

APPENDIX D: PROJECT AGREEMENT NO. ER-TISP-TOURISM-MARKETING CAMPAIGN

Project Name: Tourism Marketing Campaign

An Agreement, by and between the **VIRGIN ISLANDS HOUSING FINANCE AUTHORITY** ("VIHFA" or "Grantee"), an independent instrumentality of the Government of the Virgin Islands, at 3202 Demarara Plaza, Suite 200, St. Thomas 00802, the **DEPARTMENT OF TOURISM** ("DOT"), an Agency of the Government of the Virgin Islands, at 2318 Kronprindsens Gade, St. Thomas, USVI 00802, and herein jointly referred to as the "Parties" or "Virgin Islands Entities." This Agreement is conditioned upon and subject to DOT adherence to the requirements found in Subrecipient Agreement SA-DR-(DOT)-005-2019.

IT IS MUTUALLY AGREED AS FOLLOWS:

SECTION 1: SCOPE OF SERVICES

Activity: Tourism Marketing Campaign

Tourism Marketing Support Campaign will focus on offsetting the negative perceptions of storm-related damages to the U.S. Virgin Islands and reinforcing the Territory's market position as a top sports and adventure, ecotourism, cultural and romance destination in the U.S.

Project Target Area:

Territory-wide (St. Thomas-St. John and St. Croix districts)

SECTION 2: PROJECT SUMMARY

The U.S. Virgin Islands Department of Tourism will administer a multi-pronged strategy to provide a robust marketing campaign to showcase the U.S. Virgin Islands vast tourist assets as they come back online.

To ensure maximal efficacy and impact, the marketing initiatives will target specific travel and tourism niches in which the U.S. Virgin Islands are known to be competitive, especially among U.S. mainland residents. The niches identified by the Department of Tourism include sports and adventure, MICE (meetings, incentives, conferences and exhibitions) romance market (destination weddings, honeymoons, and vow renewals) and yachting. The marketing campaign and product development technical assistance will be designed under the direction of the Department of Tourism.

Components of the Tourism Marketing Program Initiatives will include:

- Branding
- Marketing
- Public Relations
- Film
- Purpose Travel
- Visitor Experience

The Department of Tourism will procure the services of a marketing firm to assist in development of the campaign.

SECTION 3: NATIONAL OBJECTIVE

Urgent Need

SECTION 4: TERM OF AGREEMENT

The term of this Agreement is May 23, 2019 through May 23, 2021 but may be extended pursuant to a written amendment to this Agreement as authorized in the DOT Subrecipient Agreement SA-DR(DOT)-005-2019. In any event, this Agreement shall cover the period that the Grantee has control over Community Development Block Grant Disaster Recovery funds.

SECTION 5: PROJECT BUDGET

Subject to the terms and conditions of this Agreement, VIHFA, as Grantee and administrator of the CDBG-DR Program, will make available to DOT disaster recovery funds up to the maximum amount of [REDACTED] (\$ [REDACTED] (the "Grant Funds") for the purpose of funding a Marketing Campaign once DOT is compliant with the terms and conditions of this Agreement and the Subrecipient Agreement. The Grant Funds must be expended by VIHFA within two years of the date that the funds are obligated by HUD to VIHFA, unless an extension is hereinafter granted in writing by HUD or as approved by VIHFA.

DOT is required to ensure all contracts with DOT contractors clearly stipulate the period of performance or the date of completion. DOT will provide to VIHFA a performance narrative report, to be updated on a periodic basis as defined by DOT.

The total estimated budget for the Marketing Campaign is [REDACTED]; the CDBG-DR Tranche 1 allocation is [REDACTED]. The funds allocated for DOT are intended for use only on a marketing campaign for the territory.

Project Budget Summary:

Though the budget line items in Exhibit 1 are estimates, the total budget for Tranche 1 as described in Section 1 Scope of Services of this project shall not exceed [REDACTED]

DOT further agrees that it shall not deviate from this budget except with prior written approval from the Grantee. If changes to the budget are necessary, DOT shall complete and submit a Budget Revision form for the Grantee's approval.

- A. Time of Payment: Payment shall be made upon receipt of reimbursement voucher or payment request sent to VIHFA.
 - 1. DOT shall submit a reimbursement voucher or payment request within 75 days of the Notice to Proceed,
 - 2. DOT shall submit reimbursement vouchers or payment requests on a monthly basis, and
 - 3. DOT shall submit supporting documentation for each line item reflected on the reimbursement voucher or payment request submitted (as outlined below in SECTION 6: DOCUMENTATION OF PROJECT COSTS AND OTHER FINANCIAL REPORTING). Such supporting documentation should be a part of the reimbursement or payment request.

