



## Atlantis Holding Company LLC

431 East Main Street, Riverhead, NY 11901  
(631) 208-9200 - Fax (631) 208-0466

Riverhead Industrial Development Agency  
Town of Riverhead Town Hall  
200 Howell Avenue  
Riverhead, NY 11901

October 16<sup>th</sup> 2015

Re: IDA Application for Financial Assistance  
Phase III – Preservation of Preston House Boutique Hotel with Restaurant

Dear Board Members;

The Atlantis Holding Company LLC and J. Petrocelli Development Associates have recently acquired the property known as the Preston House at 428 East Main Street, and are pleased to announce the commencement of Phase III of our multi-phase project. The Historic Preston House is located across the street from the Long Island Aquarium facility, and it is our desire to restore the Preston House into a 20 room Boutique Hotel and restaurant.

In 1997, and in response to the East Main Street Urban Renewal Plan, the Town issued a Request for Proposals for the redevelopment of downtown. Atlantis Holding Company was a successful proponent of that request, and then the redevelopment relationship began.

In accordance with the original Land Disposition Agreement and Agreement of Sale from 1999, Phase I, the Aquarium, along with the recent completion of Phase II, Sea Star Ballroom, Exhibition Center and Hyatt Place East End Hotel, has significantly increased the number of visitors to the Town of Riverhead and it has grown into the "tourist destination and economic generator" it was intended to be.

Phase III of this project is an expansion of the still fragile, but growing tourist destination that was created for the education and entertainment of visitors, as well as the revitalization of downtown Riverhead. We hope that the Town continues to recognize that we are an economic engine, not a tax revenue generator.

Although downtown investment has followed the construction of the Atlantis facility as intended, downtown is still struggling to realize the full financial growth desired by the Town. It is our request to ask the IDA Board to integrate this phase into a continuation of the existing tax abatement for the overall multi-phase Atlantis project as well as assist with the refinance of our existing obligation. Without this tax abatement, the financing and economic feasibility of the project would be in jeopardy.

As the Agency may recall, the Town of Riverhead made a strong commitment to Atlantis to support its growth in becoming the economic nucleus for downtown and to provide the necessary parking to revitalize the area. Parking continues to be a challenge for downtown Main Street, and we have been forced to incur significant expenses to address this continuing problem, yet we remain committed to the Town. However, we need the enduring support of the Town and the assistance of the economic development tools necessary to support this continuing endeavor.

We project that we will employ an additional 20-25 people when this project phase is complete. The restaurant aims to display the rich history of the Preston House and Civil War hero Henry H. Preston, who built the house in 1902. It is our intent for the restaurant to become a focal point among the East End's dining establishments and Historical communities, while enhancing the aquarium's effort to continue attracting visitors. We look forward to working closely with the Town, County and State to provide a top of the line restaurant, and the local historical societies to ensure accuracy in preserving the history of the Preston House.

The Aquarium, Hotel and Catering facilities have continued their help and support with many local organizations and communities such as the Riverhead Foundation, which is based at the Aquarium, Stony Brook University – Southampton Campus and the St. Josephs College-Patchogue Campus with many educational programs and internships. Some of these internships have turned into full time positions within our organization.

The Bissett and Petrocelli names are well known within the Long Island community as leaders in their respective industries. Bissett Nursery Corp. and J. Petrocelli Contracting, Inc. are both family owned and operated businesses. Both companies attribute much of their success to a deep commitment to customer satisfaction. Testimony to this is evident in the dedication of repeat customers and a high volume of referrals.

The Bissett and Petrocelli families bring not only expertise in business management and construction field to this project, but also strong family and community values. Unending community involvement and a commitment to ensuring a continuing variety of community services that have proven a benefit to many Long Islanders over the years.

We look forward to continuing our long and rewarding relationship with the community of Riverhead.

