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## COUNTY OF ERIE

**CHRIS COLLINS**  
COUNTY EXECUTIVE

July 19, 2011

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

**RE: Payment in Lieu of Taxes (PILOT) Agreement for Walden Park Senior Housing – Affordable Housing Development**

Honorable Members:

Enclosed please find a proposed resolution and accompanying memorandum regarding a Payment in Lieu of Taxes (PILOT) agreement for Walden Park Senior Housing. The resolution authorizes the County Executive to execute an agreement with Walden Park Senior Housing II, LLC and Walden Park II Housing Development Fund Corp.

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

Sincerely,

CHRIS COLLINS  
Erie County Executive

# MEMORANDUM

To: Honorable Members of the Erie County Legislature  
From: Department of Environment and Planning  
Re: Payment In Lieu Of Taxes (PILOT) Agreement For  
Walden Park Senior Housing – Affordable Housing Development  
Date: July 19, 2011

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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 Walden Park II Housing Development Fund Corp. , Walden Park Senior Housing II, LLC 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 \$22,266 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 City of Buffalo supports the project and on July 21, 2011 the Buffalo Urban Renewal Agency is scheduled to take action on adopting a negative declaration for the project as lead agency and a resolution authorizing a PILOT for Walden Park Senior Housing will be submitted to the Common Council for approval once the negative declaration is adopted. The project conforms with the provisions of Article XI of the New York Private Housing Finance Law.

## **BACKGROUND INFORMATION**

Walden Park Senior Housing is located at 101 Bakos Boulevard in the City of Buffalo, New York and will contain 126 one-bedroom and two-bedroom rental apartment units. The project will serve seniors with incomes at or below 50% of the median income for Erie County.

## **CONSEQUENCES OF NEGATIVE ACTION**

Without the PILOT, it would not be economically feasible for Walden Park II Housing Development Fund Corp. 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 Walden Park II Senior Housing –  
Affordable Housing Development

WHEREAS, Walden Park II Housing Development Fund Corp. is developing housing for low and very low income senior households (Project), pursuant to Article XI of the New York Private Housing Finance; and

WHEREAS, the Project, located at 101 Bakos Boulevard in the City of Buffalo, New York, will contain 126 one-bedroom and two-bedroom apartments for seniors with income at or below 50% 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 Walden Park II Senior Housing Development Fund Corp. to operate the apartment complex 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 Walden Park II Senior Housing Development Fund Corp. , Walden Park Senior Housing II, LLC and the City of Buffalo relating to the Walden Park II Senior Housing and all other agreements necessary to conclude this Project; and be it further

RESOLVED, that said authorization is conditioned on the following actions:

1. City of Buffalo completes any and all necessary environmental review requirements applicable to the project.
2. Approval by the Common Council of the City of Buffalo of a PILOT Agreement with the parties noted above and Erie County containing the payment schedule described in Schedule A of this resolution; 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 will 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  
PILOT Payment Schedule

Year	PILOT Payment	City	County
1	\$21,618	\$16,214	\$5,404
2	22,266	16,700	5,566
3	22,934	17,201	5,733
4	23,622	17,717	5,905
5	24,331	18,248	6,083
6	25,061	18,796	6,265
7	25,813	19,360	6,453
8	26,587	19,940	6,647
9	27,385	20,539	6,846
10	28,207	21,155	7,052
11	29,053	21,790	7,263
12	29,925	22,444	7,481
13	30,823	23,117	7,706
14	31,748	23,811	7,937
15	32,700	24,525	8,175