



Testimony of Peter H. Chapman, CEO
USVI Research & Technology Park Corporation
June 21, 2023

Good morning, Senator James and other Senators present. We appreciate your gracious invitation to provide an update on RTPark activities. My name is Peter Chapman, CEO of the Virgin Islands Research & Technology Park Corporation, and I am joined today by several core team members—Chief of Staff Aminah Saleem, Director of Entrepreneurship Eric Sonnier, Senior Manager of Marketing & Communications Sydney Paul, and Sustainable Development Associate Torhera Durand. Entrepreneurship Manager Alfonso Rodriguez is participating virtually. We are also glad to have with us this morning the talented Mr. Asante Richards, who is providing architectural design services and other research in support of our emerging Innovation District revitalization initiative for downtown Charlotte Amalie, which we will briefly touch upon during our report.

Because of the breadth of activities being undertaken at the RTPark, I'd like to focus this presentation on the progress of selected specific initiatives and projects we've launched (or which are in the planning phase) in recent years, some of which are being undertaken through the generous support of the VI Legislature as well as the Bryan administration. But before I dive into the details, I want to first provide for the viewing audience a brief overview of the RTPark Corporation, and our mission.

Now in our 21st year of operation, the RTPark is an independent economic development corporation established by the VI Legislature to help diversify and strengthen the economy of the Virgin Islands by harnessing the region's competitive advantages to become a hub for technology- and agricultural research-focused economic development. According to Title 17 of the Virgin Islands Code—which serves as our “north star” or overarching guide—we have as our principal mandate the implementation of a holistic economic development model that concentrates on:



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- ❑ the attraction of new companies to the territory;
- ❑ the support of early-stage and start-up enterprises;
- ❑ the provision of access to capital to qualified businesses;
- ❑ the facilitation of workforce development training opportunities for Virgin Islanders; and
- ❑ the creation of new real estate facilities that support tech talent and the growth of companies in our target industry sectors.

I should also note that we are an independent affiliate of the University of the Virgin Islands, and as such we have helped facilitate both internships and permanent employment within the tech sector for many UVI students and alumni, respectively. And although supporting UVI is a secondary focus according to Title 17, we are quite proud of the fact that since our inception, the RTPark has generated approximately \$13.5 Mil. in financial support for UVI, over \$12 Mil.—or roughly 90% of which—has been generated for the University in the last five years by the current RTPark team. This success is directly attributed to our implementation of a more aggressive and comprehensive economic development programming model in line with Title 17...and to the amazing capabilities of a very effective, dedicated and diverse team of professionals. The performance of the current team has earned the RTPark the distinction of being one of the highest performing economic development organizations in North America, as designated the International Economic Development Council (IEDC).

This morning I'd like to focus on our progress with respect to seven programs, initiatives and projects:

- 1) Accelerate VI and related entrepreneurship activities;
- 2) The VI STEM Kids youth coding program;
- 3) The Tech Village mixed-use and sustainable development project;



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- 4) VISTA+ (Virgin Islands STEM Talent Archive) talent attraction initiative;
- 5) The Catalyst Fund Revolving Loan Program;
- 6) Creative economy; and
- 7) Innovate STT revitalization initiative for downtown Charlotte Amalie.

Accelerate VI/Entrepreneurship

In the area of entrepreneurship, we completed the fourth cohort of ACCELERATE VI, our structured three-month accelerator program designed to help promising early-stage companies grow and scale their businesses from the Virgin Islands.

The AVI program seeks to diversify the Virgin Islands' economy by helping to create more tech startups and to populate the existing technology industry with local talent. The RTPark attempts to empower local entrepreneurs by offering mentorship opportunities, access to a physical coworking space, and guidance from a dedicated and knowledgeable leadership team. Thus far we've worked with 22 startups who have collectively grown revenue more than \$2.6M and raised over \$7M in capital. In addition to AVI, we recently launched the inaugural USVI Idea Incubator in Spring 2023, and are currently helping three entrepreneurs from St. Croix and one from St. Thomas go from idea to product in five months.

