

## **Cost-Benefit Analysis for Atlantis Sales Tax**

Prepared by Riverhead IDA using InformAnalytics

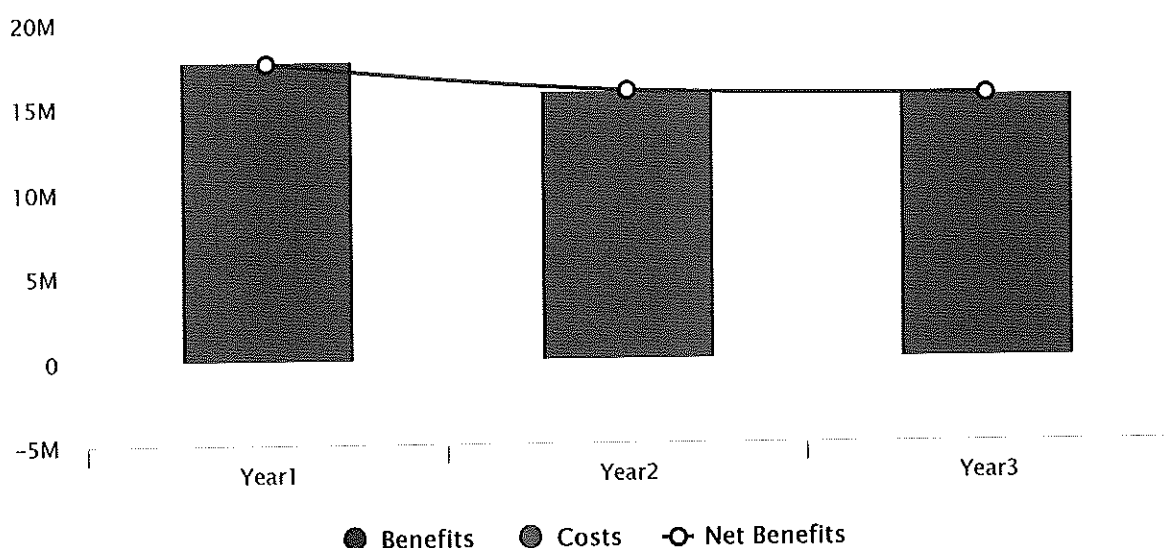
# Executive Summary

INVESTOR	TOTAL INVESTED	LOCATION	TIMELINE
Atlantis Marine World Aquarium, LLC	\$4.3 Million	431 East Main Street, Riverhead, NY 11901	3 Years

F1 FIGURE 1

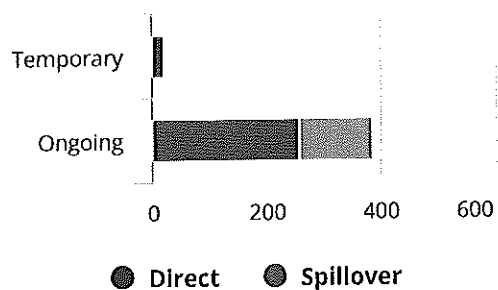
Discounted\* Net Benefits for Atlantis Sales Tax by Year

Total Net Benefits: \$48,898,000



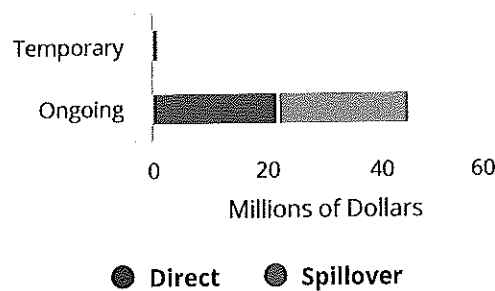
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Atlantis Marine World Aquarium, LLC proposes to invest \$4.3 million at 431 East Main Street, Riverhead, NY 11901 over 3 years. Riverhead IDA staff summarize the proposed with the following: The purchase and implementation of a combined head and power unit (CHP), absorption chiller and cooling tower to temper the aquarium tanks along with energy efficient pumps, HVAC, roof and building repairs and renovations to the Hyatt and ballroom.

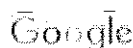
T1 TABLE 1

F4 FIGURE 4

## Proposed Investments

## Location of Investment

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Installation of CHP unit	\$2,872,000
<b>OTHER SPENDING</b>	
CHP/HVAC	\$1,376,000
Engineering & Legal	\$101,000
<b>Total Investments</b>	<b>\$4,349,000</b>
<b>Discounted Total (2%)</b>	<b>\$4,349,000</b>



Map data ©2018 Google

May not sum to total due to rounding.

# Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Riverhead IDA. The report calculates the costs and benefits for specified local taxing districts over the first 3 years, with future returns discounted at a 2% rate.

T2 TABLE 2

## Estimated Costs or Incentives

Riverhead IDA is considering the following incentive package for Atlantis Marine World Aquarium, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$218,000	\$218,000
Total Costs	\$218,000	\$218,000

May not sum to total due to rounding.

\* Discounted at 2%

T3 TABLE 3

### State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
<b>REGIONAL BENEFITS</b>	<b>\$24,024,000</b>	<b>\$23,928,000</b>	<b>\$47,932,000</b>
To Private Individuals	\$23,703,000	\$23,597,000	\$47,301,000
Temporary Payroll	\$1,190,000	\$334,000	\$1,523,000
Ongoing Payroll	\$22,514,000	\$23,263,000	\$45,777,000
To the Public	\$321,000	\$331,000	\$632,000
Temporary Sales Tax Revenue	\$16,000	\$4,000	\$20,000
Ongoing Sales Tax Revenue	\$301,000	\$311,000	\$611,000
<b>STATE BENEFITS</b>	<b>\$660,000</b>	<b>\$1,467,000</b>	<b>\$2,127,000</b>
To the Public	\$660,000	\$1,467,000	\$2,127,000
Temporary Income Tax Revenue	\$61,000	\$17,000	\$78,000
Ongoing Income Tax Revenue	\$325,000	\$1,178,000	\$1,502,000
Temporary Sales Tax Revenue	\$14,000	\$4,000	\$18,000
Ongoing Sales Tax Revenue	\$260,000	\$269,000	\$529,000
<b>Total Benefits to State &amp; Region</b>	<b>\$24,684,000</b>	<b>\$25,396,000</b>	<b>\$50,059,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$24,228,000</b>	<b>\$24,908,000</b>	<b>\$49,116,000</b>

May not sum to total due to rounding.

T4 TABLE 4

**Benefit to Cost Ratio**

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$47,029,000	\$117,000	403:1
State	\$2,087,000	\$101,000	21:1
Grand Total	\$49,116,000	\$218,000	226:1

**May not sum to total due to rounding.**

\* Discounted at 2%

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