

The Virgin Islands Consortium

Caravelle Hotel Must Build Required Rooms Before Opening Casino; Mapp Says

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ST. CROIX -- Governor Kenneth Mapp line-item vetoed a section of a bill that sought to waive certain hotel room requirements mandated by local law for hotels wanting to establish casino businesses in the Christiansted Enterprise Zone.

VIGL Operations, LLC, sought a Level IV casino license, which, according to VI Code, requires hotels in the Christiansted and Frederiksted Enterprise Zones to provide a minimum of 75 sleeping rooms that have either been renovated or newly constructed, among other investment requirements. But the line item sought to waive those requirements; a stance that Mr. Mapp squarely disagreed with. And in a meeting with the hotel's owner, the governor said he made clear that the casino should not be allowed to

operate until the requirements were met.

"Following current law, the owner of the gaming establishment would then make a real investment in our economy: construction jobs, painters, masons, electricians, purchasing building materials, etc, before extracting dollars from gambling patrons," Mr. Mapp said. "Under the proposed section of the bill, the sponsor is seeking to allow the Casino Commission the authority to waive the hotel requirement and proceed with opening the casino. This is very unfair to the community and a change of the rules in the middle of the game."

At a February meeting, the Virgin Islands Casino Control Commission (C.C.C.) unanimously voted to issue a one-year casino license for the Carravelle Hotel gambling operation.

"Let the owner of the hotel complete the necessary investments in order to open the doors of the casino," Mr. Mapp continued. "To do otherwise is [to] have the gambling patrons build the rooms and spaces. That is not the purpose of the Casino Control Act's requirement that hotels invest and have a total of 75 rooms before they could operate a casino."

He added: "Moreover, the section does not provide any criteria or guidance on how the Casino Control Commission would evaluate a request for such a waiver, and leaves unfettered discretion to the Casino Control Commission's members, which could lead to subjective and inconsistent approval of waivers."

The C.C.C.'s waiver, rebuked by Mr. Mapp, was praised by Senator Kenneth Gittens in a press release issued early February.

"I was relieved when I received the news that VIGL Operations, LLC had received a unanimous vote on their application that was considered by the commission following a public hearing Thursday and additional testimony earlier today. Sitting in on some of the testimony and taking a walk through the property, it was clear to me that the potential of this project has a far-reaching effect and provides for a new beginning for our economy as it rebounds," Mr. Gittens said.

According to second-term Democrat, the public interest was there to see the project move forward as dozens of residents crammed into the commission hearing room in support. He said he was impressed that the company had also started a tourism campaign promoting the island of St. Croix by having their mainland customers enter into a raffle to win a 3-day trip with \$500 of spending cash.

"This type of national publicity ahead of the license even being granted can only do great things for St. Croix. We have been in a tough economic atmosphere for some time now and luring visitors to the island to enjoy our amenities and eventually our two casinos will give the needed cash infusion to set us on a more stable fiscal foundation," Senator Gittens added.

The plans for development, according to Mr. Gittens, gave strong support for economic growth and fiscal stimulation for the downtown Christiansted area that will ultimately spread across the island.

“I did a walkthrough of some of the downtown property, spoke with neighboring business owners, met hotel staff and watched the progress of the local subcontractors. I feel really good about this project that will bring jobs, hotel rooms, entertainment, gaming and long sought-after activity to the historic town, Mr. Gittens concluded.

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