

**TESTIMONY TO THE 31ST LEGISLATURE
UNITED STATES VIRGIN ISLANDS
COMMITTEE ON ECONOMIC DEVELOPMENT,
AGRICULTURE AND PLANNING**

UVI RTPARK PROGRAM UPDATE 2015

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Good afternoon.

Senator Janette Millin Young, Chairperson of the Committee on Economic Development, Agriculture and Planning, members of the Committee, other Senators, public officials, colleagues, ladies and gentlemen; thank you for this opportunity to provide an update on the program of activities of the University of the Virgin Islands Research and Technology Park (UVI RTPark).

The formal and statutory description of the Research and Technology Park has been defined and set out by Chairman Thomas, with whom I have worked closely over the last 12 months. It has been a great pleasure. In my report to you, I wish to spend a bit more time painting a picture of what lies behind the macro picture, in order to give you, and the listening and viewing audience, a detailed account of how we were able to stabilize the activities of the RTPark and to demonstrate commercial viability. It is important to give this account within this venue, because as I will show regulatory and legal stability are key inputs in the success formula.

In essence, the UVI RTPark serves as a bridge between the Territory and the outside world. This entity serves to woo potential investors, many of whom do not know of our existence, and to convince them that the US Virgin Islands, which is most readily known as a tourism and holiday destination, offers attractive business and lifestyle opportunities. The RTPark recognizes that it succeeds only if the US Virgin Islands can be promoted as a viable business destination. Anything that detracts from that message will affect the fortunes of the RTPark. Therefore, the strategy that is being deployed includes actively promoting the US Virgin Islands, almost as a first and very necessary step. We made a determination that in order to be effective in this role, we needed to improve outreach, promotion, sales, marketing and business development activities.

To this end, we have issued a request for proposals for sales, marketing and business development services and have already received many expressions of interest. The deadline for the RFP is **Friday 26, February, 2016**, and so we urge you to encourage those in your local and international networks to submit proposals. I wish to publicly thank the Senators who have already been sharing news about the RFP among their networks. Your assistance will help ensure that the RFP gets in front of interested parties who can support our efforts to professionalize and intensify efforts to promote the US Virgin Islands in general and the RTPark specifically. The more potentially interested parties that hear our message, the more likely we are to identify suitably qualified investors.

We are not waiting on the results of the RFP to make improvements; since the last quarter of 2015, we have shifted gears on business development, bringing the responsibility completely under the wing of the Executive Director and hiring in full time support to assist. There is evidence that this strategy is working. Since October 1, 2015 we have screened and brought to various stages of the approval process, five new companies. At that rate of growth, we should be able to end 2016 with at least forty active clients. I am particularly excited that the new strategy of identifying high-growth clusters and those sectors where the US Virgin Islands has a dynamic competitive advantage is bearing fruit. We are attracting knowledge-intensive companies in health related areas, in energy and sustainable solutions as well as in unique niche activities. Before the ink dries on the formal agreements, I am not able to say too much more, but will add that none of this would be possible without being able to point to the strengths of the enabling, business-friendly climate in the Territory. None of this would be possible without a clear, stable, legislative and regulatory environment. Turmoil and uncertainty are a turn-off for investors. When I am promoting the virtues of the UVI RTPark program, I only have credibility if I am able to point to the strengths and advantages of the Territory as a whole.

Therefore, all the members of the 31st legislature, and particularly the members of this Committee, have my sincere thanks, for continuing to provide a stable, business-friendly environment in which the RTPark can exist and thrive. We will continue to work with you, to participate in activities that you organize and to encourage you to interface with existing and potential clients to make the case for an investment-ready US Virgin Islands. There are specific areas of legislation such as the STARS act that may be important in promoting inward investment for businesses that generate or use technology in cultural services. When interacting with potential clients and taking them through to close deals, we pull together all these elements to build a strong case.

In carrying out our business development and marketing activities, in the last year, we have achieved close and regular cooperation with our colleagues in the Economic Development Agency and are exploring ways to derive synergistic benefits in all our activities. I wish to thank the EDA Board and entire management team and assure them of our intention to continue working in this way.

A stable regulatory climate, proactive business development, greater accountability and co-operative relationships with our sister agencies are some of the elements that have invaluable to our efforts and resulted in success. The number of active clients in the RTPark was 27 in December 2014, this increased to 30 by September 30, 2015 and we expect the network to consist of thirty-five clients by end February 2016. We are doing our part and sincerely thank you for doing yours.

