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**Assistant Secretary of**  
**Commerce**  
**for Economic Development**  
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INNOVATION. REGIONAL COLLABORATION. JOB CREATION.



## The EDA Mission

*To lead the federal economic development agenda by promoting innovation and competitiveness, preparing and supporting American regions for growth and success in the global economy.*

## How Does EDA Execute that Mission?

- Six Regional Offices
- 392 Economic Development Districts
- EDI works with federal peers to identify opportunities for greater interagency collaboration
- Attracting and leveraging private capital investment
- Emphasis on innovation, entrepreneurship, and regional competitiveness





## How EDA works with Insular Areas

### ✓ **Our People and Our Offices**

- ✓ EDA'S Seattle Regional Office serves Guam, American Samoa, and the Northern Mariana Islands
- ❑ EDA's in-area Economic Development Representatives (EDR) stationed in Hawaii.
  
- ✓ EDA Philadelphia Reginal Office serves U.S. Virgin Islands (USVI)
- ❑ EDA's in-area Economic Development Representatives (EDR) stationed in Puerto Rico and USVI.

### ✓ **Their Tasks**

- ✓ EDRs help identify potential applicants and helping them navigate the requirements of the EDA funding opportunity.
- ✓ EDA economic development grants include both construction and non-construction investments to fund strategic planning, technical assistance, construction of physical infrastructure and capitalization of revolving loan funds.
- ✓ Help facilitate timely and effective Federal economic development assistance to support long-term community economic recovery planning and project implementation, redevelopment and resiliency.



## By the numbers: U.S. Virgin Islands, Guam, American Samoa and the Northern Mariana Islands

### EDA INVESTMENTS --

- Since FY 2015, EDA has invested close to **\$67 million in 19 projects** in the U.S. Virgin Islands, Guam, American Samoa and the Northern Mariana Islands insular areas, to help U.S. territories and regions build the capacity for economic development.
  - These included close to \$47 million in 6 projects that are, according to recipient estimates, expected to create or retain 1,023 jobs and attract \$40.4 million in private investment.
  - EDA also invested close to 20 million in 13 projects to support planning, research, technical assistance, access to capital, or other activities that are essential for successful economic development and job creation in the future.
- ☐ ***Insular Project Example: In December of 2018, EDA announced it was providing a \$1.8 million grant to the Guam Contractors Association Trades Academy, Inc. to support the construction of a building to be used as a workforce training facility in Tamuning, Guam. The investment will help provide workforce development and training to the area and allow residents to have access to higher skill and pay employment opportunities. The grantees estimates the investment will help create 445 jobs.***



- **What Are Opportunity Zones?**

- A Tax incentive created under the 2017 Tax Cuts and Jobs Act to stimulate economic development and job creation, by incentivizing long-term investments in low-income neighborhoods.
- An Opportunity Zone is an economically-distressed community where private investments, under certain conditions, may be eligible for capital gain tax incentives.
- Each insular area has designated opportunity zones within their region.

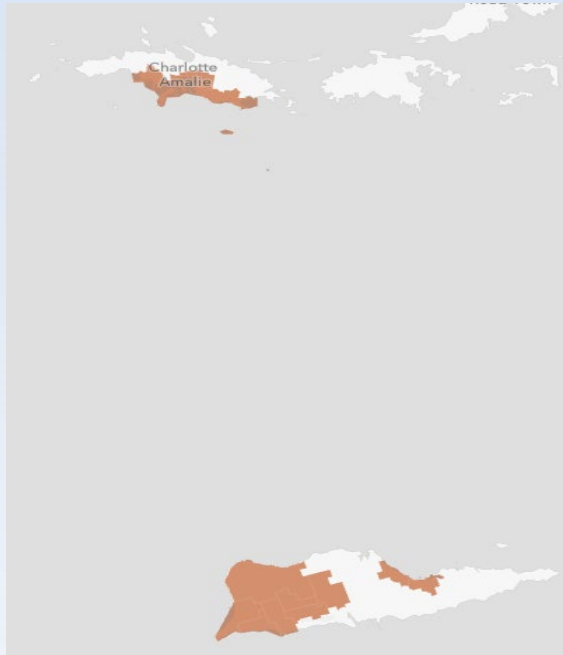
- **What are the benefits of Opportunity Zones?**

- Opportunity Zones are designed to spur economic development by providing tax benefits to investors.
- Investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged or until December 31, 2026.
- Investing in Opportunity Zones not only enhances ROI for business interests, it also has a tremendous social impact by driving private investment to distressed areas.

