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PFA Board Hears Updates on Grants to Secure WAPA Debts, Expansion of Wifi From viNGN, and WICO Says its Finances Have Stabilized

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The V.I. Public Finance Authority Board of Directors during a recent meeting heard from several government-owned entities on the status of their financials and progress to develop various sectors in the USVI.

During the meeting, a grant agreement between the V.I. Office of Management and Budget and the V.I. Public Finance Authority was approved. According to a PFA release issued today, \$6 million in American Rescue Plan Act funds will go towards establishing reserve accounts at two banks in the territory, for the purpose of enhancing the financial security of the V.I. Water and Power Authority. WAPA has established credit facilities at the two financial institutions.

The board also heard from WICO Executive Director Anthony Ottley, who said the company had recently refinanced a loan held with a bank in the territory. The refinancing, Ottley said, allows WICO to fund its debt service reserve while also replenishing reserves of cash. Mr. Ottley told the board that the company was in a more stable financial position when compared to this time last year, when the impact of Covid-19 on the cruise industry was being keenly felt.

The outlook for cruise was positive, Mr. Ottley told board members, with capacity expected to level out above 95 percent. He said the recent increase in the Passenger Service Charge has helped, with WICO officials also exploring diversifying the company's revenue stream, with investment possibilities including a boutique hotel, a private beach, installing a water park in partnership with cruise lines, and a marina development.

The PFA Board also heard from the Virgin Islands Next Generation Network through President and CEO Stephen Adams. Mr. Adams expressed a positive outlook for the company's five-year financial position, and informed board members that the entity had received two sub-grants from the Office of Management and Budget — one under the CARES Act and the other from ARPA funds. The awards will go towards WiFi upgrades and expansion.

Meanwhile, the board also heard from PFA Director of Finance and Administration Nathan Simmonds, who provided an update on the activities of King's Alley Management Inc (KAMI). With the sale of the King's Alley Hotel and the former Anchor Inn property in March of last year, Simmonds informed the board that KAMI "is no longer an operating entity and may be dissolved at the direction of the PFA board."

The purchaser of the properties, USVI Opportunity Fund LLC, plans to develop the property alongside the King Christian Hotel, as a major enhancement of the Christiansted boardwalk.