- B. Disbursement of Payment: The Grantee shall apply the funds under this Project Agreement in accordance with the Project Budget Summary and as reflected in the reimbursement request voucher(s) submitted by DOT.
 - 1. An updated detailed line item budget for all Agency internal or related costs must be submitted and approved by VIHFA prior to funds being released and drawn down.

- C. Budget Revisions: Any request for a line-item expense change shall be submitted in writing, shall specifically state the reasons for the requested increase and a justification for the corresponding decrease in other line-item(s). Any budget revisions must be necessary and meet Cost Reasonableness standards. All budget revisions and/or amendment requests will be reviewed and approved or denied.

SECTION 6: DOCUMENTATION OF PROJECT COSTS AND OTHER FINANCIAL

REPORTING

All payments shall be made as progress payments for work performed. All project costs must be supported with source documentation, including purchase orders, invoices, cancelled checks, evidence of electronic payments, certified payroll and timesheet, etc. and submitted to VIHFA for review.

Prior to subsequent reimbursement requests, DOT must reconcile their financial records, identify any unspent funds or excess cash on hand; any unspent funds or excess cash on hand, along with any earned interest from the unspent funds or excess cash on hand must be remitted to VIHFA immediately. These reconciliations must be available to VIHFA for review upon request.

Normal indirect cost rules apply. If an agency intends to charge indirect costs to the award, the project budget must clearly state the rate and distribution base intended to be used. If there is a Federally negotiated indirect cost rate, the agency must include the letter or other documentation from the cognizant agency showing the approved rate. Any changes to the indirect cost rate must be submitted to VIHFA before utilization under this agreement.

SECTION 7: PERFORMANCE MEASURES / PROJECT MILESTONES

Conditions:

1. DOT must submit to VIHFA all CDBG-DR procurements for review and approval prior to solicitation and after for upload and advertisement on VIHFA's website.
2. An updated detailed line item budget for all Agency internal or related costs, must be submitted and approved by VIHFA prior to funds being released and drawn down.

Milestones:

1. Number of pre-disaster tourists and visitors
2. Stabilization or increase in tourism revenues
3. Revenue generated by impacted areas through tourism industry
4. Number of new visitors
5. Total visitor spending

SECTION 8: CLOSE-OUT

DOT obligations under this Agreement shall not end until all close-out requirements as set forth in 24 CFR 570.509 are completed. The terms of this Agreement shall remain in effect until the project has been closed-out.

DOT shall submit within thirty (30) days after the date of expiration of this Agreement, all financial, performance and other reports required by this Agreement and Subrecipient Agreement SA-DR-(DOT)-005-2019 and in addition, will cooperate in any project audit.

Closeout of funds will not occur unless all requirements of 24 CFR 92.507 and any outstanding issues with a contractor / vendor and or subcontractor have been resolved to the satisfaction of VIHFA, and/or HUD.

SECTION 9: INTEGRATED DOCUMENT

This Agreement, along with Subrecipient Agreement SA-DR-(DOT)-005-2019 and any attachments, constitutes the entire agreement between the parties and both parties acknowledge that there are no other agreements, written or oral, that have not been fully set forth in the text of this Agreement.

SECTION 10: SEVERABILITY

The terms and provisions of this Agreement are severable. Unless the primary purpose of this Agreement would be frustrated, the invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision of this Agreement. The Parties intend and request that any judicial or administrative authority that may deem any provision invalid, reform the provision, if possible, consistent with the intent and purposes of this Agreement, and if such a provision cannot be reformed, enforce this Agreement as set forth herein in the absence of such provision.

WITNESSES:



GOVERNMENT OF THE VIRGIN ISLANDS


BY: 

DATE: 2/5/2020

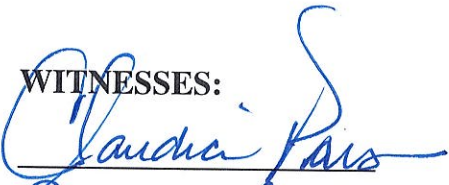

Joseph Boschulte, Commissioner
Department of Tourism

Reviewed for Legal Sufficiency:


Denise Rhymer, Esq.


Dated: 10th day of February 2020

WITNESSES:

**VIRGIN ISLANDS HOUSING FINANCE
AUTHORITY**

BY: 
DATE: 2/10/2020
Daryl Griffith
Executive Director