



# COUNTY OF ERIE

**MARK C. POLONCARZ**  
COUNTY EXECUTIVE

January 4, 2013

Erie County Legislature  
92 Franklin Street, 4<sup>th</sup> Floor  
Buffalo, New York 14202

**RE: Payment in Lieu of Taxes (PILOT) Agreement for True Bethel Townhomes –  
358 East Ferry Street, Buffalo, NY – Affordable Housing Development**

Dear Honorable Members:

Enclosed please find a proposed resolution and accompanying memorandum regarding a Payment in Lieu of Taxes (PILOT) agreement for True Bethel Townhomes. The resolution authorizes the County Executive to execute an agreement with True Bethel Townhomes, LLC; True Bethel Townhomes Housing Development Fund Company, Inc.; and the City of Buffalo.

Should your honorable body require any further information, I encourage you to contact the Thomas J. Dearing at the Department of Environment and Planning. Thank you for your consideration on this matter.

Sincerely yours,

Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/cw  
Enclosure

cc: Maria R. Whyte  
Thomas J. Dearing

## **MEMORANDUM**

To: Honorable Members of the Erie County Legislature  
From: Department of Environment and Planning  
Re: Payment in Lieu of Taxes (PILOT) Agreement for True Bethel Townhomes – 358 East Ferry Street, Buffalo, NY – Affordable Housing Development  
Date: January 3, 2013

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### **SUMMARY**

It is recommended that the Erie County Legislature approve the attached resolution authorizing the County Executive to enter into a PILOT Agreement with True Bethel Townhomes, LLC, True Bethel Townhomes Housing Development and the City of Buffalo. The PILOT payments are based on the PILOT policy that was adopted by the Erie County Legislature on December 16, 1999.

### **FISCAL IMPLICATIONS**

In accordance with the PILOT policy, the proposed PILOT payments would be based on a payment of \$6,570.27 and would escalate by 3% each year for a fifteen year term. The County would receive twenty-five percent (25%) of each annual payment, and the City of Buffalo would receive seventy-five percent (75%) of each annual payment. The attached payment schedule lists the complete payments over the fifteen years of the Agreement.

### **REASON FOR RECOMMENDATION**

The Erie County Legislature approved a resolution (Comm.11E-10 (2012)) dated June 21, 2012 authorizing the County Executive to execute a Payment in Lieu of Taxes (PILOT) Agreement with True Bethel Townhomes, L.P. and the City of Buffalo. The project developer has informed Erie County of changes to the development team. True Bethel Townhomes, L.P. is no longer an executory to the PILOT Agreement, and has been replaced by True Bethel Townhomes, LLC and the True Bethel Townhomes Development Fund Company, Inc. Thus a new resolution reflecting the change in the development team is necessary.

The project conforms with the provisions of Article XI of the New York Private Housing Finance Law.

### **BACKGROUND INFORMATION**

True Bethel Townhomes will be a new construction family rental project consisting of 4 multi-family residential buildings and a community building at 858 East Ferry Street, Buffalo, New York. The project will consist of 30 residential units, ten (10) two bedroom units, fourteen (14) three bedroom units and six (6) four bedroom units. The housing will be affordable for households with incomes at or below 60% of the area median income.

### **CONSEQUENCES OF NEGATIVE ACTION**

Without the PILOT, it would not be economically feasible for True Bethel Townhomes, LLC to operate the project.

**STEPS FOLLOWING APPROVAL**

The County Executive will enter into a PILOT agreement with the noted parties.

**A RESOLUTION SUBMITTED BY:  
DEPARTMENT OF ENVIRONMENT AND PLANNING**

**RE: Payment in Lieu of Taxes (PILOT)  
Agreement for True Bethel Townhomes  
– 358 East Ferry Street, Buffalo, NY –  
Affordable Housing Development**

**WHEREAS, the Erie County Legislature approved a resolution Comm. 11E-10 (2012) dated June 21, 2012 authorizing the County Executive to executive a Payment in Lieu of Taxes (PILOT) agreement with True Bethel Townhomes, L.P. and the City of Buffalo relating to the True Bethel Townhomes; and**

**WHEREAS, the project developer has informed Erie County of a new development team including True Bethel Townhomes, LLC and True Bethel Townhomes Development Fund Company, Inc.; and**

**WHEREAS, the Project will be a new construction multi family housing development located at 858 East Ferry Street in the City of Buffalo, New York, and will contain 30 rehabilitated housing units, ten (10) two-bedroom units, fourteen (14) three bedroom units and six (6) four bedroom units. The housing units will be affordable to households with income at or below 60% of the median income for Erie County; and**

**WHEREAS, the Erie County Legislature adopted a policy on Payment in Lieu of Taxes (PILOT) on December 16, 1999, and this PILOT is consistent with said policy; and**

**WHEREAS, in order to make the Project economically feasible for True Bethel Townhomes, LLC to operate it is necessary to obtain tax relief from the County of Erie and the City of Buffalo.**

**NOW, THEREFORE, BE IT**

**RESOLVED, that the County Executive is hereby authorized to execute a Payment in Lieu of Taxes (PILOT) Agreement with True Bethel Townhomes, LLC; True Bethel Townhomes Housing Development Fund Company, Inc.; the City of Buffalo; and any other organizations involved in the sponsorship, development, financing, and ownership of the True Bethel Townhomes; and be it further**

**RESOLVED, that at least 60% of the units remain affordable to and occupied by households earning no greater than 50% of the area median income, adjusted for family size, as determined by the Department of Housing and Urban Development for the period of the Agreement, and be it further**

**RESOLVED, that said Agreement shall include an annual PILOT in the amount of taxes due as set forth on Schedule A attached hereto. Payment under the Agreement shall be for fifteen**

(15) years with the County share of each annual payment being twenty-five (25) percent of the total amount; and be it further

**RESOLVED**, that certified copies of this resolution shall be forwarded to the County Executive; the Director of the Division of Budget and Management; the Director of Real Property Tax Services; the Commissioner of the Department of Environment and Planning; the County Comptroller; and the County Attorney.

**Schedule A**

**True Bethel Townhomes – 358 East Ferry Street, Buffalo, NY –  
Affordable Housing Development**

	PILOT	City	County
Year 1	\$6,570.27	\$4,927.70	\$1,642.56
Year 2	\$6,767.38	\$5,075.53	\$1,691.84
Year 3	\$6,970.40	\$5,228.00	\$1,742.60
Year 4	\$7,179.51	\$5,384.63	\$1,794.87
Year 5	\$7,394.90	\$5,546.17	\$1,848.72
Year 6	\$7,616.74	\$5,757.55	\$1,904.18
Year 7	\$7,845.25	\$5,883.93	\$1,961.31
Year 8	\$8,080.60	\$6,060.45	\$2,020.15
Year 9	\$8,323.02	\$6,242.26	\$2,080.75
Year 10	\$8,572.71	\$6,429.53	\$2,143.17
Year 11	\$8,829.89	\$6,622.41	\$2,207.47
Year 12	\$9,094.79	\$6,821.09	\$2,273.69
Year 13	\$9,367.63	\$7,025.72	\$2,341.90
Year 14	\$9,648.66	\$7,236.49	\$2,412.16
Year 15	\$9,938.12	\$7,453.59	\$2,484.53