



ECLEAG SEP0913 -10/51

# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

September 9, 2013

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

**RE: Payment in Lieu of Taxes (PILOT) Agreements for Trinity Towers Senior Housing and Hertel Park Senior Housing – Affordable Housing Developments**

Dear Honorable Members:

Enclosed please find a proposed resolution and accompanying memorandum regarding two Payment in Lieu of Taxes (PILOT) agreements for Trinity Towers Senior Housing and Hertel Park Senior Housing. The resolution authorizes the County Executive to execute agreements with Trinity Towers Apartments II, LLC, Trinity Towers II Housing Development Fund Corp., and the City of Buffalo ; and Hertel Park Senior Housing II, LLC, Hertel Park II Housing Development Fund Corp. and the City of Buffalo.

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

Sincerely,

Mark C. Poloncarz  
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) Agreements For Trinity Tower Senior Housing and Hertel Park Senior Housing– Affordable Housing Developments  
**Date:** August 26, 2013

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### **SUMMARY**

The resolution authorizes the County Executive to execute PILOT agreements with Trinity Towers Apartments II, LLC, Trinity Towers II Housing Development Fund Corp. and the City of Buffalo, and Hertel Park Senior Housing II, LLC, Hertel Park II Housing Development Fund Corp. and the City of Buffalo.

The PILOTs 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 payment for Trinity Towers Senior Housing shall be based on a payment of \$30,759 and would escalate by 3% each year for a fifteen year term. The proposed PILOT payment for Hertel Park Senior Housing shall be based on a payment of \$45,368 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 payments Schedule A and B lists the complete payments over the fifteen years of the Agreements.

### **REASON FOR RECOMMENDATION**

The City of Buffalo supports the projects and on the 23<sup>rd</sup> day of July, 2013 the Common Council of the City passed a resolution approving a PILOT for Trinity Senior Housing and on the 9<sup>th</sup> day of July 2013 the Common Council passed a resolution approving a PILOT for Hertel Park Senior Housing. The projects conform with the provisions of Article XI of the New York Private Housing Finance Law.

### **BACKGROUND INFORMATION**

Trinity Towers Senior Housing located at 33 Linwood Avenue in the City of Buffalo consists of 83 affordable apartment units for senior households. The property is being sold to new owner Trinity Towers Apartments II, LLC. The new owner will substantially renovate the apartments. The housing will be affordable for households with incomes at or below 60% of the area median income.

Hertel Park Senior Housing located at 1631 Hertel Avenue in the City of Buffalo consists of 138 affordable apartment units for senior households. The property is being sold to new owner, Hertel Park Senior Housing II, LLC. The new owner will substantially renovate the apartments.

The housing will be affordable for households with incomes at or below 60% of the area median income.

**CONSEQUENCES OF NEGATIVE ACTION**

Without the PILOTs, it would not be economically feasible for Trinity Towers Apartments II, LLC and Hertel Park Senior Housing II, LLC to operate the projects.

**STEPS FOLLOWING APPROVAL**

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

A RESOLUTION SUBMITTED BY:  
DEPARTMENT OF ENVIRONMENT AND PLANNING

RE: Payment in Lieu of Taxes (PILOT)  
Agreements for Trinity Towers Senior  
Housing and Hertel Park Senior Housing  
– Affordable Housing Developments

WHEREAS, Trinity Towers Apartments II, LLC and Hertel Park Senior Housing II, LLC are developing housing for low and very low income households pursuant to Article XI of the New York Private Housing Finance Law; and

WHEREAS, Trinity Towers Senior Housing will consist of the development of 83 rental residential units at 33 Linwood Avenue, Buffalo, New York. The 83 units will be substantially rehabilitated and the units will be affordable for senior households with incomes at or below 60% of the area median income; and

WHEREAS, Hertel Park Senior Housing will consist of the development of 138 rental residential units at 1631 Hertel Avenue, Buffalo, New York. The 138 units will be substantially rehabilitated and the units will be affordable for senior households with incomes at or below 60% of the area median income; and

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

WHEREAS, in order to make the Project economically feasible for Trinity Towers Senior Housing II, LLC and Hertel Park Senior Housing II, LLC to operate the housing projects 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 Trinity Towers Apartments II, LLC, Trinity Tower II Housing Development Fund Corp., Inc. and the City of Buffalo relating to Trinity Towers Senior Housing and all other agreements necessary to conclude this housing project; and be it further

RESOLVED, that the County Executive is hereby authorized to execute a Payment in Lieu of Taxes (PILOT) Agreement with Hertel Park Senior Housing II, LLC, Hertel Park II Housing Development Fund Corp. and the City of Buffalo relating to Hertel Park Senior Housing and all other agreements necessary to conclude this housing project, and be it further

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

RESOLVED, that said Agreements shall include annual PILOT payments in the amount of taxes due as set forth on Schedule A attached hereto for the Trinity Towers Senior Housing and Schedule B attached hereto for the Hertel Park Senior Housing. Payment under the Agreements 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

Trinity Towers Senior Housing

	City	County	Total
Year 1	\$23,069	\$7,690	\$30,759
Year 2	24,222	8,074	32,296
Year 3	25,434	8,478	33,912
Year 4	26,705	8,902	35,607
Year 5	28,041	9,347	37,388
Year 6	29,443	9,814	39,257
Year 7	30,915	10,305	41,220
Year 8	32,460	10,820	43,280
Year 9	34,083	11,361	45,444
Year 10	35,788	11,929	47,717
Year 11	37,577	12,526	50,103
Year 12	39,456	13,152	52,608
Year 13	41,429	13,810	55,239
Year 14	43,500	14,500	58,000
Year 15	45,675	15,225	60,900

Schedule B

Hertel Park Senior Housing

Year	Total	City	County
1	45,368.00	34,026.00	11,342.00
2	46,729.04	35,046.78	11,682.26
3	48,130.91	36,098.18	12,032.73
4	49,574.84	37,181.13	12,393.71
5	51,062.08	38,296.56	12,765.52
6	52,593.95	39,445.46	13,148.49
7	54,171.76	40,628.82	13,542.94
8	55,796.92	41,847.69	13,949.23
9	57,470.83	43,103.12	14,367.71
10	59,194.95	44,396.21	14,798.74
11	60,970.80	45,728.10	15,242.70
12	62,799.92	47,099.94	15,699.98
13	64,683.92	48,512.94	16,170.98
14	66,624.44	49,968.33	16,656.11
15	68,623.17	51,467.38	17,155.79