



**UVI Research & Technology Park**

**PROGRAM UPDATE**

**June 2017**

## UVI RTPark: Fostering Sustainable Growth and Creating Value

The RTPark program is a specialist economic development agency that facilitates firms bringing knowledge-intensive businesses to the US Virgin Islands. Private sector investment contributes to economic activity and quality of life in the Territory.

### Benefits

The RTPark program produces a net positive benefit to the US Virgin Islands, even after our clients receive generous tax incentives. The net benefit is in the order of tens of millions of dollars on an annual basis. In the last year, the RTPark program undertook a detailed evaluation and analysis of its work, resulting in the following key findings: in 2015, the RTPark network contributed over \$70 million to USVI Territorial GDP, as a net position **after** tax benefits are taken into account. (*Table 1*). These thirty RTPark firms created almost 500 work opportunities (*Table 2*) and the average full-time salary and fees associated with these positions is twice that of the average wage. RTPark clients purchase residential and commercial real estate, and produce multiplier effects throughout the US Virgin Islands. These high net worth individuals reside in the Territory, pay individual taxes and undertake consumption activities including leisure, personal services and household maintenance among others.

*Table 1. Net Benefit Analysis: UVI RTPark Program, 2015  
(Source: RTPark 2016 Project Evaluation Data)*

Item	TOTAL (US \$million)
<b>1. NET BENEFITS TO THE USVI</b>	<b>\$67 to 72</b>
2. Gross contribution = the sum: (2.1)+(2.2)+(2.3)	88 to 93
2.1 Entity business expenditure	80 to 84
2.2 Entity expenditure on UVI commitments	0.5
2.3 Other USVI expenditure	7 to 8
3. Tax benefits = the difference: (3.1)-(3.2)	21
3.1 Taxes paid	6.5
3.2 Taxes foregone	28

$$\text{Net benefits to the USVI} = \sum (\text{Gross contributions} - \text{Net tax benefits})$$

*Table 2. Work opportunities and use of service providers, 2015, by type of firms: Number and Spend  
(Source: RTPark 2016 Project Evaluation Data)*

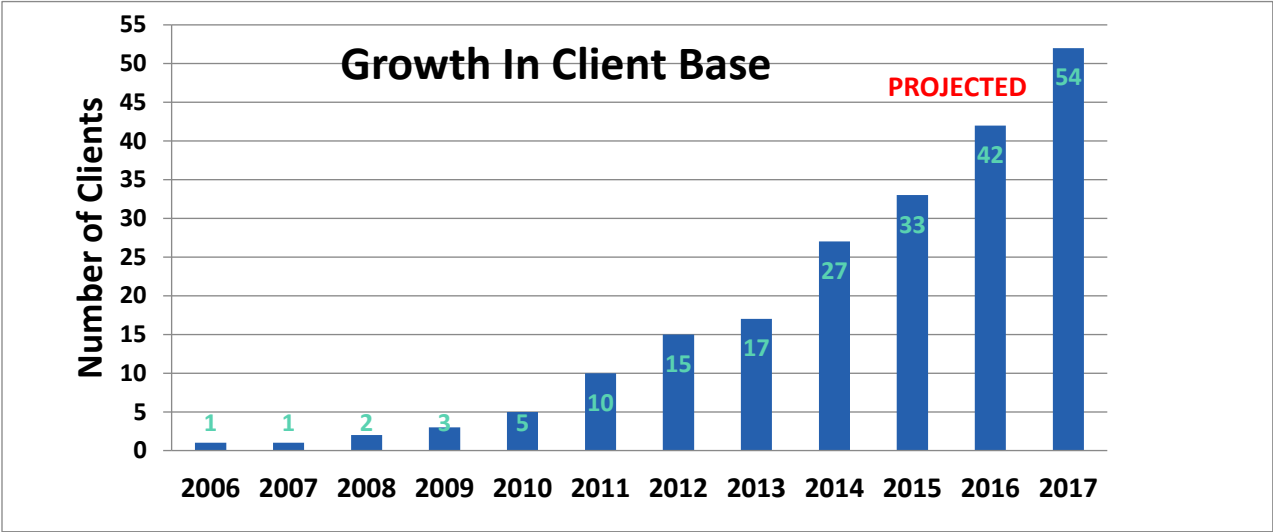
	Telecommunications & Infrastructure	Other	TOTAL
<b>Number of work opportunities:</b>	160	328	488
<b>Number of service contracts:</b>	1,285	256	1,541
<b>Spend: work opportunities: US\$ mn</b>	9	19.5	28.5
<b>Spend: service contracts: US\$ mn</b>	24.4	19.8	44.2

These data are for the thirty clients, that is the number of firms active in the network in 2015. Since then, there have been fifteen additional companies; for a total of 45 companies (see detailed listing at the end of this report). This means that it is very likely that the current net benefit has increased.

