✓ All applicants must submit any other information deemed relevant to assessing the proposed occupant's compatibility with the goals and best interests of the University and the Park.

## 2. Guidelines and Standards of Approval for Physical Tenants

Where applicable, the following considerations shall be taken into account in considering applications by physical tenants for occupancy in the Park.

a. General

- The ability and willingness of the potential occupant to comply with all applicable governmental and Park regulations.
- The nature of the business of the potential occupant is generally consistent with purposes of the Park.
- The manner in which the proposed occupant conducts its business is consistent with the values and best interests of the Park and the University.

b. Eligibility and Relationship with the University and the Park

Where applicable, the proposed relationship with the University and the Park shall be taken into account, as follows, in considering applications for occupancy in the Park.

- The proposed occupant has a substantial existing collaborative relationship or is proposing a substantial collaborative relationship with the University of The Virgin Islands that contributes to the University's mission of instruction research and public service.
- The proposed occupant is deemed to be a strategic business partner that will bring to the Park specific areas of expertise that are needed for the operation and success of the Park.
- The proposed occupant is engaged in a technology-oriented, knowledge-based, or e-commerce business activity that will help the Park to build a sustainable technology sector in the territory in one of the following ways:
  - (1) generate revenues for the Park and the University,
  - (2) create technology or knowledge based employment for UVI graduates and other Virgin Islands residents
  - (3) generate business investment in the Park
  - (4) create new knowledge-based businesses
  - (5) generate spin-off economic activity
  - (6) add new technology or enhancement to the Park that will attract other technology companies to the Park.
- The proposed occupant is a Technology-oriented Incubator or start-up knowledge-based business that is eligible for participation in the Park's program to foster technology business development and entrepreneurship.
- The proposed occupant will provide ancillary services or functions that are deemed necessary or desirable for the long-term success of the Research and Technology Park and is an integral part of the "Single Source Solution" concept for the Park.

c. Permitted Physical Uses and Excluded Activities

The University of the Virgin Islands Research and Technology Park will observe the following criteria for defining land and building uses appropriate to the mission and environment of the University of the Virgin Islands Research and Technology Park.

1. Permitted Uses

- Facilities intended for conducting "electronic commerce" or "e-Commerce Business" involving electronically based data transactions for digitally based commerce including, but not limited to business to business and business to consumer data transactions, electronic data interchange and other digital supply transactions, financial settlements, web-based marketing, advisory and transactional services, database services and products, swift payments, fed wire, online services such as telecommuting, telemedicine, education and information research, and all related data communication services, whether conducted by e-mail, document management, voice or data transmission, or otherwise.
- Facilities intended for production or assembly of products of a technological nature, provided that this production is supported by on-site research or product-development activities.
- Laboratories and related facilities intended for the research and development activities of knowledge-based companies, development of technology-based products and services, or intellectual property or the testing and commercialization of technology-based products and services.
- Pilot plants in which prototype production processes can be tested and used for assembly of products of a technological nature.
- Corporate, regional and divisional headquarters of technology-based or knowledge-driven companies and organizations.
- Offices and related facilities of not-for-profit research or educational institutes, as well as professional, training, research, scientific or engineering associations.
- Conference center and guest accommodations.
- Facilities dedicated to technology education and training or work force training and development.
- Corporate and professional training facilities, provided that companies owning these facilities maintain ongoing cooperative relationships with the University of the Virgin Islands.

- Incidental or ancillary operations required to maintain, support or complement any uses described under “Permitted Uses” to create a mixed-use park and single source-solution for Park tenants. Ancillary services include instrumentation or maintenance shops, laboratory services, power plants, waste treatment facilities, micro-electronics, and machine shops; professional, commercial, personal, retail and other services in support of permitted uses such as child care facilities; food services; financial, accounting and banking facilities; venture capital corporations; post office; mailing centers; training institutes; legal offices; and medical facilities. The intent of these examples is to describe certain amenities for the Park tenants and/or the Park personnel, which have the effect of providing a self-contained work environment, which helps to improve productivity and the quality of life in the work environment. The relationship of each proposed use in this category to the long-term success of the Research and Technology Park must be demonstrated. Any other ancillary uses deemed necessary or desirable to the long-term success of the Research and Technology Park.
- Any other facilities reasonably related to the intended mission of the technology Park, provided these uses are consistent with permitted uses approved by the University of the Virgin Islands Board of Trustees.