Sincerely,



Joseph Petrocelli  
Managing Partner

**Town of Riverhead**

**Industrial Development Agency  
Application for Financial Assistance**

[Type here]





**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**  
**TOWN OF RIVERHEAD**

200 Howell Avenue  
Riverhead, New York 11901

P(631) 369-5129  
F (631) 369-6925

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**APPLICATION FOR FINANCIAL ASSISTANCE**

Date 9/24/15

APPLICATION OF:

Atlantis Holdings Company LLC  
COMPANY NAME

Petrocelli Development Associates

OWNERSHIP OF PROPOSED PROJECT

Type of Application:

- ☐ Tax-Exempt Bond ☐ Taxable Bond  
☒ Straight Lease ☐ Refinance  
☐ Not-for-Profit ☐ Other

Please respond to all items either by filling in blanks, by attachment (by marking space "See Attachment Number 1," etc.) or by N.A., where not applicable. Unless otherwise directed, this application must be filed in 12 copies and forwarded electronically. A non-refundable application fee is required at the time of submission of this application to the Riverhead Industrial Development Agency (the "Agency"). The non-refundable application fee is \$2,000 for applications under \$5 million and \$4,000 for applications for \$5 million or more. This fee will be applied to the Agency's Administrative Fee at closing.

If applicable and at the time of inducement, Bond Counsel will require a \$2,000 deposit which will be applied to actual out-of-pocket disbursements made during the inducement and negotiation processes, and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an Official Inducement Resolution, but may be subject to disclosure under the New York State Freedom of Information Law.

**PLEASE NOTE:**

Prior to submitting a completed final application, please arrange to meet with the Agency's staff to review your draft application.

[www.riverheadida.org](http://www.riverheadida.org)

I. COMPANY DATA

A. PROPOSED PROJECT OWNER (THE "COMPANY")

NAME Atlantis Holding Company LLC

ADDRESS 431 East Main Street, Riverhead, NY 11901

CONTACT Joseph Petrocelli POSITION Managing Member

PHONE 631-208-9200x102 FEDERAL EMPLOYER I.D.# [REDACTED]

EMAIL [REDACTED] FAX 631-208-0466

BUSINESS TYPE: \_\_\_\_\_ NAICS CODE: \_\_\_\_\_

SOLE PROPRIETORSHIP ☐

GENERAL PARTNERSHIP ☐ or LIMITED PARTNERSHIP ☒

State and Date of Organization: New York- 09/04/1997

PRIVATELY HELD CORPORATION ☐ NOT-FOR-PROFIT ☐

PUBLIC CORPORATION ☐ LISTED ON \_\_\_\_\_ EXCHANGE

State and Date of Incorporation: \_\_\_\_\_

ATTORNEY Eric Russo @ Van Brunt, Juzwiak & Russo PC  
(contact info) 140 Main Street, Sayville NY 11782

631-589-5000

B. FACILITY USER (tenant(s) using more than 10% of the square footage of the Facility, if different than the Company) (THE "SUBLESSEE")

NAME J. Petrocelli Development Associates

ADDRESS 100 Comac Street , Ronkonkoma NY 11779

CONTACT [REDACTED] POSITION Owner

PHONE 631-208-9200x102 FEDERAL EMPLOYER I.D.# [REDACTED]

EMAIL [REDACTED] NAICS CODE 531120

SOLE PROPRIETORSHIP ☐

GENERAL PARTNERSHIP ☒ or LIMITED PARTNERSHIP ☐

State and Date of Organization: NYS 7/27/1990

PRIVATELY HELD CORPORATION ☐ NOT-FOR-PROFIT ☐

PUBLIC CORPORATION ☐ LISTED ON \_\_\_\_\_ EXCHANGE

State and Date of Incorporation: \_\_\_\_\_

(Please provide additional names and information, if any, on a separate sheet and attach it to this questionnaire. If tenant is unknown, then enter unknown)

- C. If seeking tax exempt bonds, please list any related person to the project that is also a facility user of the Project.

<u>NAME</u>	<u>BUSINESS TYPE</u>	<u>RELATIONSHIP</u>
_____	_____	_____
_____	_____	_____

- D. Please list any principal stockholders or partners of the Company or the Sublessee that have 5% or more equity in the Company or the Sublessee:

<u>NAME</u>	<u>% OWNED</u>	<u>WHICH COMPANY</u>
Joseph Petrocelli, Jerome	████	Atlantis Holdings Company LLC
Petrocelli, John Petrocelli JR,	_____	_____
James Petrocelli Sr	_____	_____
Estate of James Bissett III	████	Atlantis Holdings Company LLC

- E. If any of the above persons, or a group of them, owns more than a 50% interest in the Company or the Sublessee, list all other persons which are related to the Company or the Sublessee by virtue of such persons having more than a 50% interest in the Company or the Sublessee.