**Growth**

By June 2017, the RTPark program will have attracted twenty new clients to the US Virgin Islands since 2015; and the number of active clients is expected to be forty-seven. The leadership has set a stretch goal of having 54 active clients by December 2017. (Figure 2)

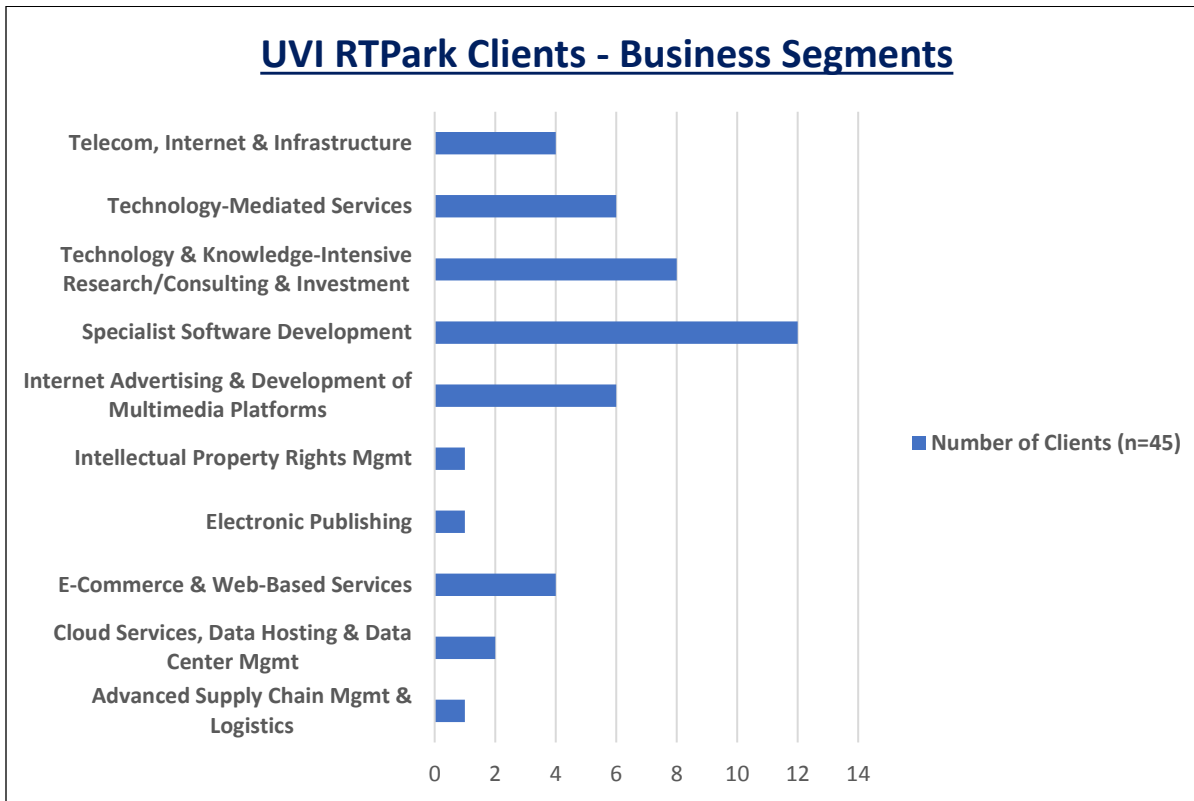
Figure 2. UVI RTPark Client Growth, 2006-2017 (Source: UVI RTPark Database 2017)



The growth performance over this period is very encouraging and is possible because the RTPark program is not constrained by the physical size of the 64 West Center where it is headquartered. Incoming investors can set up premises and conduct business anywhere in the Territory. There are members of our community based on all three islands, and this diversity and flexibility is an attractive feature of the program. The diversity is also reflected in the range of business segments. The legal mandate of knowledge-intensive firms attracted to the RTPark. (Figure 3) program facilitates this growth.

The RTPark program is engaged in a proactive business development strategy to attract impact investors. Firms owned and led by individuals who are as concerned with financial returns as they are with making a contribution to long term social, environmental and equity goals of the US Virgin Islands. In implementing this approach to its mandate, the program has partnered with leading organizations in the US mainland and further afield. The RTPark program plans to extend its scope of services to include offering capital and advisory services to local technology start-ups and small businesses, working with high growth potential. We intend to offer finance with advisory services, provided through an innovative on-line accelerator.