The number of clients in the RTPark program is not our only performance measure. As Senators will know, all RTPark clients are required to make contributions to the University and together with our colleagues and the senior leadership team, under President Hall, we have placed a great focus on ensuring that these commitments are executed. The University has publicly

acknowledged the generous individual contribution of Kiril Sokoloff, founder of 13DResearch and we add our thanks for this outstanding gesture. There are many other clients of the RTPark program, who live up to their annual commitments; these companies, fund internships, fellowships and scholarships. More recently, clients of the RTPark have also been providing in-kind and financial resources for special projects including the recently launched Innovation Centers that are intended to nurture innovation, creativity and experimentation. The expertise of RTPark companies and their technical infrastructure have also played an important role in providing UVI with outstanding facilities and networking capability. In 2015, we made a good start of ensuring that all clients are made aware that making contributions to UVI are serious and important aspect of membership in the UVI RTPark network. In 2015, 17 out of the thirty active clients executed against their commitments to UVI, in 2016, our efforts will be to assist all our clients in executing those commitments and monitoring their performance. If we achieve a good conversion rate, there will be a sizeable additional contribution to UVI coming directly from RTPark clients.

When I started in this role 12 months ago, many of you may recall that I indicated that the RTPark would draw on my skillset and experience to become involved in thought leadership and community engagement activities. I am pleased to report that we have been active on these fronts. I have made presentations at the VI Montessori School and the Downtown Revitalization Community Forum and the Investors Forum, organized under the leadership of Committee Chair, Senator Millin Young. All of those activities took place in St Thomas.

At our headquarters in St Croix, we have hosted several networking events, the standout being the private sector dialogue in November 2015, organized with the St Croix Chamber of Commerce, which saw a lively debate and discussion about the future economic development strategy for the

US Virgin Islands. We are continuing with these events and have another scheduled on leading change in the new economy for early March 2016, and another on managing intellectual property in May 2016. The caliber of speakers in this series will continue to be first-rate and there will be a focus on inviting persons from across the globe to share and interact with our communities.

The RTPark has been a good corporate citizen in its own right, we participated in the Backpacks for Success program which made donations to the Queen Louise Home for Children, made philanthropic contributions to schools in the Territory and plan to be active in professional associations across the Territory and to encourage the clients to do so as well.

The RTPark has opened itself to our immediate UVI community and the wider community. We bring guests and invited speakers to UVI classrooms and auditoriums both in St Thomas and St Croix. Our guests have appeared on the UVI radio stations and on local radio stations. These exchanges are part of the knowledge circulation process that we consider to be central to fostering and building an innovation climate and culture. The RTPark is a bridge between the Territory and the rest of the world, it is also at the vanguard of change between the classic and well known sources of economic activity in the US Virgin Islands and the New Economy. We want to catalyze and support the US Virgin Islands becoming a place where change and disruption are accepted and encouraged, not where the status quo is defended.

The RTPark aims to set high performance standards and to do so without losing sight of the importance of cultural integrity and resonance. To that end, we are exploring a partnership with the Virgin Islands Caribbean Cultural Center (VICCC), so that our work on technology, innovation and knowledge-mediated change can be informed and strengthened by the depth of work on cultural heritage, history and preservation with which the VICCC is associated and respected.

Community leaders have challenged the RTPark to become involved in their efforts to widen access and knowledge and to take our message outside of the university and further into the community, including within the K-12 educational system. We have listened and should be in a position to announce some exciting community engagement projects, which expand our programming reach into the local neighborhoods. As a member of the VI Workforce Investment Board, I am also providing advice and guidance on the Territory-wide workforce development efforts and am able to draw on and share information regarding the successful models that the RTPark is helping to put into practice between UVI and RTPark clients.

The RTPark is being plugged into networks within the UN System, academic and professional innovation networks as well as communities of practice in the Caribbean, Europe and Africa, and through these efforts we are showcasing the US Virgin Islands. One may ask, why does participation in global networks matter? And my answer is straightforward, it means that the US Virgin Islands through the RTPark has an expanded range of partnership opportunities. For example, the RTPark can be the innovation intermediary that partners with the Innovation Hub in Kenya, which is known for the mobile payments (M-Pesa) success stories being hailed around the world. These discussions also mean that the US Virgin Islands is being considered as the Caribbean hub for an augmented/virtual reality design center and if successful will be a member of a network of several such centers around the world. Active engagement also provides an opportunity for exchanges of faculty and students between UVI and leading research universities in the world including MIT, Duke, University of Michigan and the (SPRU) University of Sussex, as well as further connections in the wider Caribbean, including with the University of the West Indies.

We understand that the mandate of the RTPark is to facilitate inward investment into the US Virgin Islands in technology and knowledge-intensive areas and to undertake these activities in a manner

where the people of the US Virgin Islands benefit. Facilitating entry and growth of technology businesses is exciting and brings us into daily contact with new ideas, fast moving trends and driven personalities. We are striving to undertake our important role knowing that this type of fundamental change can also produce fear and anxiety, as well as challenge entrenched interests. With your continued cooperation, my intention working with the full support and guidance of the RTPark Board of Directors, is to make every effort to find the judicious balance between dynamic change and tradition so that the people of the Virgin Islands can fully claim the right to participate in new Economy as active agents and to do so from a place of strength and self-awareness.