As we continue to evolve these important entrepreneurship programs, we hope to not only serve early-stage firms with the potential to create economic benefit for the Virgin Islands, but also those that will help address service gaps that may affect quality-of-life. One example is the need for rideshare services that will help expand transportation options. I want to commend Senator James on your prior efforts in this regard. As you continue to explore ways to bring rideshare to the Virgin Islands, we hope you will look to the RTPark as a resource.

VI STEM Kids

In the area of youth education, some of you may recall that in 2020 we launched VI STEM Kids, an initiative designed to provide inspiring STEM-based



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learning opportunities to school-age youth. The goal of the program is to introduce basic coding concepts to the participating children as a way of motivating them to pursue further STEM studies and future STEM careers.

In 2022 we were able to provide STEM education to over 130 students participating in the summer camps of the Caribbean Centers for Boys and Girls of the Virgin Islands (CCBGVI) on St. Croix and St. Thomas.

In the upcoming summer 2023 session, we estimate that the program will serve approximately 200 students across all three major islands including St. John. This is made possible through a strategic partnership forged with the non-profits Boys & Girls Clubs of St. Thomas/St. John and the Caribbean Centers for Boys & Girls of the VI. There will be an enhanced curriculum encompassing an expansive array of disciplines, including natural sciences, engineering, mathematics, and computer science.

Tech Village

Next, in the area of agriculture-centered development, we continue to make progress toward breaking ground on Tech Village this year. This mixed-use project has been a nearly four-year journey for us, and it remains one of the largest redevelopment initiatives of its kind on St. Croix. Tech Village will be constructed on a 27-acre site on Queen Mary Highway directly across from the UVI St. Croix campus and within the footprint of the federally-designated Opportunity Zone. When completed, it will consist of 20,000 square feet of office and R&D space as well as farmland to be used by agricultural research companies as part of the first phase. It will also consist of 66 units of workforce housing. Tech Village will support the creation of an estimated 300 new jobs on St. Croix at full build out. We are grateful for the support of the Legislature in advancing this project. The land conveyance was approved by the 34th Legislature in November 2021, and rezoning was approved in March of 2022, along with a land swap—which was proposed by Senate President Francis—that ensured that there would be no net loss of agriculturally-zoned land.

In addition to completing the soil analysis, the historical and archaeological analysis as well as project renderings, we have also completed our construction



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documents. Throughout this process we have maintained the commitments of our private sector financing partners, most notably Dwight Capital, one of the nation's largest U.S. Department of Housing and Urban Development-backed mortgage lenders. And perhaps most noteworthy, we are making progress with VIHFA toward processing our most recent grant submission to the agency seeking CDBG-DR gap funding. Due to factors out of our control, project costs have increased significantly in the past two years. One such factor includes the global supply chain crunch, which is placing upward pressures on the price of building materials and the overall cost of construction.

Also, VIHFA has requested that we increase the number of apartments that are affordable to LMI households, which will require a deeper level of subsidy to fill the resulting gap in our revenue projections. This increase in the number of income-restricted apartments (60+% of the planned apartments are now affordable) also requires that we factor into our project costs a substantial utility allowance which is set by HUD. In our most recent construction cost analysis, these three conditions have increased our funding gap to \$29 Mil.—up from \$8 Mil. two years ago—but I'm pleased to report that Governor Bryan has expressed his commitment to ensuring that we have the CDBG-DR monies necessary to close this gap. We are indeed extremely grateful for the Governor's continued support...and also for the guidance we've received from HUD officials.

