

Testimony of
Vincent Richards
Assistant Commissioner of Property & Printing
Department of Property and Procurement
On Behalf of
Lisa M. Alejandro
Commissioner of the Department of Property & Procurement

On

*Sub-Lease Agreement between the Government of the Virgin Islands (“GVI”) acting through the
Commissioner of Property and Procurement on behalf of the Virgin Islands Department of
Sports, Parks, and Recreation and VIGL Operations, LLC.*

Before

Committee on Culture, Youth, Aging, Sports, and Parks

Friday, September 20th, 2024

Fritz E. Lawaetz Legislative Chambers
ST. CROIX, U.S. VIRGIN ISLANDS

Good morning, Committee Chair Angel Bolques, Jr., Vice-Chair Marvin A. Blyden, Jr., Committee members – Honorable Senators, Novelle E. Francis, Jr., Samuel Carrion, Alma Francis-Heyliger, Franklin D. Johnson, and Milton E. Potter, Sr., Non-Committee members, Central and Legislative Staff, fellow testifiers, visitors present in the chambers, and members of the viewing and listening audience.

I am Vincent Richards, Assistant Commissioner of the Virgin Islands Department of Property and Procurement (“DPP”). I am testifying today on behalf of Commissioner, Lisa M. Alejandro, to offer testimony on the Sub-Lease Agreement for the St. Croix District between the Government of the Virgin Islands (“GVI”) acting through the Commissioner of Property and Procurement on behalf of the Virgin Islands Department of Sports, Parks, and Recreation, and VIGL Operations, LLC (hereinafter “VIGL”) for the Randall “Doc” James Racetrack on St. Croix.

Mr. Chair, I appear pursuant to your invitation to provide information on the lease agreement with VIGL. The Sub-Lease Agreement was ratified via Act No. 7953, when VIGL Operations, LLC received the Franchise Agreement in 2016. VIGL Operations, LLC received a Sub-Lease because the property is owned by the Virgin Islands Port Authority and leased by the Government of the Virgin Islands. The terms and conditions of the Franchise Agreement are incorporated into the Sub-Lease Agreement and the Franchise Agreement and Sub-Lease Agreement are mutually dependent instruments as noted in both instruments. The Term of the Sub-Lease is for a period of twenty (20) years, commencing two (2) business days following the Effective Date of the Franchise Agreement. The annual rent payable by VIGL is One Hundred Eight Thousand Dollars and Zero Cents (\$108,000.00) payable in equal monthly installments of Nine Thousand Dollars and Zero Cents (\$9,000.00), with annual increases of five percent (5%) after the first (1st) year of the Term, which only takes effect two (2) business days following the effective date of the Franchise Agreement.

At the time the Sub-Lease Agreement was fully executed, the signatories on behalf of the GVI were Mr. Randolph N. Bennet, MA, LPC, Commissioner for the Virgin Islands Department of Property and Procurement, Mr. Claude Earl Walker, Esq., Attorney General of the Virgin Islands Attorney General’s Office, Honorable Kenneth E. Mapp, Governor of the U.S. Virgin Islands, Honorable Neville E. James,

President of the 31st Legislature of the Virgin Islands, and Mr. Lance C. Griffith, President of VIGL Operations, LLC.

As noted earlier, the Sub-Lease and Franchise Agreement are mutually dependent, and the term of the Sublease only takes effect two (2) business days after the Franchise Agreement takes effect. Pursuant to Section 2.1(c) of the Franchise Agreement, the following conditions precedent must be met to establish the effective date:

- i. Approval of the Franchise Agreement;
- ii. Execution of the Sublease for the Premises;
- iii. Execution of Horseracing Agreements;
- iv. Issuance of the Racino Gaming License;
- v. Approval of all necessary licenses and permits for the construction and operation of the track;
 1. The list of licenses and permits needed for the construction and operation include:
 - a. Coastal Zone Management Permit;
 - b. Storm Water Pollution Prevention Plan;
 - c. FAA Aeronautical Survey Approval;
 - d. Building permit:
 - i. Civil – foundations;
 - ii. Overall Building – structural;
 - iii. Plumbing;
 - iv. Electrical/Mechanical;
 - v. Sewer permit – connection;
 - vi. WAPA permit Electrical and water – incoming taps;
 - vii. Driveway permits;
 - e. VIWMA wastewater permit and VIWMA solid waste permit;
 - f. Air Permit for the Generator;
 - g. Drinking Water Permit (If water will be from a cistern);
 - h. Racino License – VICCC;
 - i. Operating Permit – VICCC; and
 - vi. The termination of any other pre-existing Franchise Agreement for the track.

Subsequent to the passage of Act No. 7953, the Government has issued various temporary licenses to VIGL Operations, LLC, to facilitate their access to the premises for due diligence inspections, permitting, and the commencement of repairs and completion of the development as outlined in the Franchise Agreement. The current temporary license agreement was signed in September 2023 and remains in effect until the Sub-Lease Agreement takes effect once all conditions precedent to the Franchise Agreement have been met or upon such other date as the parties may agree to in writing, whichever occurs first. To the best of the Department's knowledge, VIGL Operations, LLC has not received all of the required permits for all conditions precedent under the Franchise Agreement to be met.

Moreover, to the best of the Department of Property and Procurement's knowledge, there was no Memorandum of Understanding relating to compliance with regulations. The Department of Property and Procurement defers to the Virgin Islands Department of Sports, Parks, and Recreation regarding VIGL's compliance with the terms of the Franchise Agreement.

This concludes my Testimony, and I am prepared to answer any questions the Committee may have on this matter. Thank You.