Figure 3. UVI RTPark Clients – Business Segments (Source: UVI RTPark Database 2017)



**Targeted Business Development**

The UVI RTPark celebrated Caribbean Week in NYC with a Big Apple VIP Investment Showcase Reception on Wednesday, June 7<sup>th</sup>, hosted at the Park Avenue offices of Morgan, Lewis & Bockius LLP. The 60 plus VIP guests included business leaders and key members of the Caribbean Diaspora in NY. The RTPark Chairman, Edward Thomas, reminded investors that there is no limit to the number of firms that can be members of the agency. The event encouraged Diaspora investors from technology companies that focus on health and medicine, energy research and system deployment, and marine science related products to #investinparadise. The response has been very positive; existing clients provided messages of support; and Christopher Halliday, managing partner of the hosting firm, told the audience that the RTPark would foster economic growth not only in the USVI but across the Caribbean.

**Financial Viability**

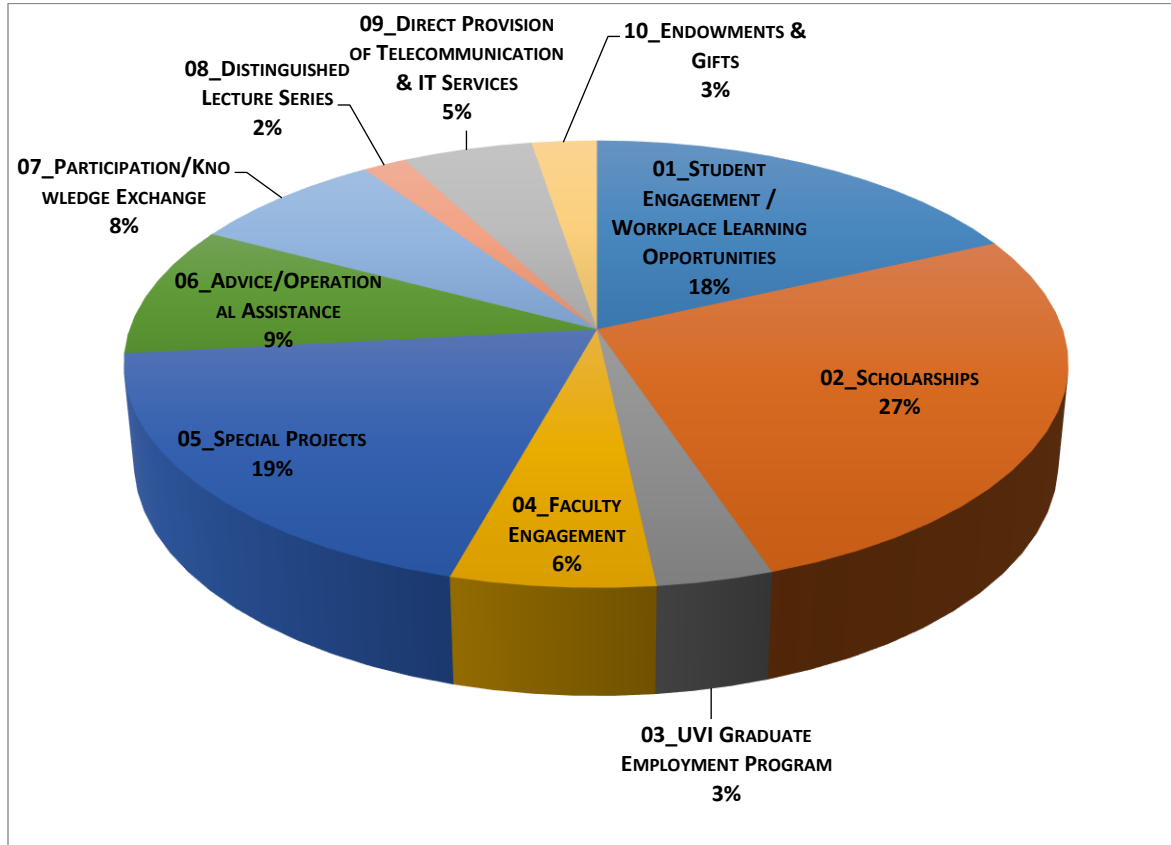
Since 2015, the RTPark program is completely self-sufficient and operates solely by generating commercial revenues. The growth of revenues in the last three years has been steady and the expenditures of the program are carefully managed so that surpluses generated are used to repay long term legacy liabilities owed to the UVI and to invest in future growth. The annual budget of the RTPark averages \$2-3 million per annum. Because of our proven financial viability, we are in the process of refinancing existing debt to enable growth without a high debt burden. To this end, we have engaged with all the local financial institutions in the US Virgin Islands, regional banks and specialist financial institutions on the mainland.

