The Virgin Islands Consortium

D.O.J. Wants TRAXCO To 'Immediately Vacate' Randall 'Doc' James Racetrack

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Randall “Doc” James Racetrack

ST. CROIX -- The Department of Justice on Tuesday filed a new complaint in the Superior Court of the Virgin Islands here, asking the court to force TRAXCO out of the Randall 'Doc' James racetrack, a complaint predicated on past violations of a sub-lease and delinquent payments to the Department of Sports, Parks and Recreation.

The Government of the Virgin Islands -- through the Department of Property and Procurement -- had issued a notice of eviction to the company on January 25, after a legal opinion by Attorney General Claude Walker, dated Jan. 12, 2016, contended that TRAXCO's 10-year lease of the racing facility as well as its operation of racino gambling slots had expired.

TRAXCO was to vacate the racetrack by April 25, 2016, but the company, D.O.J. contended, "failed to vacate the premises by April 25, 2016 and continues to unlawfully hold the same with force." The complaint added that TRAXCO "has no legal authority to remain on the premises and the G.V.I. is entitled restitution and possession of the premises."

But TRAXCO has been pushing back, fighting the government in court and maintaining that the franchise agreement clearly gives it a 10-year renewal option.

"We filed what is known as declaratory judgement action, which is when parties have a dispute, they can go to the court and say, 'we've got a problem here, please interpret what's going on and say which party is correct,'" said TRAXCO attorney Todd Newman during a February Committee on Culture, Youth and Recreation hearing at the Fritz E. Lawaetz Legislative Hall.

Mr. Newman said that TRAXCO was desperately seeking to reach an agreement with the Flamboyant Horsemen's Association (F.H.A.), but that the horsemen's demands were unrealistic. He said during the duration of the first ten-year agreement, which was signed in 2004 by then-St. Croix Horse Racing Commission chairman Wayne Biggs, TRAXCO had paid over $6 million in purses to the horsemen, first starting with $270,000 in its first year, and climbing to $700,000 by 2014. Mr. Newman said when racino slot machine gambling was introduced in 2011, some 46 percent of the 16 percent tax on the new revenues went "directly" to the benefit of the horsemen, funding various programs.

But F.H.A. attorney Kye Walker, gave a different version of the current dispute. Ms. Walker, along with horse owner and trainer Randal Knight, contended that contrary to Mr. Newman's claims, TRAXCO had failed to fulfill its obligations, part of which includes maintenance of the racing facility, including stable, the racetrack itself, and all other aspects thereof.

According to Mr. Knight, the horsemen maintain the stable with their own funds. He said James Bates of Bates Trucking and Removal, a horseman himself, has used his company's equipment — free of charge — to help the horsemen maintain their stalls; work the agreement expressly states should be performed by TRAXCO. He also took pains to explain the other expenses associated with horse ownership, and told senators that for a horseman with four horses, the expenses average around $1,200 monthly.

And he said horsemen were being forced to accept reduced purses — all this while TRAXCO has failed to install new slot machines that would help the horsemen make extra money. As of February, 2016, no new slot machines had been installed at the racing facility aside from the initial 32.

Senators generally sided with the horsemen, but they also acknowledged TRAXCO's own difficulty in reaching a new agreement, with Senator Kenneth Gittens stating that the horsemen needed to learn how to keep "cool" during negotiations.

There had been no races for at least 7 months, but that’s because, following the expiration of the first 10-year agreement, TRAXCO and the horsemen have been unable to come to terms, exacerbating an already fragile situation.

“There is no stipulated agreement regarding purses and for the number of races, for years 2014, to 2024,” Mr. Newman said, referring to the expired contract. “That has been the subject of negotiation, mediation, litigation and now arbitration, between TRAXCO and the horse owners association.”

In the end, Senator Almando Liburd sought to help the parties reach a compromise, noting the long history of horse racing in the territory. Mr. Liburd said it baffled him that grown individuals with ownership of entities that play a vital role in the fabric of the territory, could not reach an understanding. He sought to win a consensus among the two parties to meet and once and for all fix the problem, but that proved difficult.

“This is going to be caught up for a long period of time with back-and-forth legal wranglings,” said Senator Kurt Vialet, referring to the impasse. “In the interim we have to have some type of agreement. Because even if tomorrow TRAXCO was supposed to be evicted, there is nobody right in line that could legally run the racetrack. And in order for somebody to be granted the permission to continue with the racetrack, they’re going to have to go through that bidding process again. So it’s going to be a process that takes, in my estimation, at least a year.”

“So we now must decide, are we going to go a year without racing while court filings are back-and-forth, or are we going to somehow develop some type of interim agreement — whether it includes TRAXCO or Parks and Recreation, and the horse owners association — so that we could have races for an extended period of time?”

That question remains unanswered.