Joseph Petrocelli - J. Petrocelli Atlantis Development LLC
John Petrocelli Jr. - J Petrocelli Atlantis Development LLC
James Petrocelli Sr. - J Petrocelli Atlantis Development LLC
Jerome Petrocelli - J Petrocelli Atlantis Development LLC

- F. Is the Company or the Sublessee related to any other person by reason of more than 50% common ownership? If so, indicate the name of each related person and the Company's or Sublessee's relationship to such person.

NO

_____
_____
_____
_____

- G. List the Company's and the Sublessee's parent corporations, sister corporations and subsidiaries, if any.

Atlantis Explorer Tour Boat and Atlantis Marine World

- H. Has the Company or the Sublessee (or any other entity listed in answer to questions C-G above) been involved in or benefitted by any prior industrial development bond financing or conduit financing in the town in which this Project is going to be located, whether through the Agency or another issuer? If so, please explain in full (e.g., name of issuer and beneficiary; original amount of issue; date of issue; current amount outstanding; purpose of issue; etc.).

Atlantis Marine World was granted a multi phase urban renewal project.

- I. Has the Company or the Sublessee (or any related person) made a public offering or private placement of its stock within the last 3 years? If so, please describe and provide the Offering Statement used.

NO

- J. Has the Company or the Sublessee (or any related person) applied to any other town IDA or the Suffolk County IDA in regard to this Project? If so, please provide details of any action taken with respect to and the current status of such application.

NO

K. List the major bank references of the Company.

TD Bank

324 South Service Road

Melville, NY 11747

II. COMPANY'S CURRENT OPERATION INFORMATION

A. Address 431 East Main Street, Riverhead NY 11901

B. Acreage of existing facility 6.8 Acres

C. Number of buildings and square feet of each building 3 Buildings  
30,000sf- Aquarium; 23,000sf- Seastar Ballroom; 68,000sf- Hyatt East End

D. Owned or leased Owned by Atlantis Holdings Company LLC

E. Please describe the type of operation (e.g., manufacturing, wholesale, distribution, retail, etc.) and products and services at current location: Aquarium, Hotel, Banquet Hall and Marina

F. Employment (current number of full-time employees or the equivalent)  
Aquarium, Hotel and Banquet Hall = 218

G. Annual payroll amount \$5,621,728.25

III. PROPOSED PROJECT DATA

A. Location of Project - Please attach a map highlighting the location of the project.  
In addition, please give the real property tax map number and exact street address of the Project, including the village and town where the Project will be located. (If no street address, please include a survey and the most precise description available):

428 East Main Street, Riverhead, NY 11901

0600-129-03-13.000



- B. Project Site - Please submit an electronic copy and 2 paper copies of preliminary plans or sketches of the proposed acquisition, rehabilitation, or construction (under separate cover).

1. Acreage: 12,896 sf

2. Acquisition of existing buildings:

- a) Existing buildings to be acquired (number and square feet of each building):

Preston House (2600sf)- Vacant for 12 years, in ruins for  
preservation

- b) Does the Project consist of additions and/or renovations to existing buildings? If so, indicate the nature of the expansion and/or renovation in reasonable detail.

Yes, kitchen addition and complete rehabilitation of a five story  
boutique hotel.

3. New construction:

Ground/floor level (parking  
and common area)- 1000sf

- a) Number and square feet of each new building to be constructed:

1st Floor Addition- 2,408sf 2nd Floor- 600 sf

Typical New Floor (Floors 2-5)= 9,268 sf for each floor

- b) Builder or contractor and contact information:

J. Petrocelli Contracting, Inc.

100 Comac Street, Ronkonkoma, NY 11779

- c) Architect and contact information:

Robert C. Tast AIA

400 Ostrander Avenue, Riverhead NY 11901

4. Present use of the Project site:

Abandoned vacant building for the past 12 years.