d. Excluded Activities

No building or land in the Research Park shall be used for:

- Distribution or warehouse operations, except as such operations relate to use permit or covenants and are incidental to an approved production or information-service operation.
- Operations that are primarily and exclusively engaged in manufacturing or assembly operations.
- Facilities of the type that are in violation of use permit and covenants or could cause an operational nuisance, such as excessive noise, noxious odors, or emission of environmentally hazardous effluents or gasses.
- Businesses whose operations will have an adverse impact on the image, branding, or reputation of the Park or on the physical environment and the fragile infrastructure and ecology of the island.

e. Benefits and Capabilities

Consideration of applications for occupancy in the Park shall take into account the benefits and capabilities such occupants will bring to the advancement of the Park’s mission. Factors such as the following shall be considered:

- Whether the applicant’s existence in the Research and Technology Park will otherwise enhance the University of the Virgin Islands' mission of teaching, research, and public service.
- Whether synergies are deemed to exist between the applicant and the University of the Virgin Islands, or other tenants of the Park such that the applicant is considered to be a valuable addition to the Park
- Whether the applicant hires or is committed to hiring students, faculty, graduates of the University of the Virgin Islands and residents of the Virgin Islands.
- Whether the applicant is committed to business investment in the Park and the construction of Park facilities.
- Whether the applicant has contributed or will contribute funds, services, or materials for the benefit of the University or the community as a demonstration of the business’s public service commitment.
- Whether the proposed occupant has sufficient financial capabilities to undertake and perform its obligations within the Research and Technology Park.

### 3. Guidelines and Standards of Approval for “Virtual” Tenants

Where applicable, the following factors shall be taken into account in considering applications for “virtual” tenancy in the Park and the admission of cells into the Cell Corporation.

#### a. General

1. The nature of the business of each cell that has occupancy in the Research and Technology Park must be consistent with the purpose of the Research and Technology Park Cell Corporation.
2. The manner in which each proposed occupant conducts its business must be consistent with the values and best interests of the Park and the University.
3. Tax benefits granted to each proposed occupant are for income derived from operations in the United States Virgin Islands.
4. Additionally, each cell must agree to the following requirements for occupancy in the Park:
  - a. It must be established in the United States Virgin Islands as a cell of the Cell Corporation
  - b. It must perform all or substantially all of its worldwide banking with approved banking partners in the territory.

- c. It must run all or substantially all of its electronic transactions through web servers located within the territory.
- d. It must perform e-commerce transactions with the approved or preferred e-commerce partners.
- e. It must demonstrate an ability and a willingness to comply with all applicable laws, regulations, and administrative procedures regarding the conducting of “virtual” business activities in the Park or the territory including a capability to pay all applicable initial and annual fees due to the University and to the Virgin Islands Government.

b. Eligibility and Relationship with the University and the Park

When appropriate, the proposed relationship with the University shall be taken into account, as follows, in considering applications for “virtual” occupancy in the Park:

1. The proposed occupant is deemed to be a strategic business partner that will bring to the Park specific areas of expertise that are needed for the support of web-hosting and E-commerce operations.
2. The proposed occupant is engaged in a technology-oriented, knowledge-based, or e-commerce business activity that will help build a sustainable technology sector in the territory and generate revenues for the Park and the University.

c. Permitted Virtual Uses and Excluded Activities

The University of the Virgin Islands Research and Technology Park will observe the following criteria for defining “virtual” land and building uses appropriate to the mission and environment of the University of the Virgin Islands Research and Technology Park and the Research and Technology Park Cell Corporation.

1. Permitted Virtual Uses

- Virtual facilities intended for conducting "Electronic Commerce" or "e-Commerce Business" involving electronically based data transactions for digitally based commerce including, but not limited to business to business and business to consumer data transactions, electronic data interchange and other digital supply transactions, financial settlements, web-based marketing, advisory and transactional services, database services and products, swift payments, fed wire, online services such as telecommuting, telemedicine, education and information research, and all related data communication services, whether conducted by e-mail, document management, voice or data transmission, or otherwise.

- “Virtual” Facilities dedicated to distance learning, technology education and training or work force training and development.
- Any other “virtual” facilities reasonably related to the intended mission of the Cell corporation, provided these uses are consistent with uses permitted and approved by the University of the Virgin Islands Board of Trustees.

