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## COUNTY OF ERIE

**CHRIS COLLINS**  
COUNTY EXECUTIVE

August 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 Cynthia Gardens –  
Affordable Housing Development**

Honorable Members:

Enclosed please find a proposed resolution and accompanying memorandum regarding a Payment in Lieu of Taxes (PILOT) agreement for Cynthia Gardens. The resolution authorizes the County Executive to execute an agreement with Cynthia Gardens Housing Development Fund, Inc., Heart of the City Neighborhoods, Inc., and the City of Buffalo.

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,

A handwritten signature in black ink, appearing to read "Chris Collins", is written over a faint, larger version of the signature.

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  
Cynthia Gardens – Affordable Housing Development  
Date: August 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 Cynthia Gardens Housing Development Fund, Inc., Heart of the City Neighborhoods, Inc. 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 \$1,496.25 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 28, 2011 the Common Council of the City passed a resolution approving a PILOT for Cynthia Gardens. The project conforms with the provisions of Article XI of the New York Private Housing Finance Law.

### **BACKGROUND INFORMATION**

Cynthia Gardens will be new housing constructed on vacant land at 294-320 Hudson Street in the City of Buffalo, New York. The project will consist of 8 units, four (4) two-bedroom units and four (4) three-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 Cynthia Gardens Housing Development Fund, Inc. 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 Cynthia Gardens –  
Affordable Housing Development

WHEREAS, Cynthia Gardens Housing Development Fund, Inc. is developing housing for low and very low income households (Project), pursuant to Article XI of the New York Private Housing Finance; and

WHEREAS, the Project will be located on vacant land at 294-302 Hudson Street in the City of Buffalo, New York, will contain 8 new constructed housing units, four (4) two-bedroom apartments and four (4) three-bedroom apartments for 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 Cynthia Gardens Housing Development Fund, Inc. 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 Cynthia Gardens Housing Development Fund, Inc. , Heart of the City Neighborhoods, Inc. and the City of Buffalo relating to the Cynthia Gardens and all other agreements necessary to conclude this Project; 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	Total	City	County
1	1,496.25	1,122.19	374.06
2	1,541.14	1,155.85	385.28
3	1,587.37	1,190.53	396.84
4	1,634.99	1,226.24	408.75
5	1,684.04	1,263.03	421.01
6	1,734.56	1,300.92	433.64
7	1,786.60	1,339.95	446.65
8	1,840.20	1,380.15	460.05
9	1,895.40	1,421.55	473.85
10	1,952.27	1,464.20	488.07
11	2,010.83	1,508.13	502.71
12	2,071.16	1,553.37	517.79
13	2,133.29	1,599.97	533.32
14	2,197.29	1,647.97	549.32
15	2,263.21	1,697.41	565.80