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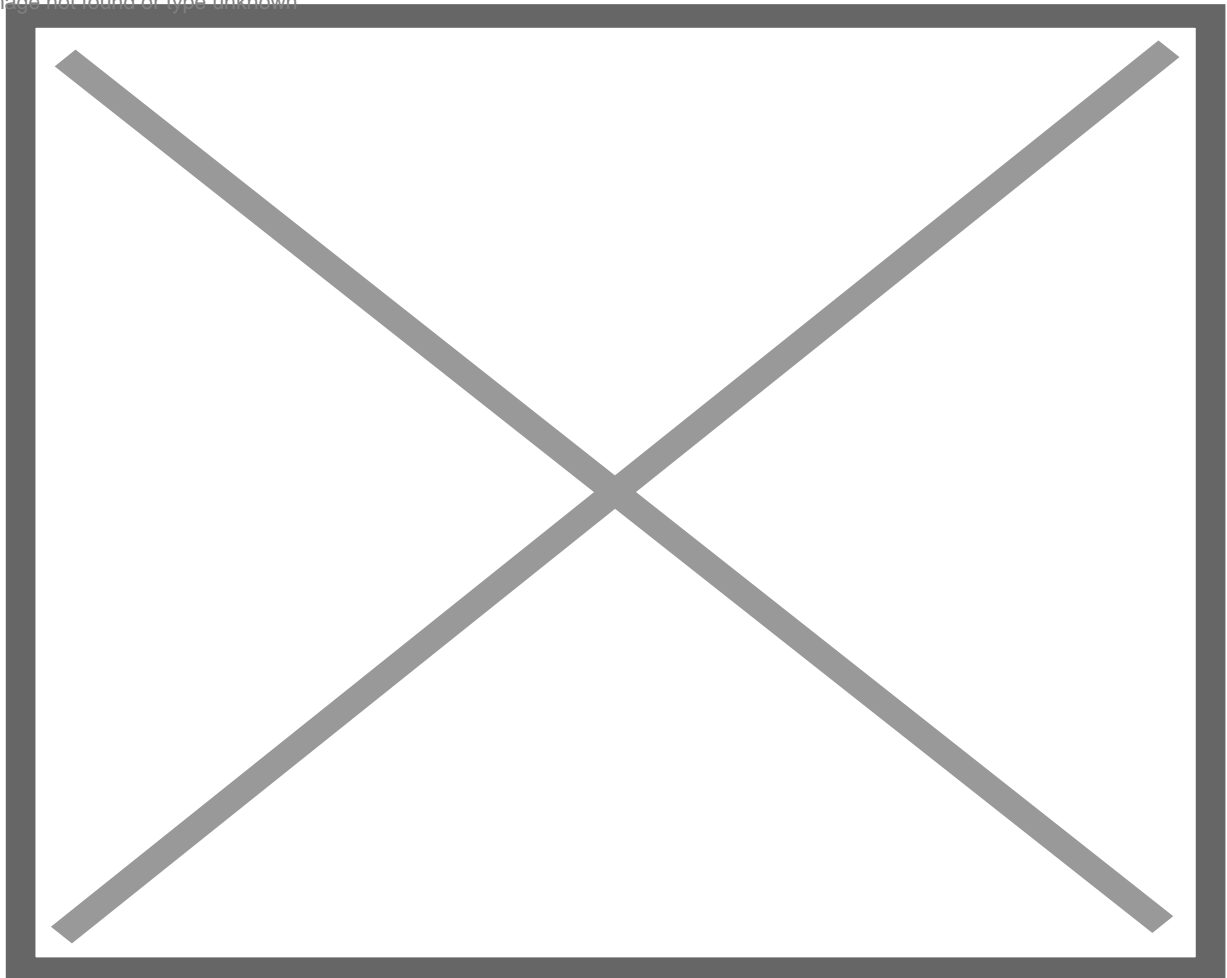
Details of the GVI Lawsuit Against VIGL

The government seeks to evict VIGL, reclaim permits, and impose financial penalties, alleging the company breached its agreement by failing to meet construction deadlines and permit requirements.