5. Relationship of present user of Project site to the Company:

None

6. Please attach a copy of the latest Real Property Tax Bill

C. What will the building or buildings to be acquired, constructed or expanded be used for by the Company (include description of products to be manufactured, assembled or processed and services to be rendered; PLEASE NOTE: The Tax Reform Act of 1986 limits the type of facilities eligible for tax-exempt financing to manufacturing facilities)?

Phase III expansion of the Atlantis Marine World Multi-Phase Project.

In addition, rehabilitation of the Preston House with a restaurant in building, and a boutique hotel.

D. If any space in the Project is to be leased by the Agency or the Company to third parties, indicate the total square footage of the Project to be leased to each tenant, and the proposed use of that space by each tenant. Although the tenants may not yet be known, the purposes for which the Project will be used must still be indicated (e.g., manufacturing, office, warehouse, etc.). Use a separate sheet, if necessary.

N/A

E. List principal items or categories of equipment to be acquired as part of the Project.

Kitchen Equipment, Housekeeping Equipment, Furniture, Fixtures,  
Plumbing, HVAC Equipment, Elevator.

F. Has construction work on the Project begun? If so, complete the following:

1. Site clearance ☐ yes ☒ no \_\_\_\_\_ % complete
2. Foundation ☐ yes ☒ no \_\_\_\_\_ % complete
3. Footings ☐ yes ☒ no \_\_\_\_\_ % complete
4. Steel ☐ yes ☒ no \_\_\_\_\_ % complete
5. Masonry ☐ yes ☒ no \_\_\_\_\_ % complete
6. Other (describe below):

Restoration of existing House; pointing up stone foundation to  
restore original foundation of 1906 building- Historical Preservation

G. Existing facilities within New York State:

1. Are there other facilities owned, leased or used by the Company (or any related person) within the state? If so, tell whether such facilities are owned, leased or otherwise used and describe the terms of the Company's (or any related person's) interest in such facilities.

Yes. Existing Phase I and II of Long Island Aquarium as part of  
the Urban Renewal Program for Downtown Riverhead and an  
economic and tourism generator for the town.

2. If there are other facilities within the state, is it expected that any of these other facilities will close or be subject to reduced activity as a result of the proposed Project?

☐ yes

☒ no

3. If you answered "No" to question 2, above, please explain in detail how current facilities will be utilized and whether the Project is reasonably necessary for the Company to maintain its competitive position in its industry.  
Expansion is needed for future growth and continuation of economic  
growth generation. Refinancing will reduce overhead costs and lend  
to the financial viability of the project.

4. If you answered "yes" to question 2, above, please indicate whether the Project is reasonably necessary for the Company to maintain its competitive position in its industry and explain in detail.

N/A

5. Has the Company thought about moving to another state? If so, please explain.

N/A. This is phase III of a multiphase project.

6. Will the Project meet current zoning requirements at its proposed location?

☒ yes

☐ no

- a) What is the present zoning? DC-1
- b) What zoning is required? DC-1
- c) If a change of zoning is required, please provide the details/status of any change of zoning request.

- H. Does the Company (or any related person) currently lease the Project site?

☐ yes

☒ no

- I. Does the Company (or any related person) now own the Project site?

☒ yes

☐ no

1. If so, indicate:

- a) Date of purchase 07/08/2015
- b) Purchase price \$260,000.000
- c) Balance of existing mortgage None
- d) Holder of mortgage N/A
- e) Special conditions N/A

2. If not, does the Company (or any related person) have an option or a contract to purchase the site and/or any buildings on the site?

☐ yes

☒ no

3. If so, please attach a copy of the option or contract and indicate:

- a) Date signed \_\_\_\_\_
- b) Purchase price \_\_\_\_\_
- c) Proposed settlement/closing date \_\_\_\_\_

N/A

#### IV. PROJECT COSTS

- A. **Please attach to the application a detailed budget for the project.** Then using your detailed budget, provide below a generalized estimate of the cost of each of the following items, specifying in each instance the portion of such costs to be financed with tax-exempt IDB proceeds, if applicable. The total project cost must equal your attached budget.

