



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

February 26, 2015

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

**RE: Payment in Lieu of Taxes (PILOT) Agreement for Waterfront Apartments
Phase I – Carolina Street between 7th and Niagara Streets, 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 Waterfront Apartments Phase I. The resolution authorizes the County Executive to execute an agreement with Waterfront Housing Development Fund Corp., Waterfront Phase I LLC and the City of Buffalo.

Should your Honorable Body require any further information, I encourage you to contact Deputy 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 that reads "Mark C. Poloncarz".

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/cw
Enclosure

cc: Maria R. Whyte, Commissioner of Environment and Planning
Thomas J. Dearing, Deputy Commissioner of Environment and Planning

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Payment In Lieu Of Taxes (PILOT) Agreement For
Waterfront Apartments Phase I – Carolina Street between 7th and Niagara Streets
– Affordable Housing Development
Date: February 26, 2015

SUMMARY

The resolution authorizes the County Executive to execute a PILOT agreement with Waterfront Housing Development Fund Corp, Waterfront Phase I 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 Waterfront Apartments Phase I shall be based on a payment of \$18,814.55 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 lists the complete payments over the fifteen years of the Agreement.

REASON FOR RECOMMENDATION

The City of Buffalo supports the project and on March 3, 2015 the Common Council of the City of Buffalo passed a resolution approving a PILOT for Waterfront Apartments Phase I. The project conforms with the provisions of Article XI of the New York Private Housing Finance Law.

BACKGROUND INFORMATION

Waterfront Apartments Phase I consists forty-eight (48) affordable apartment units for low income households located on Carolina Street between 7th and Niagara Streets in the City of Buffalo, New York.

CONSEQUENCES OF NEGATIVE ACTION

Without the PILOT, it would not be economically feasible for Waterfront Phase I LLC 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 Waterfront Apartment Phase I – Carolina Street between 7th and Niagara Streets, City of Buffalo – Affordable Housing Project

WHEREAS, Waterfront Phase I 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, Waterfront Apartments Phase I will consist of the development of 48 rental residential units; and

WHEREAS, the Project is located on Carolina Street between 7th and Niagara Streets in the City of Buffalo with thirty of the housing units being affordable to households with income between 51% to 60% of the area median income and eighteen of the units affordable to households with income at and below 50% 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 Waterfront Phase I 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 Waterfront Phase I LLC, Waterfront Housing Development Fund Corp., and the City of Buffalo relating to Waterfront Apartments Phase I and all other agreements necessary to conclude this housing project; and be it further

RESOLVED, that 37% of the units remain affordable to and occupied by households earning no greater than 50% of the area median income, adjusted for family size, and 63% of the units remain affordable to and occupied by households with income between 51% to 60% of the area median income, adjusted for family size, as determined by the U. S. Department of Housing and Urban Development for the period of the Agreement; 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 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

Waterfront Apartments PILOT
Schedule of Payments

Year	Total	City	County
1	18,814.55	14,110.91	4,703.64
2	19,378.99	14,534.24	4,844.75
3	19,960.36	14,970.27	4,990.09
4	20,559.17	15,419.38	5,139.79
5	21,175.94	15,881.96	5,293.99
6	21,811.22	16,358.42	5,452.81
7	22,465.56	16,849.17	5,616.39
8	23,139.52	17,354.64	5,784.88
9	23,833.71	17,875.28	5,958.43
10	24,548.72	18,411.54	6,137.18
11	25,285.18	18,963.89	6,321.30
12	26,043.74	19,532.80	6,510.93
13	26,825.05	20,118.79	6,706.26
14	27,629.80	20,722.35	6,907.45
15	28,458.70	21,344.02	7,114.67