

## **ATLANTIS MARINE WORLD PROJECT SHEET HISTORY**

The Atlantis Aquarium Project converted a 3.2 acre underutilized, shuttered lumberyard, in a designated Urban Renewal Area into a Regional Tourist Destination including a world class Aquarium and Hotel; saved the Marine Mammal and Sea Turtle Stranding Program from financial ruin; provided hundreds of jobs and has paid sales tax, property tax, and hotel occupancy tax. Most importantly the project has spearheaded the revitalization of the downtown business area in the Town of Riverhead realizing the primary objective set forth in the Land Disposition Agreement as a “Tourism Destination and Economic Generator” not only for the Town of Riverhead but the County of Suffolk, the Long Island region, and the State of New York. The Project has met its goals of improved foot traffic and occupancy of our once decayed Downtown bringing 400,000 visitors annually to our community.

### **PHASE I**

1998 Atlantis Holding Co. responded to a Town of Riverhead Request for Proposal for the redevelopment of underutilized, contaminated municipally owned property to create a “Tourism Destination and Economic Generator” to include an Aquarium. There was a 70% vacancy rate in downtown Riverhead.

1999 Atlantis Holding Co., sponsored by J Petrocelli Contracting and Bissett Nursery Corporation, executed a Memorandum of Understanding and Sale Agreement to create a multi-year, multi phased revitalization, tourism destination and economic generator for downtown Riverhead. A condition of the Land Disposition Agreement was the provision of IDA benefits. The agreement forecasted a four phase project.

In addition to the \$1,750,000 purchase of the property from the TOR and cost of environmental remediation, the Land Disposition Agreement between the Town of Riverhead and Atlantis further required that the Aquarium support the Riverhead Foundation for Marine Research and Preservation by providing (at the sole expense of the aquarium) funding to support its mission including provisions for, food, medicine, a four-wheel drive vehicle and rescue boat with insurance, plus \$90,000 per year.

The MOU dictated a deadline within 1 year to commence construction of a 30,000 sq foot aquarium with 80 displays, environmental tour boat, special events area, ecological wetlands exhibits, themed restaurant etc.

The shuttered lumberyard which became the Project, originally consisted of two municipally owned tax parcels (assessed as exempt) which paid a combined total Real Property Tax of \$919.51 for the 1998/1999 tax year to all taxing jurisdictions. The Assessed Value of both parcels combined equaled \$381,900.

By 2000/2001 Real Property Taxes of \$35,905.90 were paid by the project in addition to the PILOT payment of \$20,880.13 for a total of \$56,786.03 in revenue to the Town in the very first year. The Assessed Value jumped to \$1,385,000.

Initial capital investment - \$8.3 million inclusive of a \$3,000,000 Agency bond

The project estimated the creation of 44 jobs by year two.

The project redeemed its bonds in 2006 and refinanced.

## **PHASE II**

In 2010 Atlantis was voted in the Top 10 Aquariums by Parents Magazine.

Phase II expanded the facility by an additional 97,000 sq ft making another investment of \$24,323,000 to include additional exhibit space, a banquet hall and a 100 room Hyatt Hotel.

In order to accomplish the expansion, Atlantis needed to merge 4 tax map parcels to include the original aquarium parcel, two new parcels and the Treasure Cove Marina parcel. The assessment was set at the Town's determination of assessed value of land and improvements to ensure no exemption for the pre-existing marina and restaurant.

This was accomplished with the additional assistance of a Restore NY grant for \$2.4 million.

They projected another 103 jobs.

The Assessed Value was now up to \$3,106,700. The project was paying \$95,182 in PILOT payments and \$191,717 in special district taxes for a total of \$286,899 in revenue to the Town.

## **PHASE III**

The project sponsors decided to purchase and raise a long vacant, dilapidated 2600 sq ft building across the street. At the urging of the Historic Preservation Committee and with the assistance of the IDA, instead of raising the building, Atlantis opted to historically renovate the building to its former glory and have decided to turn it into a high end restaurant and boutique hotel. They refinanced Phase I and II and invested an additional \$10 million into this new phase. The former residence of Henry H. Preston built in 1902 has now been restored and will be utilized as a high end restaurant. A 22,000 sq ft boutique hotel will be constructed to further compliment the project.

They project another 25 jobs with an anticipated increase in assessment of approximately \$581,000 upon completion of the project for Phase III. In 2015, taxes on this site prior to the project were \$13,169. The assessed value was 76,300 and the total projected new value is proposed to be 657,900 once fully constructed and assessed.

In 2015 there are currently 244 employees, exceeding their projections. The project is bringing in over 400,000 visitors per year to downtown. The Assessed Value of the project property is up to \$5,339,800 and they are paying over \$324,000 in revenue to the taxing jurisdictions. In addition, the project drives over a million dollars in sales tax revenue annually and contributes about \$100,000 annually from the Hotel Motel Tax.

In an unrelated action (yet the investment should be noted), Altantis purchased additional adjacent property and property across the street (blighted empty former Kentucky Fried Chicken) for parking despite the Town's commitment to provide parking as needed in the original MOU and Sales agreement.

They have also purchased and historically renovated a dilapidated, municipally owned building at 532 East Main Street. Further investment into the community by putting another property back on the tax rolls, it now houses the Town Historians office and the Long Island Wine Council.