



HAUPPAUGE PUBLIC SCHOOLS

495 Hoffman Lane, P.O. Box 6006
Hauppauge, New York 11788

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June 29, 2016

Honorable Allan Dorman
Mayor of Islandia
1100 Old Nichols Road
Islandia, New York 11749

Dear Mayor Dorman:

The purpose of this letter is to express the strong opposition by the Board of Education of the Hauppauge Public Schools to any plan by Suffolk OTB to locate a video lottery terminal (VLT) casino within the confines of the school district. Several news outlets have reported in the last few weeks that Suffolk OTB and Delaware North, which is expected to manage and finance the project, are considering relocating the planned site from Medford to Islandia. Suffolk OTB, currently in bankruptcy, is hoping that revenues from a VLT Casino would significantly improve its financial position.

Direct Impact on the School District and Community

I. Financial Impact

Currently, the proposed site is home to a nearly 300-room hotel and generates significant revenue in property taxes to the school district and other local governmental entities. In point of fact, most recently the hotel's tax bill was in excess of one-million dollars. If the site is acquired by Suffolk OTB, that will immediately change. Property owned by Suffolk OTB is entitled to a real property tax exemption pursuant to section 513 of the Racing, Pari-Mutuel Wagering and Breeding Law. In fact, the statute provides that "[t]he monies and real property of each [OTB] corporation and any property under its jurisdiction, control or supervision and *all* of its activities and operation shall be exempt from taxation (emphasis added)."

Acquisition of the site by Suffolk OTB would constitute a significant reduction in the properties paying real property taxes to support local governments, although it, and the VLT casino, would enjoy the benefits of the property. Meanwhile, the change in the tax status of the property would unfairly, and

needlessly, increase the tax burden on other local businesses and residents. This analysis does not even consider the loss of sales tax revenue which is attributable to the operation of the hotel or any other taxable entity.

This change will negatively impact the local business and residential communities. An increase in property taxes to local businesses due to loss of the taxable Marriot property may make some businesses unprofitable and spur others to move elsewhere. This is particularly true in light of the uncertain economic climate. Residents of our community would also face increased property taxes at a time when many continue to struggle financially. In short, this is not a time when Hauppauge Public Schools, any of our local governments, our businesses and our residents can afford the change in tax status of the Islandia Marriot Long Island Hotel from a commercial property to tax exempt.

II. School Security

The Islandia Marriot is a mere three miles from the District's Bretton Woods Elementary School. It is about the same distance from Hauppauge High School and Hauppauge Middle School. It is scarcely a five minute drive from the site to any of these schools. We understand that this kind of gaming is permitted by New York State. Nonetheless, we strongly believe that locating it in such close proximity to school facilities threatens the safety of our students.

We are also concerned with the likelihood of criminal conduct associated with gambling – even legal gambling. With people winning money and losing money, the danger of theft and other crimes increases. Gambling at a destination site, like the Islandia Marriot, would also likely provoke an increase in incidents of individuals driving under the influence of alcohol. It is beyond dispute that alcohol consumption is an integral component of any gambling enterprise. These are dangers we do not need within three miles of the District's schools or in the community as a whole.

III. Social Costs

We are deeply concerned about the social costs of gambling on the area. Most notably, local individuals with gambling problems and gambling addictions will have easier access to a gaming location. This easy access can, and often does, lead to personal and financial ruin for the individuals involved and their families. This also creates an economic drag on the local community.

Very truly yours,

/s/

David M. Barshay
Board of Education President