## 2. Excluded Activities

The Research Park or the Research Park Cell Corporation shall not be used for any illegal, pornographic, questionable or controversial activities that will tarnish the image of the Park, or whose operation will have an adverse impact on the image and reputation of the Park, the University and the Territory.

### d. Benefits and Capabilities

At the discretion of the Park Board, consideration of applications for occupancy in the Park as a “virtual” tenant will take into account the benefits and capabilities such occupants will bring to the advancement of the Park’s mission. These factors include the following:

- Whether the applicant has contributed or will contribute funds, services, or materials for the benefit of the University or the community as a demonstration of the business’s public service commitment.
- The proposed occupant has sufficient financial capabilities to undertake and perform its obligations within the Research and Technology Park.

## 4. Board Approval

The Board shall apply the “Standards of Approval” which include (a) general requirements, (b) eligibility and the relationship requirements, (c) guidelines for permitted uses for the Research and Technology Park and (d) benefits and capabilities in order to determine whether in the judgment of the Board, the proposed physical or “virtual” tenant meets the guidelines and requirements for occupancy in the Research and Technology Park or the Research and Technology Protected Cell corporation, and is consistent with the best interests of the Park and the University. The Research and Technology Park Board shall be reasonable in its application of provisions of this Policy on Occupant Selection. Approval for ancillary uses will be at the Board's sole and absolute discretion. The Research and Technology Park Board, through a majority vote of the members of the Board, shall decide as to the acceptability of all potential occupants of the Research and Technology Park. Decisions by the Research and Technology Park Board are final.

## APPENDICES

### I - LEGISLATION

#### 1. Introduction

Act 6205, the "University of the Virgin Islands Research and Technology Park Corporation Act" amends title 17, Virgin Islands Code, by adding new chapters 34 and 42 to establish the University of the Virgin Islands Research and Technology Park and the Research and Technology Park Protected Cell Corporation, respectively and for other purposes.

The University of the Virgin Islands Research and Technology Park Corporation, hereinafter referred to as the Corporation, is established by statute as a body corporate and politic constituting a public corporation and autonomous governmental instrumentality of the Government of the Virgin Islands. Its debts, obligations, contracts, bonds, receipts, expenditures, funds, accounts, projects and property shall be those of the Corporation, and not those of the Government of the Virgin Islands, or the University of the Virgin Islands, or any office, bureau, department, commission, officer, agent or employee of the Government of the Virgin Islands or the University of the Virgin Islands.

The Research and Technology Park, with the initial thrust of development on the island of St. Croix, will provide suitable sites for the location of research businesses, technology-based businesses and agricultural research businesses in the Virgin Islands. The Research and Technology Park shall constitute optimum usage of property owned or leased by the University of the Virgin Islands and made available to the Virgin Islands Research and Technology Park Corporation, or property owned by the Corporation.

#### 2. Declaration of Purpose

The purposes and objectives of the University of the Virgin Islands Research and Technology Park Corporation are declared to be the development of a technology sector in the Virgin Islands to promote the economic growth, development and diversification of the Virgin Islands and the broadening of the capabilities of the University of the Virgin Islands, including the training of University of the Virgin Islands students through the creation and transfer of technology from campus-based research centers and their related technical and communications infrastructure to the marketplace, with the support of a research environment which combines the resources of the University of the Virgin Islands, the public sector, private industry, and the human and economic resources available in a progressive community. In connection with these purposes and objectives:

- The Corporation shall provide facilities for the development or incubation of new, start-up, knowledge-based businesses and related businesses.
- The Corporation shall promote scientific research and development in affiliation with and related to the research and development activities of the University of the Virgin Islands and that the Corporation will enhance the University of the Virgin Islands' missions of teaching,

research, and public service, and provide for the financial support of the University of the Virgin Islands under such terms and conditions as may be prescribed by the Board of Trustees of the University of the Virgin Islands.

