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After Years of Roadblocks, VIGL Abandons Horse Racing Agreement Signed in 2016

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Horse in stable at the Randall 'Doc' James Racetrack. The racetrack was demolished after a 2016 contract between VIGL and the VI Government. By. CRUSELDA ROBERTS FOR VI CONSORTIUM

Dear Editor,

As you may be aware, VIGL has decided not to seek a renewal or extension of the Temporary promoter agreements and the Temporary License Agreements that we have operated under since March of 2018. Additionally, we have asked for and been granted our removal from the litigation between Southland Gaming and the Government of the Virgin Islands. Since that has been granted, we feel that you deserve to hear our side of the story.

First, we strongly believe these projects would bring new revenues and excitement to the islands and also provide a pathway for young Virgin Islanders to enter the horseracing industry with all the advantages that would be available for them on the mainland. Over the past several years VIGL has established meaningful relationships with racing professionals at numerous tracks on the mainland and other Caribbean islands. We have sent Virgin Islanders abroad for training and certification in many different areas from farriers, to track maintenance supervisors, to General Management internships. Our hope was, and continues to be, that these connections would provide numerous new opportunities for the Territory and bring the long overdue recognition of horseracing prowess present in the USVI.

However, years of interference and delays caused by government and private obstruction, specifically on St. Thomas, has prohibited VIGL from commencing the desperately needed reconstruction of the tracks. As an example, the CZM review and approval process on St. Thomas took 327 days from the time that we received our letter of completeness to the day that the Chairman of the CZM committee signed the permit which was itself 4 months after the CZM permit was approved in a public hearing. During this delay, on December 18, 2018, two years after the law approving our Franchise Agreement with the Government was approved by the Legislature, and while our development was being held up due to not receiving the signed CZM permit, Southland Gaming filed a lawsuit against the Government claiming that the Government had acted illegally when it granted the Franchise Agreement to VIGL. After all these years of maintaining that Video Lottery Terminals and slot machines are distinctly different machines, Southland is now saying that slot machines and VLTs are the same and that Southland has the exclusive right to operate these machines on the islands of St. Thomas and St. John. In April of this year, Judge Gomez of the United States District Court of the Virgin Islands decided in favor of Southland and its' monopoly of gaming on St Thomas - effectively destroying the economic viability of the Franchise Agreement - and ruling that the Government had violated the Constitution's Contracts Clause. As a result of this and the ongoing COVID -19 pandemic, VIGL had no choice but to suspend all activities under our temporary agreements. Then in July of this year Judge Molloy, who took over the litigation when Judge Gomez left the bench, reversed the previous decision as it related to the constitutionality of the Government's action but left in place the decision that ruled VLT's and slot machines are the same, never addressing the Southland Gaming claim that they have exclusive gaming rights in St. Thomas/St. John district, and subsequently ordered all three parties into mediation.

Immediately after the initial ruling in April and throughout the entire mediation process VIGL requested that the Government resume the oversight and operation of the racetracks. Additionally, we requested that the Franchise Agreement be modified and that VIGL and the Government develop a modified agreement that would allow the development of the Randall "Doc" James racetrack on St. Croix to move forward since all the other hurdles had been removed, including the FAA granting approval of the construction project in July 2020. Neither of these requests were acted upon by the Government, so the horsemen of the USVI and VIGL continue to remain in a virtual purgatory as the fate of our project and horse racing in the Territory remains dependent on an agreement be struck that is favorable to Southland.

To date, VIGL has invested over \$15 million at both racetracks. In the absence of live racing at Clinton E. Phipps racetrack, we have provided more than \$400,000 in direct support to the horsemen of St. Thomas/St. John by assisting with feed for their horses, paying for barges to transport horses to Tortola for races and adding an additional \$200,000 to the purses at the races in Tortola, all while our project continued to be held up by an arbitrary and capricious complaint filed by Olasee Davis with the Virgin Island Board of Land Use Appeals.

In just the past 5 years, VIGL and our sister companies, Caravelle Hotel and Casino and Company House Hotel, have made significant direct financial investments in the Territory. Among our hotels and racetrack properties, we employed 118 individuals of which 92% are bona fide residents of the Territory. We have paid over \$13 million in salaries. Most of these team members are provided 100% company paid medical, dental, and Air Ambulance premiums.

Since the opening of the Caravelle Hotel Casino in 2016, we have paid over \$2.5 million in casino taxes and over \$400,000 in excise and duty taxes. We are also extremely proud of our direct charitable donations. Not only have we contributed over \$300,000 to local organizations, but our staff has donated their time to many of these causes. Project Promise, St. Croix Walls Project, Queen Louise Home, the VI Basketball Federation, St. Croix foundation, FBLA Central High School, Caribbean Museum of the Arts, the Superior Court Rising Stars Orchestra, Zero Tolerance Basketball Organization, and The Virgin Islands Literary Festival Book Fair are just a fraction of the organizations we have supported over the years.

Beyond that, the VIGL family is proud of our entertainment contributions over the years highlighted by the 2018 Steel Pulse concerts at Yacht Haven Grande in St. Thomas and downtown Christiansted. Cumulatively, we have spent more than \$650,000 for entertainment across the Virgin Islands. We are particularly delighted by how our concerts helped in revitalizing the historic town of Christiansted. We look forward to the time after this COVID-19 pandemic when music flows through the night air and we can safely dance in the streets together again.

In all, VIGL and our sister companies have added more than \$30 million to the local economy in the past five years. This was all VIGL money. We did not use any public funds. We did not get any tax breaks. We invested in the islands because this is home, and we want our community to thrive.

In closing, we are disheartened that we have not been able to move forward with the renovation of the tracks as agreed to in 2016. I also want to assure all Virgin Islanders that, Our commitment to the U.S. Virgin Islands and more particularly St. Croix remains solid. To that end should the Government wish to fulfill its commitment to VIGL, we are STILL willing to discuss the possibility of moving forward with new negotiations to develop the Randall "Doc" James Racetrack on St. Croix. If the Government of the Virgin Islands decides not to move forward with VIGL on this then let it be known that both the Randall "Doc" James and Clinton E Phipps racetracks now have new racing surfaces, including new breakaway railing systems and completely new drainage systems that will provide the foundation for safe racing activities should the Government be able to find a new promoter.

Submitted Friday by VIGL.