## Social Investments

Beyond its success as a commercially focused, efficient organization, the RTPark program produces and enhances social value. An important aspect of the program is the requirement for clients to make contributions to the research and academic mission of the UVI. (Figure 4) In 2016, the financial value of commitments and pledges to UVI from RTPark clients was \$1.1 million. We are working hard to ensure that our clients execute those pledges and develop meaningful partnerships with UVI. In the last two years the team increased execution rates across all clients by more than twenty percent.

### RTPARK CLIENT COMMITMENTS TO UVI (n=45)

Figure 4. (Source: UVI RTPark Database 2017)



Typical RTPark clients are engaged in the community, make charitable donations and serve on Boards of various civic organizations. The RTPark HQ supports science fairs, the VI Literary Festival, the UVI Golden Key Society, children's homes, choirs, and schools and serve as an active member of the St Croix Chamber of Commerce. We are pursuing efficient use of the headquarters building as a venue for knowledge-based activities beyond its important use for the UVI, College of Science and Mathematics.

## Thought Leadership and Hands-On Technology Engagement

The RTPark headquarters contributes to the quality of life in the US Virgin Islands by organizing thought leadership events and hosting knowledgeable local leaders and policy makers and international leaders in the area of technology and development, sharing ideas and showcasing the US Virgin Islands.

The successful TechFriday series, which exposes St Croix youth to technology fields, continues. In April 2016, together with the National Guard, we organized a hands-on interactive session on analytical chemistry and tools used in their WMD program. Later this year, RTPark clients are coming together to

organize coding skill training sessions for young people. Another client is leading a workshop on electronic dance music production and technology-mediated music distribution strategies.

On Wednesday, February 15, 2017, the RTPark organized a successful Innovation Culture workshop to educate participants on building an innovation culture in the USVI. Work with Rainforest Strategies to provide high-level training and dialogue on innovation will continue. On Wednesday, May 24<sup>th</sup> 2017, we hosted a Special Session at UVI's International Conference for Leadership, Management and Strategic Development, on: *Strategies For Success In The New Knowledge Economy*. Panelists were: Prof. Brett Gilbert, Rutgers University, an award winning academic, who shared factors for development & growth of tech hubs in the Global South; Dale LeFebvre, Managing Member of Anvil 1 LLC, RTPark Client, inventor, philanthropist, investor, poet and chef, who discussed his approach to Transformational Investing, and the unique perspective that considers challenges in an island environment as positive stimulus for ideation; and Prof. Gillian Marcelle, UVI, School of Business, and Executive Director, RTPark, who provided insights on the RTPark program and its plans to showcase the US Virgin Islands within the impact investment community.

### **Summary**

The RTPark community is an important hub for knowledge and an important catalyst for economic growth. At a time when there is concern over fiscal challenges and the need to identify and nurture sources of economic dynamism, we are proud of RTPark's contribution to the Territory and look forward to doing even more with the full cooperation of all branches of government, the business community, media, professionals and under policy direction of the Board of Directors and UVI.

## UVI RTPark Client Network Summary

Item No.	Organization	Location	Business Segments	Size*	
1	13D Research (USVI), LLC	STT	Technology & Knowledge-Intensive Research, Consulting & Investment Services	Medium	
2	American Health Advocates, Inc	STT	Technology-Mediated Services -- Healthcare & Life Insurance	Small	
3	Anvil 1, LLC	STT	Technology & Knowledge-Intensive Research, Consulting & Investment Services	Small	
4	Atlas Tracking Solutions, LLC	STT	Technology-Mediated Services -- Asset Mgmt	Small	
5	BCS Tech Ventures, LLC	STX	Technology & Knowledge-Intensive Research, Consulting & Investment Services	Medium	
6	Brisa Max Holdings, LLC	STT	Technology & Knowledge-Intensive Research, Consulting & Investment Services	Medium	
7	Broadband VI, LLC	STX	Telecom, Internet & Infrastructure	Large	
8	CentriLogic USVI, LLC	STT	Cloud Services, Data Hosting & Data Center Mgmt	Medium	
9	Choice Communications, LLC	STT	Multimedia Services; Telecom, Internet & Infrastructure	Large	
10	dBase VI, LLC	STT	Technology-Mediated Services -- Logistics Mgmt	Large	
11	Exigo Companies VI: Epic.IO, LLC Exigo On Demand USVI, LLC Exigo Office, Inc.	STX	Specialist Software Development, Design & Application; Cloud Services, Data Hosting & Data Center Mgmt	Large	
12	Fostar Managed Services, Inc.	STT	Cloud Services, Data Hosting & Data Center Mgmt	Small	
13	Full Zoom Media, LLC	STT	Internet Advertising & Media Platform Services; Specialist Software Development	Small	
14	Geniuscove, Inc.	STT	Specialist Software Development; E-Commerce & Web-Based Services	Small	
15	Godney Holdings, LLC	STT	Intellectual Property Rights Mgmt	Small	
16	Greenlamp, LLLP	STT	Internet Advertising & Media Platform Services	Medium	
17	Hidalgo, LLC	STT	E-Commerce & Web-Based Services -- Jewelry	Small	
18	Hip Logistics, LLC	STT	E-Commerce & Web-Based Services -- Recreational Products	Small	
19	Hydrocarbon Management Research and Technology, LLC	STT	Advanced Supply Chain Mgmt and Logistics	Small	
20	Iconic Holdings, LLC	STT	Internet Advertising & Media Platform Services	Medium	