- The Corporation shall partner with the University of the Virgin Islands to develop and offer research and technology education, training and internships to residents of the Virgin Islands in order to qualify residents for jobs created by Park businesses.
- Such Corporation shall contribute to the formation of a technology community which will enhance the economic development and broaden the economic base of the Virgin Islands.
- Such Corporation shall provide an environment that will encompass commercial facilities that serve the needs of the Knowledge-Based Business in the Research and Technology Park.
- The Corporation may finance and refinance capital projects related to the establishment and operation of one or more Research and Technology Park sites in the Virgin Islands, including facilities that complement or encourage the complete operation thereof.
- Such Corporation shall promote the hiring of Residents of the Virgin Islands and the purchase of goods, materials, and supplies from Virgin Islands residents, firms and corporations by businesses located in the Research and Technology Park or Parks.
- The Corporation shall complement the Economic Development Program established under Title 29, chapter 12 of this Code and the Farmers, Fishermen and Consumers Assistance Program established under Title 7, chapter 13 of this Code and shall establish close liaison, cooperation and coordination with the Economic Development Authority and the Department of Agriculture in connection therewith.
- Every Electronic Commerce Business, Knowledge-Based Business, and Person, as defined in section 482 of this chapter, and the University of the Virgin Islands Research and Technology Park shall be subject to the laws and the Rules and Regulations of the Virgin Islands.
- Expand and strengthen the research base of the University and expand its capability for direct linkages with public and private research and development interests.
- Encourage the establishment of mutually beneficial research relationships between the University and various entities in the public, private, and non-profit sectors, to provide for encourage, and stimulate research and other significant initiatives for the University.
- Create new research and employment opportunities for faculty, students, and graduates, and residents of the Virgin Islands while enhancing the University's ability to recruit outstanding faculty and researchers.
- Provide a long-term additional revenue source for the University to help support the academic, research, and public service missions of the University.

### 3. Relationship Between the University and the Park

Fundamental to the success of this initiative is the relationship between the University and the Research and Technology Park. This relationship is defined in several sections of Act 6502 as follows:

- i. Section 480 setting out the Purposes of the Park
  - ii. Section 482 setting forth a definition of the Research and Technology Park.
  - iii. Section 485 setting out the composition of the Board of Directors
  - iv. Section 486 defining the duties of the Board of Directors
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- a. Section 480 (b) provides that the Research and Technology Park shall constitute optimum usage of property owned or leased by the University of the Virgin Islands and made available to the Virgin Islands Research and Development Technology Park Corporation, or property owned by the Corporation.
  - b. Section 480 (d) provides as follows: The Corporation shall promote scientific research and development in affiliation with and related to the research and development activities of the University of the Virgin Islands and that the Corporation enhance the University of the Virgin Islands' missions of teaching, research, and public service, and provide for the financial support of the University of the Virgin Islands under such terms and conditions as may be prescribed by the Board of Trustees of the University of the Virgin Islands.
  - c. Section 480 (e) provides that the Corporation shall partner with the University of the Virgin Islands to develop and offer research and technology education, training and internships to residents of the Virgin Islands in order to qualify residents for jobs created by Park businesses.
  - d. Section 482 (j) provides as follows: "Research and Technology Park" means real property owned or leased by the University of the Virgin Islands in the Virgin Islands which has been leased to the Research and Technology Park Corporation by the University's Board of Trustees pursuant to a resolution adopted at a duly constituted meeting of the Board, which resolution, proclamation, or order shall include a detailed legal description of the area to be included in the Research and Technology Park and any real property owned by the Research and Technology Park Corporation or leased from any other party.
  - e. Section 485 (a) provides as follows: The powers of the Corporation shall be exercised by a seven-member Board of Directors. The Board of Directors shall consist of the Chairman of the Board of Trustees of the University of the Virgin Islands and the President of the University of the Virgin Islands, both of whom shall serve as ex-officio members with a vote, in addition, there shall be two persons selected from among the Trustees by the Board of Trustees. The Secretary of the Board of Trustees shall serve as the Secretary of the Board.

- f. Section 486 (e) provides for the Park to use and develop property of the University of the Virgin Islands, subject to such lease or contract terms and conditions as the University shall require in order to provide direction and guidance to the Board and management of the Corporation relating to the University's property including matters as, but not limited to, permitted uses, planning, construction, financing, permitting, rental, and development;
- g. Section 486 (ii) prescribes that the Board of Directors shall ensure that the Corporation provides for the financial support of the University of the Virgin Islands pursuant to terms and conditions prescribed by the Board of Trustees of the University of the Virgin Islands.

