The Virgin Islands Consortium

RT Park Has Been Rebirthed And May Be The Best Kept Secret Of Economic Growth In The U.S.Virgin Islands

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St. Croix RT Park

Politicians looking to be elected into office tend to highlight the major topics of the day, whether these topics are of government arms failing -- like WAPA -- or prospering, like the Limetree Bay agreement, for example, and use them to shape a political strategy of victory.

They would promise to reduce electric rates at WAPA, for instance, and would try to highlight their involvement in bringing the Limetree Bay agreement to fruition. They never mention entities that they believe are of little consequence to the territory.

But sometimes in the process of deciding this strategy, these politicians overlook certain economic drivers that are contributing greatly to the government's coffers, or firms with the potential to revolutionize economic growth -- or both.

During the 2018 general election, most candidates didn't even care to mention the RT Park in passing. This rational was decided with good reason: The autonomous entity, which has a partnership with the University of the Virgin Islands and was created by the Legislature in 2002, has hardly been mentioned for anything relative to economic growth in years.

But things have changed drastically in the past nine months at the RT Park -- which offers tax incentives to technology and knowledge base firms as a means of attracting them to the U.S.VI. And according to three of the RT Park's top officials -- Peter H. Chapman, executive director, Aminah Saleem, chief of staff, and Eric Sonnier, director of business attraction and entrepreneurship -- the Park has been rebirthed with a new focus on aggressively attracting firms to the U.S. Virgin Islands; helping local startups with a myriad of tools through a newly launched accelerator program, and attracting young Virgin Islanders whose degrees are in technology back to the territory through what is called the VI Talent Bank program.

These programs were explained in detail by the aforementioned RT Park officials during an interview on The Consortium's VIPC program Wednesday night. Mr. Chapman spoke of the RT Park's main vision of attracting tech businesses to the territory. He said no longer would the RT Park passively wait for these operations to come its way, instead, the firm, under its new leadership, has been intentionally courting them.

"Last year when I came on board... I recognized that there was an opportunity to evolve the model so that we were really fulfilling some of the characteristics of what I call best practices of economic development organizations that you typically see on the U.S. mainland. What that means at the end of the day is that we are focused comprehensively. We're focused on what I call proactive and aggressive business attraction, so packaging the value proposition as it were in a way that's going to appeal to tech companies in very specific clusters," Mr. Chapman said. "It also means we're looking strategically at ways to grow existing, promising tech companies and entrepreneurs within the territory."


From left to right: Peter Chapman, Eric Sonnier and Amina Saleem (Courtesy Cruselda Roberts for VI Consortium)

He revealed that the RT Park in 2016 commissioned an empirical economic impact analysis. The analysis, called the Value and Contributions Report, included roughly 30 companies that were part of the Park and concluded that the net benefit to the coffers of the Government of the Virgin Islands via tax revenue was $70 million annually. "On the one hand we are not relying on an appropriation from the government, but we generate tax revenue for the government," Mr. Chapman said. Additionally, of the roughly 360 permanent jobs created through the RT Park program captured by the analysis, over half of them were filled by Virgin Islanders, Mr. Chapman made known. As of Wednesday there were roughly 60 firms in the RT Park program and the number keeps growing. "By the end of the summer we'll have significantly more than that," Mr. Chapman said.

Accelerator Program

Mr. Sonnier highlighted the importance of accelerator and incubator programs as part of the RT Park. "Anywhere you're trying to compete and grow a tech cluster or really grow the entrepreneur ecosystem, you will see an accelerator program or an incubator program. So any major city, any place that calls itself a tech hub will have if not one, many accelerators and incubators, and there wasn't one here," he said. Mr. Sonnier said it was the first pitch he brought to the table, and that Mr. Chapman saw the value of it.

To be eligible for the accelerator program, the following criteria are needed:

- The business has to be registered, or willing to be registered in the U.S. Virgin Islands
- The business has at least a working minimum viable product. "We don't want ideas on a napkin that you haven't put any effort into; you want to show that there's some sort of commitment," Mr. Sonnier said.
- The business has not generated more than $500,000 in annual revenue
- The business has received investment totaling less than $2 million
- The business has the ability to scale (not a traditional small business). "We want there to be an ability to scale the same way a Facebook or a Dropbox can, where you don't need a new team or location to bring on new customers," Mr. Sonnier said.

The benefits of the program are immense:

- Mentorship
- Access to capital
- Office space
- Education
- Partnership credits
- Export promotion
- Legal advice
- Tax incentive
- Technical assistance

The accelerator program will launch in the fourth quarter with six companies, five of which are local entrepreneurs.

VI Talent Bank

For decades Virgin Islanders fresh out of high school leave the territory for the U.S. mainland to pursue higher education. Once there, many of them move on to succeed in a variety of career fields, including technology. However, not many return. This has created a problem for potential business growth in the territory, as the ability to find talent is a major determining factor for firms when looking to establish themselves in a jurisdiction.

Ms. Saleem said the RT Park's VI Talent Bank was created to solve this problem.

"What we've said is, what a minute, we have a large expat population in the diaspora that really have talent. Our best and brightest leave here everyday to go to the states, go to college, and when they want to come home there's usually no connection on what they need to do. So we said we'll create a VI Talent Bank," Ms. Saleem said.

She revealed that the talent bank will be a database of Virgin Islanders spread across the world who graduated from high school in the territory. These Virgin Islanders will be able to put their information, including their skills, in the database, where RT Park businesses will then search to fill needed positions in the territory. The package to return home, Ms. Saleem said, will include spouses of the expats along with their children, if any.

The expat program has been utilized for decades by countries that see value in attracting their natives back home to work. "Here you have a whole diaspora of people who say they'd love to come home but just that there's no jobs here. I need insurance, I have a family," all benefits offered by RT Park firms, Ms. Saleem said.

The VI Talent Bank has a projected launch window of fourth quarter -- late this year or early next.

For more information on the new programs and the RT Park's new direction, go here.

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