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Item No.	Organization	Location	Business Segments	Size*	
21	Innovate 1550, LLC	STT	Internet Advertising & Media Platform Services	Small	
22	<b>Innovative Entities:</b> Innovative: Caribbean Comm. Corp. Innovative: ICC TV, Inc. Innovative: St. Croix Cable TV, Inc. Innovative: VIPowerNet, LLC Innovative: Vitelcom Cellular, Inc.	STT	Multimedia Services; Telecom, Internet & Infrastructure	Large	
23	INOV8, LLC	STT	Technology & Knowledge-Intensive Research, Consulting & Investment Services	Small	
24	Intellectual Global Concepts, LLC	STX	Technology-Mediated Services -- Media & Entertainment	Medium	
25	ITIM USVI, LLC	STT	Specialist Software Development, Design & Application -- Pharmaceutical R&D; Technology & Knowledge-Intensive Research, Consulting & Investment Services	Small	
26	J. A. Wright & Associates, LLC	STT	Technology & Knowledge-Intensive Research, Consulting & Investment Services	Small	
27	Knowledge Investments, LLLP	STX	Specialist Software Development, Design & Application; Technology & Knowledge-Intensive Research, Consulting & Investment Services	Small	
28	LNL Publishing, LLC	STX	Electronic Publishing	Medium	
29	MB Jewels, LLC	STT	E-Commerce & Web-Based Services -- Jewelry	Small	
30	Media Source, LLC	STT	Internet Advertising & Media Platform Services; Cloud Services, Data Hosting & Data Center Mgmt	Medium	
31	MEI Global LLC & MEI Licensing LLC	STT	Specialist Software Development, Design & Application -- Electronic Funds Transfer	Medium	
32	New Vista, LLC	STT	Technology & Knowledge-Intensive Research, Consulting & Investment Services	Medium	



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Item No.	Organization	Location	Business Segments	Size*	
33	OTS Digital, LLC	STT	Specialist Software Development, Design & Application; Technology & Knowledge-Intensive, Research, Consulting & Investment Services	Small	
34	qSpark USVI, LLC	STT	Specialist Software Development, Design & Application -- Trading Algorithm Platforms	Small	
35	Rank Group, LLC	STJ	Specialist Software Development, Design & Application -- Energy Trading	Small	
36	Scarab Technology Services, LLC	STT	Technology & Knowledge-Intensive Research, Consulting & Investment Services; Specialist Software Development, Design & Application -- Medical Devices	Small	
37	Seals Investments VI, LLC	STX	E-Commerce & Web-Based Services -- Financial Planning	Small	
38	Self-Insurance Consultants, Inc.	STT	Technology-Mediated Services -- Healthcare Mgmt Systems	Small	
39	Shop Smart Ventures, LLC	STT	Technology & Knowledge-Intensive Research, Consulting & Investment Services; E-Commerce & Web-Based Services	Medium	
40	STX Online Education, LLC	STX	E-Commerce & Web-Based Services -- Education & Training	Small	
41	The Nexus Group, LLC	STT	Internet Advertising & Media Platform Services	Small	
42	Thermopylae Security and Technology, Inc.	STT	Specialist Software Development, Design & Application	Small	
43	Tropical Telecom, Ltd.	STT	Telecom, Internet and Infrastructure	Medium	
44	VI Techstack, LLC	STJ	Technology-Mediated Services -- Public Opinion Polling; Customer Relations Mgmt	Small	
45	XO Energy Worldwide, LLLP	STT	Specialist Software Development, Design & Application -- Energy Spot Trading & Risk Mgmt	Large	
*# of Staff -- Small: 0-5, Medium: 6-15, Large: 15+					

As of June 2017