The Virgin Islands Consortium

Southland Racetrack Plan Could Support 244 Jobs, but Senators Question VLT Economic Impact

BER projects the Southland racetrack development could support 244 jobs, $12.3 million in earnings and $33.3 million in economic output, while senators questioned whether VLTs would create new spending or simply redistribute gambling dollars on St. Croix.

Business / **Published On August 26, 2026 07:38 AM /**

Nelcia Charlemagne August 26, 2026

The proposed Southland Gaming racetrack development could support 244 jobs and generate tens of millions of dollars in economic activity, according to government projections presented Monday, but several lawmakers challenged whether the addition of Video Lottery Terminals on St. Croix would actually expand the economy or primarily redistribute gambling dollars already being spent on the island.

Haldane Davies, director of the Bureau of Economic Research, told the Committee of the Whole that if Southland Gaming does not proceed with construction of the Randall “Doc” James Racetrack, the territory would see “244 jobs not supported, with $12.3 million in unrealized earnings in 2026 dollars.”

BER also projects $33.3 million in unrealized economic output, a $16.6 million non-contribution to gross domestic product and $4.4 million in taxes not realized if the project does not move forward.

Those projections became part of a broader economic debate over the multi-component Southland Gaming lease and franchise agreement, particularly its provision allowing SGVI to operate VLTs at the Randall “Doc” James Racetrack after completing construction of the facility. Under the current legal framework, VLTs are permitted in the St. Thomas-St. John District, while casino hotels on St. Croix operate slot machines.

Lawmakers questioned both the assumptions behind BER’s projections and the potential effect of another gaming operation on existing businesses and employment.

Senator Hubert Frederick drew attention to approximately 300 employees currently working at St. Croix’s hotel casinos and urged those negotiating and considering the agreement not to lose sight of the people whose livelihoods are tied to those businesses.

“What about their families, their mortgages? We get caught up in all this other talk, and forget we're talking about people. And I hope before we leave today, we remember that these people have their jobs,” he stated.

Sen. Frederick asked stakeholders to “consider those 300 employees and protect them.”

Dr. Davies acknowledged the “concerns raised by operators and other parties around possible adjusted revenues, jobs not supported, and assumed closures.” He nevertheless argued that there is a “balanced path to business retention and expansion.”

While the arrival of another gaming operator could produce “adjustments” within the market, Dr. Davies said “customer loyalty, coupled with new and innovative marketing approaches by existing businesses, usually balances any shock.”

He suggested that additional competition could encourage “creative and collaborative approaches” among casino operators, tourism stakeholders and economic development agencies to “maintain economic stability and spur expanded growth across the territory.”

Dr. Davies also said it is “highly unlikely that the hotels and associated casinos would face economic hardship to the point of closure.”

He based that outlook on several factors, including tourism marketing, stable hotel occupancy rates, “proposed expanded airlift to St. Croix,” an influx of workers expected to support recovery projects and the “possibility of the oil refinery being reactivated.”

Dr. Davies further said hotels currently in the pipeline for St. Croix “have committed to significantly increase employee numbers, which could offset any unforeseen downsizing of existing casino businesses.”

“Private entities generally do what is necessary to secure their financial viability, and seek out new investors or owners if challenges arise,” he said.

Senator Kurt Vialet challenged portions of that economic outlook, particularly assumptions surrounding increased airlift to St. Croix.

He referenced the shuttering of Spirit and other potential changes in air service. “We're gonna lose American Airlines second flight in a month. JetBlue is considering not coming back, so we're down to one flight,” Sen. Vialet said.

“You can't have a rosy outlook in reference to the numbers for St. Croix unless we see some serious changes being made,” he told Dr. Davies.

Sen. Vialet also characterized BER’s outlook on the employment impact as a “flawed argument.”

The discussion then turned to a fundamental question underlying the projected economic benefits: whether allowing VLTs at the St. Croix racetrack would create meaningful new economic activity or merely redirect money already circulating through the island’s gaming market.

Sen. Vialet questioned the assumption that a large new pool of gamblers would emerge to support both existing casino operations and the proposed racino.

“All you're really doing is redistributing the money,” he asserted.

Sen. Frederick expressed a similar view and disputed BER’s use of an economic multiplier when assessing gambling activity.

“There's no multiply effect when it comes to gambling economically…That's people taking their money. They already earned it, and they went to exchange it for a game, and then it stayed in the economy. We didn't grow $1 because of that.”

“This is just money changing hands from those people who can't afford it usually, and we're taking their money from them,” Sen. Frederick maintained.

Dr. Davies said BER must “respectfully disagree.”

Senator Carla Joseph approached the issue differently, arguing that expanded gaming options in the territory could capture spending that Virgin Islanders currently take elsewhere.

She suggested that residents who have historically “taken their checks and their money and flown off island to Puerto Rico, to Las Vegas” could instead spend those dollars locally.

“It's so much more convenient to do it here, and so the money circulates right here in the Virgin Islands,” Sen. Joseph said.

Dr. Davies said the economic effect also extends to taxes generated from casino and VLT revenue, which eventually return to the government and are spent again within the local economy.

“That impact is there. So once $1 is spent in the territory, the impact is multiplied. Separate and apart from when $1 is taken from the territory and spent outside of the territory,” Dr. Davies said.

“That's why I like those VLTs,” Sen. Joseph replied.

The competing arguments left lawmakers weighing BER’s projected gains from the Southland development against questions over how much of the anticipated gaming activity would represent genuinely new spending, how existing casino businesses could respond to another entrant and whether broader economic assumptions surrounding St. Croix are strong enough to support the projections.