## **II - THE BUSINESS CONCEPT**

### **1. The Park's Mission and Vision**

The mission of the Research and Technology Park is to create a technology sector in the Virgin Islands, attract and develop new knowledge-based businesses, spur economic development, create jobs for local residents and generate revenues for the financial support for the University. In so doing the Park will broaden and strengthen the capabilities of the University to deliver, instruction, research and public service in furtherance of its mission and bring business, education, and the public sector together to formulate strategies to best meet the territory's workforce and employer needs for the purpose of creating and sustaining a high-skill, high-wage economy.

The UVIRTP is envisioned as a world-class, mixed use, technology community that will provide an enabling environment and "single-source solution" to facilitate the business objectives of technology and knowledge-based companies seeking operational support services, synergistic relationships with other companies, cost efficiencies, reduced regulatory and taxation levels, federal protection of intellectual property, and university collaboration in a "near-shore" jurisdiction for the purpose of conducting their research, development, commercialization and e-business operations. The Park will have both a traditional Park component based on a physical presence of businesses in the park, as well as a Virtual Park component based on the protected cell concept for business recognition.

The Park will be designed to be an integrated and coherent response to economic development, job creation, and job training.

### **2. Single Source Solution Approach**

The term "single source solution" means the adoption of policies and practices that would anticipate the needs of technology businesses for rapid response and delivery, and the creation of arrangements among public sector departments and agencies, and private sector partners and service providers which would make it possible for technology companies to have available to them, in a single place, and on a one-stop shopping basis, the services they need to carry out their business operations successfully, thereby creating and promoting a

client-oriented, business-friendly, enabling environment for the development of the technology sector in the Virgin Islands.

### 3. The Park Business Strategy

University of the Virgin Islands Research and Technology Park (UVIRTP) is a vehicle for community economic development, operating under a mandate from the Government of the Virgin Islands and the University of the Virgin Islands, to develop a technology sector in the territory and to strengthen the capabilities of the University to provide high level instruction, research opportunities and public service in furtherance of its mission. Parks are projected on both the island of St. Croix and the island of St. Thomas with the initial thrust on the island of St. Croix in order to capitalize on the competitive advantage of St. Croix's access to high speed connectivity.

UVIRTP will accomplish this mandate by providing technology and knowledge based businesses with a unique environment from which they can perform research, development, commercialization, and licensing as well as provide services to both the business to consumer "B2C" and business to business "B2B" markets with leading global e-business solutions. By virtue of its "near-shore" tax benefits coupled with the protections of intellectual property and patent rights under the US flag and with the support of its reputable strategic partners, UVIRTP will enable companies to confidently conduct their research, development, licensing, e-business and other operations from the US Virgin Islands. These advantages will allow the UVIRTPark to carve out a market niche that offers a competitive alternative to U.S. and foreign companies seeking to move segments of their e-commerce and knowledge-based operations off-shore, and they position the Park to capture a significant portion that off-shore market that would otherwise benefit other Caribbean, European and Asian jurisdictions. The business strategy for the Park draws on the best practices and success factors of University related Parks which have community economic development as their primary focus. It also builds on the key strategic factors that have been the basis for the effectiveness of offshore jurisdictions that have been successful in attracting high technology businesses.

### 4. Strategic Partnerships

The UVIRTP will create a unique and credible enabling environment for technology and knowledge-based businesses by attracting strategic partners who will bring an established reputation, and specific areas of competence and expertise to the park. These partnership will make it possible for the Park to offer its clients an expansive range of complementary services to support the research, development, commercialization, and licensing of intellectual property as well as e-commerce and the operations of knowledge-based companies. Without limiting the nature and scope of strategic partnerships, strategic partners includes businesses enlisted to provide a network of services to the Park management and park tenants including, park development, venture capital financing, web-hosting services, internet e-business exchanges, telecommunications and advanced connectivity services, leading content management services, multi-currency financial transaction processing capabilities, professional services, and ancillary support services.

## 5. Key Components of Park

The Park will be a technology community that brings together in one place as a total business solution, the technology and telecommunications resources, support services network, and ancillary services high technology and knowledge-based companies need to support a successful business. The Park concept integrates several key components that work together to create a special synergy that fits well with the needs and requirements of the islands for clean, pollution free businesses without overtaxing the local infrastructure and local government services.