Government / **Published On January 29, 2025 07:54 AM /**

Janeke Simon **January 29, 2025**

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xThe current site of the Randall "Doc" James Racetrack after the original facility was demolished By. ERNICE GILBERT, V.I. CONSORTIUM

During Monday's State of the Territory Address, Governor Albert Bryan Jr. announced that the government was suing VIGL Operations LLC for breach of contract. The lawsuit comes over VIGL's continuing failure to deliver a promised reconstruction of the Randall "Doc" James racetrack on St. Croix.

The 15-page civil complaint, filed on January 27, details the trajectory of the ill-fated project, starting with the franchise agreement signed between VIGL and the GVI in October 2016. The initial agreement was for two racinos (racetracks with attached casinos) to be built, one on St. Croix and one on St. Thomas. Legislation approving the agreement and approving leases for the racetracks was passed by the legislature and duly signed by Governor Mapp in December of that year.

The twin project became mired in legal disputes, with Southland Gaming claiming that the deal violated previous agreements it had with the government giving it the exclusive rights to operate video lottery terminals on St. Thomas. After a judge [upheld that claim](#) in 2020, VIGL said that they would [abandon the 2016 agreement](#).

In 2021, the agreement was amended to allow the company to continue work on St. Croix while litigation over the St. Thomas facility continued. The following year, the agreement was amended again to remove the Clinton E. Phipps project from VIGL's scope of work completely, leaving the company focusing solely on constructing the racino on St. Croix. "In the Second Amendment the GVI included deadlines for filing of permits to ensure the project moved forward in a timely manner," the lawsuit notes. The parties agreed that failure to adhere to the deadlines might be considered a material violation of the agreement, the civil complaint argues.

GVI then promised VIGL \$5 million in support of specific racetrack-related projects, to be disbursed 90 days after breaking ground on the project.

The first missed deadline was November 15, 2022, the date by when VIGL was supposed to have applied for a modification of its permit from the Coastal Zone Management Committee. In April 2023, the government issued a Notice to Cure, instructing VIGL to address the missing application.

Another Notice came on September 27, 2023, one day before the deadline for breaking ground on the project. According to the lawsuit, the notice, which was transmitted by email, alerted VIGL to the looming deadline, and other matters that needed to be attended to. On September 29, the day after the groundbreaking deadline, VIGL responded to say that the company was awaiting additional permits, including one from the Casino Control Commission to break ground or meet any of the subsequent deadlines. "The Government objected to this argument but informally declined to take enforcement action at that time."

The CCC [approved a racino license](#) for VIGL in April 2024, and in May of that year, GVI sent another Notice to Cure in which it claimed that VIGL had defaulted on the agreement in four critical areas: failing to break ground in a timely manner, failing to make the initial investment required by the agreement, failing to file for necessary permits in a timely manner, and violating the bond requirement.

With no response from VIGL within the 30-day window, the government then requested a hearing by the Horse Racing Commission, first in June 2024, and then again in September of that year. The request went unanswered until last week, the government says, when the Commission scheduled the hearing for February 27, 2025.

"Given the Horse Racing Commission's excessive delay, Plaintiff seeks expedited relief from the Court," the civil suit declares. VIGL has still reportedly not responded to the May 28, 2024 notice. "As of the date of this Complaint VIGL has not cured any of the defaults identified" in that notice, the complaint states.

GVI wants to court to declare that the company is now in default of the agreement, and that the government is entitled to terminate both the franchise agreement as well as the lease. The lawsuit also alleges four counts of breach of contract, aligning with the four previously outlined defaults by VIGL.

As a result of the material breaches, the government is asking the court to order that VIGL be immediately evicted from the premises, that any permits obtained by VIGL be transferred to the Government, and that damages be awarded, including liquidated damages of \$1500 per day for each violation outlined in the lawsuit.

The government must now file summons/subpoenas with the court by the end of the week in order to move the lawsuit forward. There has been no official response from VIGL as of press time.

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