

# SUSPENSION



## COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

September 29, 2015

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

**RE: Payment in Lieu of Taxes (PILOT) Agreement for Parkview Apartments,  
City of Buffalo – 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 Parkview Apartments. The resolution is seeking authorization for the County Executive to execute an agreement with Parkview Apartments Development Fund Corp., Parkview Apartments of Buffalo, LLC, and the City of Buffalo.

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark C. Poloncarz", is written over a horizontal line.

Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/cw  
Enclosure

Cc: Thomas J. Dearing, Commissioner

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## MEMORANDUM

**To:** Honorable Members of the Erie County Legislature  
**From:** Department of Environment and Planning  
**Re:** Payment in Lieu of Taxes (PILOT) Agreement for Parkview Apartments,  
City of Buffalo – Affordable Housing Development  
**Date:** September 29, 2015

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### **SUMMARY**

The resolution is seeking authorization for the County Executive to execute a PILOT agreement with Parkview Apartments Development Fund Corp., Parkview Apartments of Buffalo, 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 payment for Parkview Apartments shall be based on a payment of \$4,656.14 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 A 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, 2015 the Common Council of the City of Buffalo passed a resolution approving a PILOT for Parkview Apartments. The project conforms to the provisions of Article XI of the New York Private Housing Finance Law.

### **BACKGROUND INFORMATION**

Parkview Apartments consists of twenty-six (26) affordable apartment units for low income households located at 769-781 Best Street (former Public School 59) in the City of Buffalo, New York. Parkview Apartments of Buffalo, LLC will purchase the property from the existing owner and has been awarded tax credit financing from NY State Homes and Community Renewal. After the sale a renovation of the property with a focus on energy efficiency and long-term sustainability of the property will occur.

The project includes fourteen (14) one-bedroom units, eight (8) two-bedroom units, and four (4) three-bedroom units. The multi-family property is targeted towards households earning at or below 60% of the Area Median Income ("AMI").

The total development cost is projected to be \$7,726,252.

### **CONSEQUENCES OF NEGATIVE ACTION**

Without the PILOT, it would not be economically feasible for Parkview Apartments of Buffalo LLC to develop the project.

### **STEPS FOLLOWING APPROVAL**

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

Comm. 18E-16

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

RE: Payment in Lieu of Taxes (PILOT)  
Agreement for Parkview Apartments,  
City of Buffalo – Affordable Housing  
Development

WHEREAS, Parkview Apartments of Buffalo LLC is developing housing for low and very low income households pursuant to Article XI of the New York Private Housing Finance Law; and

WHEREAS, the 26 unit Project is located at 769-781 Best Street (former Public School 59) in the City of Buffalo with nineteen (19) of the units affordable to households with income at and below 50% of the area median income (AMI), six (6) of the units set aside for households earning at or below 30% AMI and one (1) of the units will be set-aside for a household earning at or below 60% AMI; 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 Parkview Apartments of Buffalo, LLC to operate the housing project 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 Parkview Apartments Development Fund Corp., Parkview Apartments of Buffalo, LLC, and the City of Buffalo relating to Parkview Apartments and all other agreements necessary to conclude this housing 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.

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## SCHEDULE A

### Parkview Apartments PILOT Schedule of Payments

Year	City	County	Total
1	3,492.11	1,164.04	4,656.14
2	3,596.87	1,198.96	4,795.83
3	3,704.78	1,234.93	4,939.70
4	3,815.92	1,271.97	5,087.90
5	3,930.40	1,310.13	5,240.53
6	4,048.31	1,349.44	5,397.75
7	4,169.76	1,389.92	5,559.68
8	4,294.85	1,431.62	5,726.47
9	4,423.70	1,474.57	5,898.26
10	4,556.41	1,518.80	6,075.21
11	4,693.10	1,564.37	6,257.47
12	4,833.89	1,611.30	6,445.19
13	4,978.91	1,659.64	6,638.55
14	5,128.28	1,709.43	6,837.71
15	5,282.13	1,760.71	7,042.84