

The Virgin Islands Consortium

Commenting On Additional \$1 Million Provided To EDA For Marketing, Bryan Says Territory's Tax Incentives For Businesses Need More Exposure

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Shenneth Canegata **June 15, 2019**



ST. CROIX – On Friday, Governor Albert Bryan dedicated time to sit with the media to discuss various matters concerning the U.S. Virgin Islands. One of the topics the governor introduced during the talk was the extra \$1 million that the government had dedicated to the Virgin Islands Economic Development Authority's (E.D.A.) marketing budget to develop a 20-year territorial economic plan called VI 2040 Vision.

"It is very important to the territory," he explained. "We are not only a tourism destination site, but we are also a site for relocation of companies and businesses."

The additional \$1 million was first brought to light [earlier this month](#) when The Consortium reported that Mr. Bryan had provided the E.D.A. with \$1 million to fund a 20-year economic plan called “VI 2040 Vision,” an initiative he introduced during his State of the Territory Address.

During a June 4 E.D.A. board meeting, Kamal Latham, E.D.A. chief executive officer, said, “The governor designated E.D.A. to lead a multi-agency task force to develop the vision to be deployed on October 1. [We have been granted \\$1 million](#) from the Community Development and Block Grant – Disaster Recovery funds to fund Vision 2040.”

At that same meeting, during executive sessions, Mr. Latham was authorized to enter into a contract with Portals, LLC, a Virginia-based consulting firm which describes itself as an entity that works with governments to convert ideas into bankable opportunities attractive to investors. The contract totaled \$598,772 to complete the 20-year economic plan by the October 1st deadline, subject to negotiating a satisfactory payment schedule.” It remains unclear as to how the remainder of the \$1 million will be spent since complete financial terms were not publicly discussed.

The governor divulged another important reason he deemed it crucial to increase the E.D.A.’s marketing funds. “We have so much economic development through international banking entities, the Economic Development Commission (E.D.C.) program, the Hotel Government Act, tax implement financing, and the Research and Technology Park that no one knows about, so we are spending lots of money to try to get the word out there,” remarked the territory’s leader.

The additional \$1 million budgeted to the E.D.A. was one of the concerns [shared during a budget overview hearing](#) held Tuesday in the Senate’s Committee on Finance. Senators requested clarity on the additional funding.

Among them was Senator Alicia Barnes, who questioned Jenifer O’Neal, director designee at the Office of Management and Budget. Ms. O’Neal said the E.D.A.’s marketing allocation was labeled as “other services” in the budget and that she did not have an actual figure for just marketing. When questioned further by Ms. Barnes for clarification as to the E.D.A.’s total marketing budget, Ms. O’Neal stated that some \$2.1 million in funding included \$1.1 million for marketing, and an additional \$1 million, granted by the governor, to assist with marketing aimed at growing the economy, bringing the total to \$2.1 million.

Senator Kurt Vialet, Committee of Finance chair, said, “The areas where we want to reflect change, we can. Concerning the \$1 million, if we want to allocate it for marketing we can put it in as a line item to E.D.A. for marketing... Lump sums will not be given. An actual breakdown is necessary to identify exactly where the money is going; how it is going to be utilized.”

A thorough explanation concerning the \$1 million was expected to be provided when the Committee on Finance resumed the budget hearings later this month, but the governor seized the opportunity and preempted with clarification of the importance of providing additional funding to market the territory well.

Mr. Bryan was resolute about his reasons for allocating the money to the E.D.A. to market the territory. "They [businesses] not only bring money, but they bring wealthy people to the territory," he said. The chief executive shared that one thing not advertised is the fact that when companies relocate to the V.I. to invest, not only are their businesses benefiting from tax benefits, but their worldwide income is taxed at the regular rate. Therefore, attracting wealthy people to relocate and invest in the territory actually increases the amount of personal taxes the U.S.V.I. collects.

The tax benefits package is [offered by the E.D.C.](#) and is an attractive program aimed at bringing new firms to the USVI.