- a. An important business component of the Park will be a web-hosting, e-commerce segment developed using current innovations in protected cell corporate legislation to enable e-commerce and knowledge-based businesses to have a virtual presence in the Park.
- b. A second component of the Park will be Innovation Centers providing a home base for software development and knowledge-based companies engaged in the research, development and commercialization of intellectual property. The Innovation Centers will be multi-use facilities providing a wide array of support services for existing technology firms seeking a single-source solution to facilitate their business objectives. Additionally, the Innovation Centers will provide facilities for startups that need incubators services to enable them to convert their business ideas into viable business operations. The Innovation Centers will also provide office suites and support services that will enable mainland-based technology companies to create a local home base for the location of segments of their business, or through which they can rotate employees on a work away from home program.
- c. A third important element of the Park initiative will be a Technology Education Center that will be focused on developing and coordinating a network of community technology education activities and workforce training activities conducted in collaboration with the University. This will include coordination of collaboration between parks tenants and the Park on degree programs, student internships, work force training, school-to-work programs, community technology education, and Entrepreneurial Education Programs to support the objectives of the Park.
- d. A fourth component of the Park will be a Support Service segment which will include Ancillary businesses that support the “Single Source Solution” of the Park. \_\_\_\_

## 6. Critical Success Factors

The University and its planning partners have identified the following factors as essential to realizing the vision for the UVI-RTP

- The establishment of the legislation and legal framework that creates the appropriate environment and incentives for Park tenants including the establishment of the legal foundation for the conduct of commerce, including electronic commerce (e-commerce)

within the Park based on the segregated corporate cell concept.

- Telecommunications infrastructure that provides high-speed, broadband connectivity that is reliable and cost-effective and an uninterruptible source of electrical power that is clean, economical, trouble-free.
- Strategic alliances, and relationships with industry partners that will bring specific areas of expertise to the park through which the Park will offer an expansive range of complementary services including advanced connectivity services, leading content management services, multi-currency financial transaction processing capabilities, software development and digital marketplace exchange platforms.
- Professional management of the Park drawing on the best management and entrepreneurial practices for achieving operations that are profitable together with governance provided by an active Board of Directors and oversight by functioning Board Committees.
- Forging partnerships with Government agencies to develop a single source solution, that addresses the business needs and requirements of technology companies in a business-friendly environment that is streamlined and free of unnecessary red tape.
- Development of a well-trained, highly motivated and technology literate workforce based on a comprehensive and integrated strategy that links training and workforce development with job creation.
- Integration of the Park with the academic programs of the University, the sharing of resources and expertise through joint appointments or other arrangements, collaboration with faculty through joint coordinating committees and access to students through internships and work-study programs.
- Zero tolerance for illegal or controversial activities that would adversely affect the reputation of the Park, the University of the Virgin Islands and the territory.
- Concentration on clean, environmentally friendly businesses whose operations will have no adverse impact on the physical environment and the fragile infrastructure and ecology of the islands.

### **III - PARK LANDS**

#### **1. Park Location**

Act 6502 specifically authorizes the Governor to convey to the University of the Virgin Islands (UVI) title to two parcels on St. Croix – parcel Nos. 1A and 12, East Golden Grove which consist of 205 acres, for the exclusive use by UVI to develop and maintain the University of the Virgin Islands Research and Technology Park (the Park). However, if no

Park development takes place within five years of the property's conveyance, then title to the property reverts to the Government of the Virgin Islands.

The designated park lands are located between Melvin Evans Highway on the south, Airport Road on the west, Parcel 1B and Queen Mary Highway (Centerline Road) to the north and Kings Hill and Harvey Housing to the east. Ownership of the lands on which the Park is built will make the Park an investment in perpetuity in the University and the people of the Virgin Islands. The planned development of the park on this site will take advantage of proximity to UVI campus, accessibility from primary STX highways and the airport, a central location on the island, and proximity to points affording connectivity the local underground electrical distribution system, water and sewage. The proposed site is within a reasonable distance to the high-speed communication hub that will provide broadband connectivity for the Park. The site has elevated land to erect facilities to support microwave and satellite communications, is large enough to support green spaces and to avoid conflicting uses or adverse development close to the Park, and provides enough room for future expansion.

## 2. Land Lease

In keeping with Section 486 (e) of Act 6502 provides that the Park will be developed on property of the University of the Virgin Islands, subject to such lease or contract terms and conditions as the University shall require in order to provide direction and guidance to the Board and management of the Corporation relating to the University's property including matters as, but not limited to, permitted uses, planning, construction, financing, permitting, rental, and development.