With the impending groundbreaking for Tech Village, we have also taken great care to relocate the farmer, Mr. Polius, who has been operating on a portion of the site. Through the financial and technical support of the RTPark, he is on track to be relocated to a plot in Community Garden, Lower Love, in St. Croix by July 21st of this year. His external fencing is completed, his application to the USDA NRCS program has been submitted; he has received his complete plant inventory from the St. Georges Botanical Gardens; and he has begun building his livestock pens. Because one of the critical objectives of the Tech Village project is to strengthen the capacity of our local St. Croix farmers, I also want to highlight the work we're doing with the VI Good Food Coalition to craft long-term solutions that position farmers to more effectively address our need for



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greater food independence. Additionally, we are partnering with the Virgin Islands Board of Education, St. Croix School District and OWARECO, LLC for the implementation of a composting and food waste reduction pilot program that is seeking funding from the United States Department of Agriculture's Office of Urban Agriculture and Innovative Production.

Let me take this opportunity to acknowledge the outstanding work of our Sustainability Associate Torhera Durand in managing the relocation of Mr. Polius and in advancing our partnerships with key agricultural stakeholders.

VISTA+ (Virgin Islands STEM Talent Archive)

Shifting to talent development, we've continued to fully maximize our VISTA+ portal for accessing and connecting tech talent from throughout the Virgin Islands diaspora with local employers who are seeking to build a highly-qualified, well-credentialed workforce. Through our partnership with the VI Department of Labor which began a year ago, we are implementing an aggressive marketing campaign to populate the database and begin filling job vacancies. With this new funding, we have hired a VISTA+ Program Coordinator and a Marketing Specialist. Their roles involve overseeing program operations, streamlining candidate registration processes, and implementing effective marketing strategies. This addition has bolstered the program's organizational capacity, ensuring smoother operations and a better experience for both job-seekers and employers.

Consistent with the program's objective to attract skilled Virgin Islanders back to the territory, we recently launched the #COMEHOMEUSVI campaign. This initiative serves as an inspiring call to action, encouraging individuals who have migrated to the mainland U.S. to return home and contribute to the Virgin Islands economy as a member of our workforce. At the heart of this campaign is the "Connect and Collaborate" multi-city outreach series. This series creates opportunities for individuals to engage, network, and collaborate with fellow Virgin Islanders, fostering a sense of community and connection. The targeted cities include Atlanta, Washington, DC, Houston and Miami.



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Since its inception, VISTA+ has witnessed remarkable progress, reflected in the numbers of candidates and employers actively engaged in the platform. To date, the program has successfully registered 169 candidates who are eager to contribute their skills and expertise to the Virgin Islands.

The VISTA+ platform has gained the attention and support of 97 employers who recognize the value of engaging with the program. These employers are actively seeking talented individuals to fill positions and contribute to the success of their businesses, and to the Virgin Islands economy as a whole.

In anticipation of even greater success and growth, the VISTA+ program will undergo a complete site revision in the coming year. These improvements are intended to further enhance the platform's functionality, user experience, and overall effectiveness. By continuously improving and evolving, the program remains committed to providing a robust and efficient platform that seamlessly connects candidates and employers, which ultimately contributes to the economic and social development of the Virgin Islands.

The Catalyst Fund Revolving Loan Program

With respect to access to capital, our signature program is the Catalyst Fund revolving loan pool. In the past year, through the support of the Legislature, which provided us with \$5 Million in seed funding via enactment of Bill No. 34-0058—which was signed into law by Governor Bryan, we were able to launch the Catalyst Fund, which is designed to provide patient, flexible financing for larger business and real estate (re)development ventures that help make the Virgin Islands a more attractive destination for high-impact economic development projects undertaken by both existing local enterprises and new-to-market firms. We are grateful for the unwavering support of the 34th Legislature, especially for the strong leadership and guidance of Senate President Francis for helping us make the Catalyst Fund a reality.

We officially began underwriting loans and deploying capital last year and have secured approval from the loan review committee for three transactions—two large-scale sustainable agriculture businesses, and one medical coding company, M1 Enterprises. Of the \$5 Million received from the Legislature, \$3.1 Mil. is encumbered, and we are anticipating applications from another three or four businesses that will fully deplete the remaining \$1.9 Mil. in financing



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available. We are therefore poised to resubmit to VIHFA very soon an application for \$30 Mil. in CDBG-DR or Mitigation funding. Governor Bryan committed these resources several years ago, and we are hopeful that we can receive them this year since we have a volume of financing requests that exceed the amount of capital available to lend.