LAND*	260,000.00	tax exempt only <input checked="" type="checkbox"/> (%)
ACQUISITION AND REHABILITATION COSTS:		
Existing Building**		( ) (%)
Cost of Rehabilitation**	700,000.00	( ) (%)
COSTS OF NEW CONSTRUCTION:		
Construction of New Building	6,900,000.00	( ) (%)
New Additions to or Expansions of Existing Building	513,000.00	( ) (%)
ENGINEERING & ARCHITECTURAL FEES	75,000.00	( ) (%)
EQUIPMENT TO BE INSTALLED AT FACILITY	500,000.00	( ) (%)
LEGAL FEES (Bank, Bond & Company)	26,000.00	( ) (%)
FINANCIAL CHARGES (specify):	26,000.00	( ) (%)
OTHER FEES/CHARGES, etc. (specify):		( ) (%)
		( ) (%)
		( ) (%)
TOTAL PROJECT COSTS:		\$ 9,000,000.00 ( ) (%)
AMOUNT OF BOND REQUESTED:		\$ ( ) (%)

\* If acquiring land, please note that Federal law prohibits the use of 25% or more of tax-exempt IDB proceeds for the purchase of land.

\*\* If acquiring existing buildings, please note that Federal law prohibits the acquisition of existing buildings with tax-exempt IDB proceeds unless the rehabilitation expenses of the building are equal to or greater than 15% of the portion of the cost of acquiring the building that is financed with tax-exempt IDB proceeds. Rehabilitation does not include any amount expended on new construction (additions or expansions).

B. Method of financing costs (must equal page 11):

	<u>AMOUNT</u>	<u>TERM</u>	
1. Tax-exempt IDB financing	\$ _____	_____	years
* 2. Taxable IDB financing	\$ <u>15,250,000.00</u>	<u>10</u>	years
3. Other governmental funding	\$ _____	_____	years
4. Other loans	\$ <u>8,000,000 .00</u>	<u>15</u>	years
5. Company's/Owner's equity contribution ***	<u>1,000,000.00</u>	<u>10</u>	years
TOTAL PROJECT COSTS:	\$ <u>24,250,000 .00</u>		

\* Refinancing of existing Aquarium facility.

- C. Have any of the above costs, which are to be reimbursed out of tax-exempt bond proceeds, been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes ☐ No ☒

If so, please give particulars on a separate sheet.

- D. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of the tax-exempt bond proceeds? Give details.

NO

- E. Will any of the funds to be borrowed through the Agency be used to repay or refinance an existing mortgage, outstanding loan, or an outstanding IDB issue? Give details.

Yes. Refinancing the existing mortgage of \$15,250,000.00

\*\*\* If a project financing with IDB proceeds is to be owned by a realty company/partnership, but will be subleased for use by another person, at least a 5% owner equity contribution is suggested.

- F. Has the Company made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom.

N/A

V. MEASURES OF GROWTH AND BENEFITS

- A. Please complete the chart below by indicating on line #1 the present number of full-time or equivalent employees and the annual payroll for all current facilities of the Company.

On line #2, please provide the current number of full-time equivalent employees and the annual payroll amount relative to the Town of Riverhead facilities only. (If no facilities are currently in the Town of Riverhead, indicate "0.")

On lines #3 through #6, provide projections of employment and payroll at the proposed Project in the Town of Riverhead ONLY for the first and second year (cumulative):

	Full Time or Equivalent Employees	Annual Payroll \$
1. PRESENT (All Current Facilities)	<u>218</u>	<u>\$5,621,728.25</u>
2. PRESENT (Riverhead Only)	<u></u>	<u></u>
3. FIRST YEAR (Riverhead Only)	<u>243</u>	<u>\$6,394,300.70</u>
4. SECOND YEAR (Riverhead Only)	<u>244</u>	<u>\$6,414,300.70</u>
5. THIRD YEAR (Riverhead Only)	<u></u>	<u></u>
6. FOURTH YEAR (Riverhead Only)	<u></u>	<u></u>

7. INDIRECT/CONSTRUCTION JOBS – please indicate the projected number of indirect construction jobs that will be created as a result of the project: 220

Please provide the average wage for the indirect jobs: \$27/hour

\*\*\*On a separate sheet, you must provide a list of the categories of jobs to be retained and/or gained excluding executive owners who may also be employees. Provide the average salary for each category and the fringe benefits that correspond to each position. This list must correspond to the totals input on this page that answer Section V. A. 2-6.