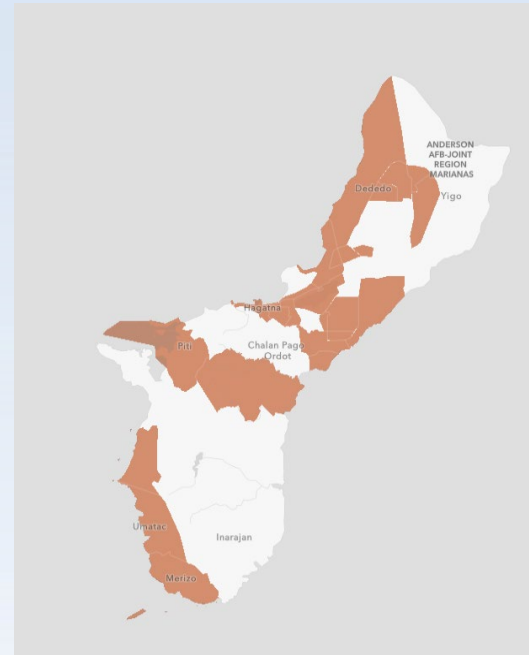
# Opportunity Zones: USVI and Guam



## USVI



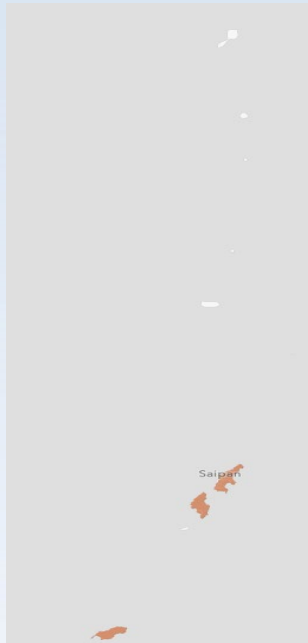
## Guam



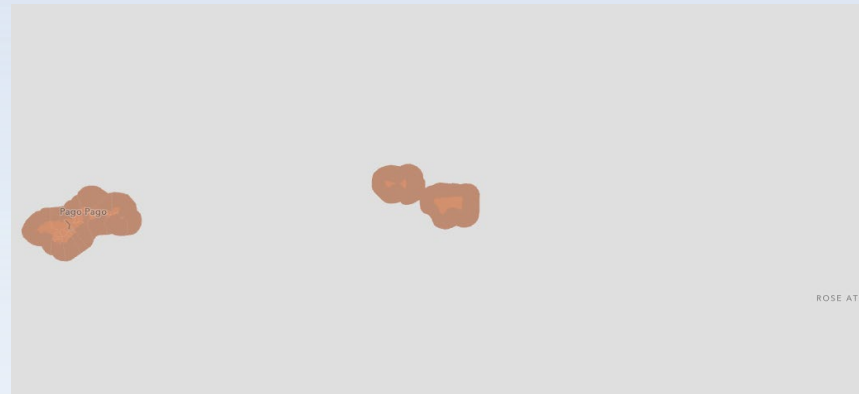
## Opportunity Zones: Northern Mariana Islands and American Samoa



### Northern Mariana Islands



### American Samoa





- Five recent EDA actions to drive private investment to distressed areas and prioritize Opportunity Zones:

- **Issued a Notice of Funding Opportunity** that made Opportunity Zones eligible for funding from EDA, through its special needs category, even if the area would not meet EDA's economic distress criteria.
- **Added Opportunity Zones as one of its five Investment Priorities** to help significantly increase the number of catalytic Opportunity Zone-related projects we can fund.
- **Active participant of the White House Opportunity and Revitalization Council (WHORC)** where Assistant Secretary Fleming is providing overviews of EDA's role in the initiative at Opportunity Zone roundtables that are bringing together local elected officials, business leaders, community groups, and others across the country.
- **Created a web-based tool** in collaboration with the Indiana University and its Kelley School of Business, that offers information on every Opportunity Zone.
- **Updated the EDA Comprehensive Economic Development Strategies (CEDS) Content Guidelines** to help communities across the country to maximize their ability to attract investment to Opportunity Zones.





# Opportunity Zones: EDA Grant work

- As of February 2020, EDA has invested **close to \$356.7 million in 268 projects** across the U.S. to support designated Opportunity Zones.
- ***Insular Project Example: In September of 2019, EDA announced it was investing \$28.6 million in the University of the Virgin Islands, Charlotte Amalie, to support efforts to diversify and strengthen the resiliency of the Island economy by helping to grow the medical sector. The two grants, to be located in a Tax Cuts and Jobs Act designated Opportunity Zone, are matched with \$3 million in local funds, and are expected to help generate \$35 million in private investment.***



## *Insular Areas Contact Information*

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