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**The Governance Structure and Legislative Framework  
UVI Research & Technology Park  
Reflecting Amendments as approved by Board of Trustees  
June 2, 2001**

**INTRODUCTION**

The purpose of this document is to make recommendations on the governance structure for the UVI Research & Technology Park and to suggest the elements of the legislative framework that will form the basis for developing the proposed enabling legislation.

This brief document addresses the following matters: the objectives of the Research & Technology Park, recommendations on the organizational form of the Park and its relationship to the University, and finally the legislative framework for the Park.

**OBJECTIVES OF THE PARK**

1. The Research & Technology Park is conceptualized as a vehicle for economic development that will be operated under the aegis of the University of the Virgin Islands. More specifically, the Park is intended to create an environment that would enable technology-based economic development in the territory by facilitating job creation, business development and revenue generation.
2. To enable technology based economic development, it is necessary to create "value" for potential investors and partners in ways that give the Park a distinct competitive advantage both in terms of what it offers and the way it functions and operates. The University should therefore view the Park initiative as the creation of a Marketable Asset that will have an intrinsic value that we will offer to potential partners as a "Unique Selling Proposition". Economic development will result from the exchange of the "value" the University offers for the "value" the University wants in return for itself and for the territory.

**Value Propositions relating to What the Park Offers and How it Functions**

Viewed in terms of what the Park offers and how it operates, the following value propositions or characteristics would give the Park a distinctive advantage and help to ensure its success:

- (a) The Park is zoned as a tax-exempt zone for defined businesses, and would be able to qualify eligible businesses for benefits.
- (b) The Cell Corporation is granted the appropriate tax benefits and the Park is empowered to manage the cell corporation and to qualify businesses as cells.

- (c) The powers vested in the Park and the broad parameters of the decisions the Park can make are legislatively mandated, clearly defined, credible, and unambiguous creating a relatively certain climate for making rapid and decisive business decisions.
- (d) The powers vested in the Park and the requirements set forth by the Park are viewed by potential investors and partners as necessary, reasonable and sufficient to enable the creation of an environment in which e-commerce and technology companies can succeed and prosper.

At the same time, the Park should achieve several internal objectives for the University:

- (a) The Park, while conceptualized as an economic development vehicle, must ultimately be a revenue generator for the University.
- (b) The Park must enhance the academic mission of the University.
- (c) The Park must ultimately be subject to the control of the Board of Trustees of the University.
- (d) The Park should be organized to shield the University from the potential legal liability of operating the Park

One of the key considerations for effective Parks is the elimination of uncertainty about the powers of the Park in order to create a relatively certain climate for potential investors. Another key consideration is a governance and management structure that promotes and fosters entrepreneurship while reserving ultimate control by the Board of Trustees of the University. The environment offered by the Park must be responsive to the demands of the fast changing world of technology where time is money and where the ability to move rapidly often determines success or failure. The Park must have the power to act decisively and quickly. The powers of the Park must be seen as being necessary and sufficient to enable the environment in which partner businesses will prosper. Moreover, the Park must also be positively differentiated from other governmental agencies in terms of its decision-making capacity.

## RECOMMENDATIONS

### Organization Form and Relationship to the University

A separate governmental entity is the recommended governmental structure for the Research & Technology Park, **provided, however**, its organizational structure and relationship to UVI are acceptable to the University and is enacted timely into law.

With respect to the powers of the Park, the overarching principle is to protect UVI interests and at the same time grant the Park entity the ability to be autonomous and make its own decisions. This balance can be effectively achieved by Legislation that does the following:

1. Establishes that a majority of the members of the Park Board must be members of the University Board of Trustees.
2. Establishes that the Board of Trustees of the University shall have the power to establish by lease or by contract conditions on the Park Authority's use or development of the University's property.

## **Framework for Legislation**

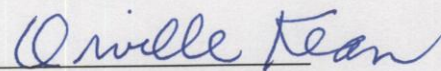
The Following is suggested as the framework for the Legislation:

1. Purpose: For the purpose of promoting technology-based economic development in the territory: (a) To establish the University of the Virgin Islands Research and Technology Park Authority as a public corporation and autonomous governmental instrumentality of the Government of the United States Virgin Islands. (b) To provide for the creation of a protected cell corporation under the aegis of the Research and Technology Park Authority of the University of the Virgin Islands, as a means to provide Hosting Services to Electronic Commerce Businesses, Financial Clearing Facilities, Software Development Facilities, and Incubator Business Sites to new knowledge-based businesses seeking to establish operations in the United States Virgin Islands.
2. Tax-benefits: The Park would be zoned as a tax-exempt zone for e-commerce, technology, knowledge-based and other defined businesses, and the Board of Directors of the Park would be able to qualify eligible businesses for pre-defined benefits. The Cell Corporation would be granted the appropriate tax benefits by the Legislature, and the Park would be empowered to manage the cell corporation and to qualify businesses as cells to receive benefits granted to the parent cell corporation.
3. Board of Directors: The Board of Directors for the Research and Technology Park Authority shall consist of seven members. The Authority Board shall consist of the Chairman of the UVI Board of Trustees, the President of the University of the Virgin Islands, both of whom shall serve ex-officio, two (two) persons selected from among the UVI Board of Trustees by the Board of Trustees, and three (3) other persons nominated by the Governor and approved by the Virgin Islands Legislature. The two trustees selected by the Board of Trustees should serve at the pleasure of the UVI Board of Trustees until they are replaced. They need only be trustees at the time of their appointment to the Authority Board. The three individuals confirmed by the Legislature should serve for a minimum term of five years but may continue to serve until their successors are appointed. The Secretary of the Board of Trustees of the University of the Virgin Islands shall serve as the Secretary of the Authority Board.
4. Guiding Policies and Principles: The Board of Trustees of the University shall approve the initial guiding policies and principles to provide direction and guidance to the Park Board and Management on matters relating to permitted uses, due diligence requirements, general plan, and development standards.

5. Powers and duties of Board of Directors: The Board of Directors shall have powers and duties necessary and sufficient to effectuate the purposes of the Park Authority, including the following:
- (a) To select an Executive Director for the Park Authority and to select the Chairman of the Board of the Authority;
  - (b) To adopt general policies and procedures;
  - (c) To enter into contracts and agreements;
  - (d) To own, acquire or lease real or personal property;
  - (e) To borrow money, issue bonds of the Authority for any of its corporate purposes and to give security therefor;
  - (f) To accept grants or loans from the federal or local Government;
  - (g) To acquire and use trademarks and trade names in accordance with applicable Federal and territorial law;
  - (h) To qualify businesses meeting certain pre-defined criteria for tax benefits granted to the Park by the Legislature.
6. Executive Director: The Executive Director of the Park Authority shall have the following powers and duties: (a) To hire and remove employees of the Park Authority for cause; (b) To be responsible for the general administration of the Authority;
7. Executive Committee: The Executive Committee of the Authority can exercise the powers of the Authority's Board when the Board is not in session, consistent with the policies of the Board of the Authority.

### **CERTIFICATION**

The foregoing is an exact copy of a document adopted and approved by the Board of Trustees of the University of the Virgin Islands at its meeting on May 2, 2001, as recorded in the minutes of said meeting.

  
**Secretary of the Board**

6/4/01