

SUSPENSION

May 7, 2014

The Honorable
Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

**Re: Gratwick Manor Apartments
Payment in Lieu of Taxes Repayment Agreement**

Dear Honorable Members:

Please find enclosed a resolution from the Department of Real Property Tax Services seeking legislative authorization of a Payment in Lieu of Taxes repayment agreement with Gratwick Manor Apartments (Gratwick Manor, L.P dba Olmsted Center for Sight).

Representatives from the Department of Real Property Tax Services and Division of Budget and Management are available to answer questions regarding this request.

Thank you for your consideration on this matter.

Sincerely,

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/tcc

cc: Robert W. Keating, Director of Budget and Management
Joseph Maciejewski, Director of Real Property Tax Services

MEMORANDUM

To: Erie County Legislature
From: Department of Real Property Tax Services
Re: Gratwick Manor Apartments - Payment in Lieu of Taxes Repayment Agreement
Date: May 7, 2014

SUMMARY

Authorization is requested for the County to enter into a Payment in Lieu of Taxes (“PILOT”) repayment agreement with Gratwick Manor Apartments (Gratwick Manor, L.P dba Olmsted Center for Sight). Gratwick Manor entered into a PILOT with Erie County in 1996 under which it would make PILOT payments starting in 1998 for a fifteen year period. However, Gratwick never made such payments.

During a review of the PILOT process and payments due and owing to the County, the Poloncarz Administration became aware of this situation and engaged Gratwick Manor/ Olmsted Center for Sight in a dialogue and demanded payment. Olmsted Center for Sight has proposed and the County Executive has agreed to a repayment plan in which Olmsted, a non-profit, will pay the \$51,969.03 balance (including interest that has become due over the past 15 years) over a thirty six month period with monthly payments. In addition, Gratwick will pay all taxes as they become due in the future. Should Gratwick make the monthly payments of past due amounts and current annual taxes as they come due, there will be no additional interest on the unpaid past due balance.

Legislative approval of this repayment plan is requested.

FISCAL IMPLICATIONS

Positive. The County will receive \$51,969.03 in revenue.

REASONS FOR RECOMMENDATION

Gratwick Manor owes PILOT payments for tax years from 1998 to 2012 and is willing to make the payments, plus interest. The County expects taxpayers to comply with agreements that they have entered into to make PILOT payments. .

CONSEQUENCES OF NEGATIVE ACTION

The County will not receive the revenue.

STEPS FOLLOWING APPROVAL

Upon approval of this resolution, the County Executive will be authorized to enter into a repayment agreement with Olmsted Center for Sight/Gratwick Manor, L.P. and the Department of Law will execute a repayment agreement in order to receive the revenue. The Department of Real Property Tax Services will set up an account receivable for the balance and will receive monthly payments from Olmsted.

RESOLUTION SUBMITTED BY
DEPARTMENT OF REAL PROPERTY TAX SERVICES

Re: Gratwick Manor Apartments –
Payment in Lieu of Taxes Repayment Agreement

WHEREAS, in 1996, Gratwick Manor, L.P./Olmsted Center for Sight entered into a Payment in Lieu of Taxes (“PILOT”) repayment agreement with the County for the Gratwick Manor Apartments (Gratwick Manor, L.P dba Olmsted Center for Sight); and

WHEREAS, Gratwick Manor agreed to make PILOT payments starting in 1998 for a fifteen year period but Gratwick never made such payments; and

WHEREAS, during a review of the PILOT process and payments due and owing to the County, the Poloncarz Administration became aware of this situation and engaged Gratwick Manor/ Olmsted Center for Sight in a dialogue and demanded payment; and

WHEREAS, Olmsted Center for Sight has proposed and the County Executive has agreed to a repayment plan in which Olmsted will pay the \$51,969.03 balance (including interest) over a thirty six month period with monthly payments.

NOW, THEREFORE, BE IT

RESOLVED, that the Erie County Legislature does hereby authorize the County Executive to enter into a repayment agreement with Olmsted Center for Sight/Gratwick Manor, L.P. for the outstanding PILOT obligations totaling \$51,969.03 which are to be paid over a three year period; and be it further

RESOLVED, that certified copies of this resolution shall be sent to the Department of Real Property Tax Services, Division of Budget and Management, Department of Law, Office of the County Executive and Office of the Comptroller.