218 Jobs Retained



8. Will the company be relocating jobs from an area within NYS to Riverhead? NO

If yes, please indicate how many positions: \_\_\_\_\_

9. Please estimate the number of Nassua/Suffolk County residents that will be filling positions within the company: 100%

B. What, if any, will be the expected increase in the annual gross dollar amount of sales (or rent)? \$ \$2,759,146

C. Describe, if applicable, other benefits anticipated as a result of this Project. This should include benefits to the municipality. (Additional sheet may be necessary)  
To increase sales by bringing additional tourism to Downtown Riverhead, including  
the aquarium, hotel and banquet center. For the town new curbs, sidewalks and  
street lighting, clean up a blighted building by restoring and preserving a structure  
built in 1905.

#### VI. PROJECT CONSTRUCTION SCHEDULE

A. What is the proposed date for commencement of construction or acquisition of the Project? September 2015

B. Give an accurate estimate of the time schedule to complete the Project and when the first use of Project is expected to occur (use additional sheets if necessary).

12 months

C. For bond financing projects, at what time or times and in what amount or amounts is it estimated that funds will be required? Please provide your most accurate present estimate.

November 2015

VII. REQUESTED ASSISTANCE (please check all that apply)

**But for the following financial assistance requested, the likelihood of the project could not be undertaken:**

A. Exemption from mortgage recording tax: ☒ Yes ☐ No

If yes, indicate applicable amount of mortgage or loan: \$23,250,000

B. Sales Tax Exemption (8.625%): ☒ Yes ☐ No

C. Real Property Tax Abatement: ☒ Yes ☐ No

RIDA provides real property tax abatements on the increased assessment (value added) as the result of the project. The real property tax abatement is applied uniformly to all eligible taxing jurisdictions. As a general rule the term of the real property tax abatement is 10 years. The basic real property tax abatement provided by RIDA is based upon the equivalent of Section 485(b) of the New York State Real Property Tax Law. This section provides for a 50% real property tax abatement on the increased assessed value in the first year; 45% real property tax abatement in the second year; 40% abatement in the third year; and thereafter declining 5% per year over a 10-year period. A 485(b) real property tax abatement is the standard that RIDA provides. An enhanced real property tax abatement is considered and/or provided under certain circumstances.

☒ Yes ☐ No Based upon the RIDA Uniform Tax Exempt Policy, I believe this project qualifies for an enhanced real property tax abatement or one that deviates from the standard and request consideration for a variation from the standard abatement in order to make the project viable.

If you check yes above, please provide a brief explanation as to why:

For us to be able to continue with this project, it is important for the Town to

continue to support us in this request for tax abatement. We are a economic

engine for the Town, not a tax revenue generator. This qualifies as a significant

or strategic project and has been, and continues to be, an Urban Renewal

economic generator for Downtown Riverhead with hopes to continue

through 2031.

VIII. ATTACH THE FOLLOWING FINANCIAL INFORMATION OF THE COMPANY

- A.   X   Financial statements for last two fiscal years (unless included in the Company's annual report).
- B.   N/A   Company's annual reports (or Form 10-K's) for the two most recent fiscal years.
- C.   N/A   Quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent annual report, if any.
- D.   N/A   In addition, please attach the financial information described above in items A, B, and C of any expected guarantor of the proposed bond issue other than the Company.
- E.   X   A copy of the latest NYS-45 Quarterly Combined Withholding Form

[www.riverheadida.org](http://www.riverheadida.org)

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**  
**TOWN OF RIVERHEAD**



200 Howell Avenue  
Riverhead, NY 11901

(631) 369-5129

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NEW YORK STATE FINANCIAL REPORTING  
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES

Section 859 of the General Municipal Law requires additional financial reporting requirements by all IDA's in New York State. Of particular importance to IDA applicants is Section 859 (copy attached). This section requires IDA's to transmit financial statements within 90 days following the end of an Agency's fiscal year (RIDA FY = 1/1 – 12/31), prepared by an independent, certified public accountant, to the New York State Comptroller, the Commissioner of the New York State Department of Economic Development, and the governing body of the municipality for whose benefit the Agency was created (Town of Riverhead). These audited financial statements shall include supplemental schedules listing the following information:

1. All bonds and notes issued, outstanding or retired during the period and whether or not they are obligations of the Agency.
2. All new bond issues shall be listed and for each new bond issue, the following information is required:
  - a) Name of the project financed with the bond proceeds.
  - b) Name and address of each owner of the project.
  - c) The amount of tax exemptions granted for each project.
  - d) Purpose for which the bond was issued.
  - e) Bond interest rate at issuance and, if variable, the range of interest rates applicable.
  - f) Bond maturity date.
  - g) Federal tax status of the bond issue.

The Public Authorities Reform Act of 2009, Section 2800 requires annual reports of operations and accomplishments which includes projects undertaken by the authority. The Annual Compliance Reports shall include company provided information relative to individual projects including but not limited; to capital investment made, salaries, employee count, exemptions received, and pilot payments made. Your company must submit this information no later than February 10<sup>th</sup> of each year.

Please sign below to indicate that you have read and understood the above.

  
Chief Executive Officer of Applicant

12/9/15  
Date

## RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY FEE SCHEDULE

A non-refundable application fee of \$2,000 for applications under \$5 million and \$4,000 for applications over \$5 million is required at the time of application. This fee will be credited to the Agency's Administrative Fee, payable at closing.

The **Administrative Fee** charged by the Agency at closing is as follows:

¾ of 1% of the financial assistance on the first \$10 million.

¼ of 1% of the financial assistance between \$10 million and \$20 million.

1/10 of 1% of the financial assistance over \$20 million. 1% of the financial assistance for amended applications post initial financial approval.

### **Reporting/Compliance Fee:**

State law requires that the Town of Riverhead Industrial Development Agency file certain financial and compliance reports with the State of New York. Much of the information within these reports is required to be furnished by your company and the IDA is obligated to meet a state submission deadline.

Annual Compliance Reporting fee for Lease Projects \$250 annually

Annual Compliance Reporting fee for Bond Projects \$300 annually

\*Compliance fees apply to each phase of a project which necessitates a separate NYS filing for reporting.

### **Late Reporting/Compliance Fee:** commencing the day following report due date

State law requires that the Town of Riverhead Industrial Development Agency file an Annual Financial and Compliance Report with the State of New York. Much of the information within this report is required to be furnished by your company and the IDA is obligated to meet a state submission deadline. In order to meet this deadline, the Agency will impose a \$500 penalty for late filings (applied the day immediately following the due date) with an additional two hundred and a \$250 pro-rateable fee for every 30 days thereafter until the submission of the report or benefit recapture provision is implemented.

### **Processing Fee:**

During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. prepayment of bonds, sales tax extension, etc. The Agency will charge a \$250 processing fee for each request.

### **Assignments & Assumptions:**

Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon the sale of the IDA property. The new company often wishes to continue IDA involvement to maintain the viability of the project and needs to retain the incentives. The Agency will charge a \$4000 fee for each of these transactions if requests are made prior to any transfer, otherwise the assignment/assumption will require a full administrative fee of ¾ of 1%.

### **Refinance Fee:**

During the course of IDA ownership/involvement, the Agency may be required, by the company, to consent to a variety of simple refinancing mechanisms i.e. second mortgages, additional secured financing, refinancing, etc. The Agency will charge a \$2500 processing fee for each request and reserves the right to increase the fee to reflect the complexity of each transaction, but not to exceed the basic administrative application fee.

FEE SCHEDULE CONTINUED

**Late PILOT Payment:**

In addition to requirements of GML 874(5), the Agency shall impose its own 5% penalty, plus \$1000 administrative fee for delinquent PILOT payments that are 5 days late.

**Re-Notification Fee**

Occasionally, an applicant will cause an adjournment of a public hearing. The IDA will charge a fee of \$100 per requested adjournment to re-notify and repost public notice.

- All Agency fees are non-refundable and are as amended from time to time.

