

The Virgin Islands Consortium

Senate Approves Mapp/VIGL Plan To Revitalize Horse Racing In U.S. Virgin Islands

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ST. THOMAS -- There were doubts that the 31st Legislature would be able to pull it off, but after a Committee of the Whole meeting that lasted over 15 hours -- and the meeting being one of this body's last -- senators deliberated into the wee hours of Thursday as they decided whether to approve the agreement forged between the Mapp administration and VIGL Operations, LLC.

In the end, most lawmakers voted in favor of the measures, one which sees VIGL spending \$27 million to rebuild the horse racing tracks in St. Thomas and St. Croix, and another changing Virgin Islands law to allow VIGL to operation video slot machines at both racetracks.

The 20-year lease agreement sees the territory's horse racing commissions being consolidated into one instead of two; an increase in taxes on slot machine gambling; an increase in racing purses to a minimum of 18 live races for the first three years, and a minimum of a combined 24 live races thereafter between the St. Thomas and St. Croix facilities; and, among other things, a temporary decrease in Divi Carina Bay's taxes from 12 percent to 8 percent. (See full agreement [here](#).)

The also lease requires a large upfront investment of not less than \$27 million from VIGL, of which \$14 million will be used to rebuild the St. Croix facility, and \$12 million for the St. Thomas race track. VIGL is also required to post a \$25 million performance bond. And while VIGL will be responsible for purchasing an additional 12 acres of land (costing \$2 million) in St. Thomas, the government, once the lease is up, retains the property. Another \$1 million will be held in a reserve fund.

Keeping in line with a letter dated to Senate President Neville James protesting the new deal, Southland Gaming officials, whose operation include hundreds of video slot machines throughout St. Thomas, testified that the Mapp/VIGL agreement would eat into their profits, claiming that there was a limited pool of gamblers. Gambling is only legal in St. Croix, but Southland Gaming has a contract that runs through 2028 to operate video slot machines in the St. Thomas-St. John district.

But Mapp administration officials, along with some horsemen, testified in favor of the new deal. They argued that it would revitalize the ailing horse racing industry, as the new agreement sees an increase of purses, more races and new, world-class facilities. Their points were enough to solidify senators' support for the measure, although some were displeased with how fast it passed.

"I am more comfortable than when we began but I do wish we had more time for vetting," said Senator Myron Jackson, the impending Senate President of the 32nd Legislature. Mr. Jackson's concern was shared by senators Jean Forde (Mr. Forde moved a failed motion to hold the bill for further consideration), Tregenza Roach and Positive Nelson.

But supporters said the deal would be positive for the islands' economies, and delaying the measure's approval was unnecessary. Senator Nereida Rivera-O'Reilly, an ardent supporter of the measure, pointed to VIGL's reputation, which she said had already helped in the revitalization of Christiansted with the Caravelle Hotel and Casino. And she questioned the motives of Southland Gaming, whose own business stand to lose once the VIGL operation goes live.

Voting to approve the measure allowing for casino slot machines at the St. Thomas race track were senators Kurt Vialet, Rivera-O'Reilly, Nelson, Jackson, Forde, Marvin Blyden, Almando Liburd, Clifford Graham, Samuel Sanes, Kenneth Gittens and Novelle Francis. Voting against were senators Roach and Harrigan. Senator Janette Millin Young was absent.

Voting to approve the VIGL lease agreement were senators Jackson, Vialet, Gittens, Graham, Forde, Liburd, Sanes, James, Rivera-O'Reilly, Blyden and Francis. Voting against it were Nelson, Roach and Harrigan. Mrs. Millin Young was absent.