

Legislature of the Virgin Islands

P.O. Box 1690, Emancipation Garden Station St. Thomas, U.S. Virgin Islands 00804 postaudit@legvi.org

TEL: (340) 774-2478

POST AUDIT DIVISION

September 29, 2025

MEMORANDUM

TO: Honorable Novelle E. Francis, Jr.

Chairman, Committee on Budget, Appropriations and Finance

36th Legislature of the Virgin Islands

FROM: Post Audit Division

SUBJECT: Bill No. 36-0119 – An act amending Act No. 8651 by reprogramming the appropriated funds to the Department of Sports, Parks, and Recreation to fund the completion of the Randall "Doc" James Racetrack on St. Croix

BACKGROUND

Bill No. 36-0119 seeks to amend Act No. 8651. The proposed amendments to Act No. 8651 are as follows:

ACT NO. 8651 BILL NO. 34-0340

An Act appropriating \$5,000,000 to the Department of Sports, Parks, and Recreation to fund the completion of the Randall "Doc" James Racetrack on the island of St. Croix

SECTION 1. (a) The sum of \$5,000,000 is appropriated in the fiscal year ending September 30, 2023, from the Community Facilities Trust Fund, established in the Agreement between Diageo USVI, Inc. and the Government of the Virgin Islands, dated June 17, 2008, and ratified by the Legislature of the Virgin Islands in Act No. 7012, to the Virgin Islands Department of Sports, Parks, and Recreation as a grant to used by VIGL Operations, LLC to fund the completion of the Randall "Doc" James Racetrack project on the island of St. Croix under the direction of the Department of Sports, Parks, and Recreation.

(b) VIGL Operations, LLC shall comply with the financial disclosure requirements of title 2, section 29 of the Virgin Islands Code in expending the funds appropriated by this Act.

- (e) "b" The sums appropriated in subsection (a) remain available until expended.
- (d) "c" The sums appropriated in subsection (a) must be disbursed no later than December 30, 2022.

Honorable Novelle E. Francis, Jr.
Bill No. 36-0119 – Reprogram funds to Department of Sports, Parks, and Recreation to complete the Randall "Doc" James Racetrack on St. Croix Page 2 of 4

Act No. 8651 was previously amended by Act No. 8690, section 25 by [a] striking subsection (c) and renumbering the remaining sections accordingly; [b] in subsection (d), strike the date, "December 30, 2022" and insert "February 15, 2023".

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- (b) VIGL Operations, LLC shall comply with the financial disclosure requirements of title 2, section 29 of the Virgin Islands Code in expending the funds appropriated by this Act.
 - (c) The sums appropriated in subsection (a) remain available until expended.
- (d) "(c)" The sums appropriated in subsection (a) must be disbursed no later than December 30, 2022 "February 15, 2023".

Secondly, Act No. 8722, section 5, further amended Act No. 8651 as amended by striking subsection (c) and inserting a new subsection (c) as noted below. However, Governor Albert Bryan Jr. line vetoed the strike through language colored blue on April 25, 2023.

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Honorable Novelle E. Francis, Jr.
Bill No. 36-0119 – Reprogram funds to Department of Sports, Parks, and Recreation to complete the Randall "Doc" James Racetrack on St. Croix Page 3 of 4

- (b) VIGL Operations, LLC shall comply with the financial disclosure requirements of title 2, section 29 of the Virgin Islands Code in expending the funds appropriated by this Act.
- (c) The sums appropriated in subsection (a) must be disbursed no later than February 15, 2023. "Ninety days after the approval of the CZM permits for the Randall "Doc" James Racetrack the Government of the Virgin Islands, through the Department of Sports, Parks, and Recreations, shall grant to VIGL Operations, LLC, an amount not to exceed \$5,000,000 for the development of the racetrack. The funds remain available until expended."

Consequently, Act No. 8651 amended by Act No. 8690, Section 25, and further amended by Act No. 8722, section 5, and line vetoed by Governor Albert Bryan Jr., read as follows:

ACT NO. 8651 BILL NO. 34-0340

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- (b) VIGL Operations, LLC shall comply with the financial disclosure requirements of title 2, section 29 of the Virgin Islands Code in expending the funds appropriated by this Act.
- (c) the Government of the Virgin Islands, through the Department of Sports, Parks, and Recreations, shall grant to VIGL Operations, LLC, an amount not to exceed \$5,000,000 for the development of the racetrack. The funds remain available until expended."

LEGAL BACKGROUND

VIGL Operations, LLC, a former family-owned company, entered into a public-private partnership with the Government of the Virgin Islands through a franchise agreement. This agreement was intended to facilitate the redevelopment, operation, and management of the Randall "Doc" James Racetrack on St. Croix.

Under the franchise agreement VIGL agreed to redevelop the racetrack infrastructure to meet modern racing standards, management live horse racing events, operate a racino and gaming operations, and promote the facility as a tourism and economic development asset for St. Croix. Terms and responsibilities which included the following:

Honorable Novelle E. Francis, Jr.
Bill No. 36-0119 – Reprogram funds to Department of Sports, Parks, and Recreation to complete the Randall "Doc" James Racetrack on St. Croix
Page 4 of 4

• VIGL Operations, LLC:

- Design and execute a phased redevelopment plan.
- Finance the majority of construction and operational costs.
- Ensure timely delivery of milestones outlined in the agreement.
- Maintain the facility and ensure operational standards for racing and gaming.

• Government of the Virgin Islands:

- Provide the legal framework and regulatory approvals to facilitate redevelopment.
- Monitor compliance with the terms of the franchise agreement.
- Support infrastructure and public services as appropriate to the racetrack redevelopment.

Over time, the terms of the agreement were modified and renegotiated several times. This affected construction timelines, regulatory approvals and influenced the project's progress as outlined in the timeline below.

- 2016, VIGL Operations, LLC received a franchise agreement to redevelop the Randall "Doc" James Racetrack.
- 2024, VIGL Operations, LLC failed to meet key contractual deadlines, including the May 2024 groundbreaking, and missed other obligations like failing to post a performance bond.
- 2025, Governor Albert Bryan, Jr. authorized legal actions against VIGL Operations, LLC in January 2025 for failing to rebuild the racetrack.
- 2025, The government successfully regained legal control of the racetrack in March 2025 through an agreement with VIGL Operations, LLC, allowing for a new vision for redevelopment.

SUMMARY

As a result, Bill No. 36-0119 seeks to amend Act No. 8651 by removing VIGL Operations, LLC as the grantee to receive the appropriated funds totaling \$5,000,000 for the completion of the Randall "Doc" James Racetrack and re-designate subsection (c) and (d) respectively. However, Act No. 8651 as previously amended twice does not include a subsection (d). Therefore, Bill No. 36-0119 as submitted cannot lawfully amend Act No. 8561 in its entirety.

The Post Audit Division cannot recommend the approval of **Bill No. 36-0119** at this time.

Theodora Philip, DBA

leading Page 135x

Post Auditor