Important Emerging Initiatives

Creative Economy:

In the past year, as I previously shared, we've begun to concentrate intensively on out-of-the-box strategies to bring talented Virgin Islanders back home from the U.S. mainland and from other places as a means of strengthening and enhancing our labor force. One such effort has been our embrace of a new sector which we call *creative economy*. Although there are many different definitions of creative economy in the economic development field, for the RTPark creative economy-focused development entails attracting and growing industries that use technology to advance the work of individuals and institutions involved in the visual and performing arts. This is a rather broad sector, so we've selected film and media as our initial specific area of concentration. Our rationale is twofold: a) we believe film and media have great potential for measurable economic benefit to the territory, and b) there is evidence to suggest that there are many Virgin Islanders living in other places who work in the film industry, and if we were to incorporate a major focus on this sector we could inspire them to return home to the Virgin Islands, while also creating new job opportunities that will incentivize our most creative young people to stay in the territory, thereby helping to stem the "brain drain" that challenges our efforts to diversify the economy.

Just to provide you with some illustrative examples of our creative economy efforts thus far:

- ❑ Last year we developed a partnership with media entrepreneur, founder of the former New Millenium Studios, and veteran television star Tim Reid, to serve as our inaugural "Entrepreneur-in-Residence" at the RTPark. As you may recall, Mr. Reid was one of our keynoters at last year's tech and business attraction summit. Through our partnership with Mr. Reid, we are providing technical support to his new media



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company, LGCY TV, which streams entertainment content drawn from the African diaspora. His vision is to position his platform to be an Afro-centric version of YouTube. We want this company to be headquartered in the U.S. Virgin Islands for a number of reasons, including its potential to help elevate the VI's stature among creative professionals and strengthen the territory's credibility as a destination for media enterprises and film projects. As part of this dynamic partnership with Mr. Reid, we are also hoping to leverage his considerable experience to support training of local talent in film production.

- ❑ Through the support of film industry executive Ms. Niki Delone, Executive producer of Chicago Med, and a St. Thomian, we are also very far along in our effort to recruit one of the largest film equipment and facilities rental companies to establish a complex on St. Croix. We are presently negotiating for the acquisition of a 35-acre site in Frederiksted—via a local nonprofit—that would house this major production company as well as other mixed-use elements that would support local creative economy entrepreneurs throughout the Virgin Islands while also stimulating the economic revitalization and reinvestment within the west end of St. Croix.

Innovate STT Revitalization Initiative:

And finally, we have been working on an action-oriented and multi-layered strategy that could transform downtown Charlotte Amalie into a vibrant *Innovation District*.

Innovation Districts are physical locations designated by cities and regions to expand their base of tech and knowledge-based enterprises, and the concept is founded on the premise that in order to attract the talent that helps fuel tech businesses, you must engage in good *placemaking*, which is an urban planning concept that refers to the process of creating places where people want to be. Innovation District initiatives, which are now commonly found across the industrialized world, are often also accompanied by stepped up technical assistance efforts for local entrepreneurs, as well as community development activities that address blight and entrenched poverty in surrounding areas. We've targeted downtown Charlotte Amalie for exploration of what would be



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the USVI's first such district partly because of its locational advantages as the island's central business district, and the severe deterioration evident in many parts of the downtown. Our version of the Innovation District concept would be consistent with the tenets of Title 17, and also with leading practices from around the globe.

Our Innovation District redevelopment effort is quite comprehensive, and thus likely requires a separate meeting with the Legislature to walk through all of the details. But thus far, we have lined up viable financial partners and have begun to solicit feedback from selected local stakeholders, and we are excited about the prospect of launching this unprecedented redevelopment initiative.

Mr. Chairman, this concludes my formal remarks. We would be glad to entertain any questions from the Committee. Thank you.