Adopted as Amended 9-14-15

 Please Initial

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
LOCAL LABOR POLICY  
Adopted by Resolution #48-14**

**Purpose**

The purpose of this resolution is to encourage companies receiving economic benefit and/or incentive from the Riverhead Industrial Development Agency (the "Agency") to engage local residents from the Town of Riverhead and the County of Suffolk during the construction phase of projects through the addition of an amendment to the Agency project application. All Agency projects are subject to monitoring by the Riverhead IDA.

**Construction Jobs**

Construction jobs, although limited in duration, are vital to the overall employment opportunities within the region since construction wages earned by local residents are reinvested in the local economy. It is hereby established to be the policy of the Agency that companies to which it has provided inducement use best efforts to employ local residents during the construction phase of projects. This will ensure that maximum public benefit is realized from Agency assistance.

**Requirements of the Applicant**

As a condition of receiving inducement and/or financial assistance from the Agency, the Company will agree to satisfy the following requirements, in form and substance satisfactory to the Agency.

The Company hereby represents and warrants that it will use commercially reasonable efforts to advertise, hire and cause any agent of the Company, general contractor, subcontractor, or subcontractor to a subcontractor working on the Project, to hire employees who live within Suffolk County, prioritizing Riverhead residents. The Agency understands and acknowledges that at certain times local labor may not be available.

Submit to the Agency a "Construction Completion Report" listing the names and business locations of prime contractors, subcontractors and vendors who have been engaged for the construction phase of the project by companies benefitting from the Agency programs. Said report shall identify the name, title, mailing address, phone/fax/email of the project contact person who will be responsible and accountable for providing information about the award of construction contracts relative to the project.

The Agency, may at any time during the benefit period, enhance the monitoring and reporting requirements relative to tracking and encouraging the use of local labor.

 Please Initial

APPLICATION CERTIFICATION

Joseph Petrucelli (Name of chief executive officer of entity submitting application) being duly sworn deposes and says that (s)he is the Manager member (title) of Atlantic Holdings (entity name, hereinafter the "Applicant"), the entity named in the attached application; that (s)he has read the foregoing application and knows the contents thereof and that the same is true to his/her knowledge.

Deponent further says that this certification is being made by Joseph Petrucelli (entity name). The grounds of deponent's belief relative to all matters in said application which are not upon his/her own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his/her duties as an officer of said entity and for the books and papers of said entity.

ALL STATEMENTS MADE IN THE APPLICATION ARE TRUE, ACCURATE AND COMPLETE TO THE BEST OF DEPONENT'S KNOWLEDGE.

THE OWNER, OCCUPANT OR OPERATOR RECEIVING FINANCIAL ASSISTANCE HEREBY CERTIFIES, UNDER PENALTY OF PERJURY, THAT IT IS IN SUBSTANTIAL COMPLIANCE WITH ALL LOCAL, STATE AND FEDERAL TAX, WORKER PROTECTION AND ENVIRONMENTAL LAWS, RULES AND REGULATIONS.

THE SUBMISSION OF ANY KNOWINGLY FALSE OR KNOWINGLY MISLEADING INFORMATION IN THE APPLICATION, OR PROCEEDINGS HAD BY THE AGENCY ON THE APPLICATION, MAY LEAD TO THE IMMEDIATE TERMINATION OF ANY FINANCIAL ASSISTANCE AND THE REIMBURSEMENT OF AN AMOUNT EQUAL TO ALL OR PART OF ANY TAX EXEMPTIONS CLAIMED BY REASON OF AGENCY INVOLVEMENT IN THE PROJECT.

As an officer of Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Riverhead Industrial Development Agency (hereinafter referred to as the "Agency") acting on behalf of Applicant in connection with this application. If, for any reason whatsoever, Applicant fails to conclude or consummate necessary negotiations or fails to act within reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application, then upon presentation of an invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond counsel for the Agency and fees of general counsel for the Agency.

Deponent further certifies that he or she has read the Agency's Fee Schedule and agrees to the terms thereof and any amendment thereto.

  
Chief Executive Officer of Applicant

FALSE STATEMENTS MADE HEREIN ARE PUNISHABLE BY PENALTY OF PERJURY.

Sworn to before me this 9th  
day of December, 2015.

Judith Gluck  
Notary Public

JUDITH GLUCK  
Notary Public, State of New York  
No. 01GL6017987  
Qualified in Suffolk County  
Commission Expires December 21, 2018