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COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

February 26, 2016

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

Re: Payment in Lieu of Taxes (PILOT) Agreement Extension for St. Mary's Commons Apartments, Williamsville – Affordable Senior Community

Dear Honorable Members:

Please find enclosed a proposed resolution and accompanying memorandum regarding a Payment in Lieu of Taxes (PILOT) Agreement Extension for St. Mary's Commons Apartments. The original PILOT agreement, dated April 30, 2003 ends in 2019. The resolution would extend the agreement for an additional fifteen years to match the duration of the affordability requirement of the project. The resolution authorizes the County Executive to execute an agreement with St. Mary's Commons Apartments, L.P. and the Town of Amherst.

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

Sincerely yours,

Mark C. Poloncarz, Esq.
Erie County Executive

DCE

MCP/jb
Enclosure

Cc: Thomas J. Dearing, Commissioner of Environment and Planning
Michael J. LoCurto, Deputy Commissioner of Environment and Planning

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Environment and Planning
Re: Payment in Lieu of Taxes (PILOT) Agreement Extension for St. Mary's Commons Apartments, Williamsville – Affordable Senior Community
Date: February 26, 2016

SUMMARY

The resolution authorizes the County Executive to execute a PILOT agreement extension with St. Mary's Commons Apartments, L.P. and the Town of Amherst. The owner is seeking a PILOT from the Town of Amherst and Erie County consistent with the PILOT Policy adopted by the Erie County Legislature on December 16, 1999.

FISCAL IMPLICATIONS

In accordance with the PILOT policy, the proposed PILOT payment for St. Mary's Commons Apartments shall be based on a payment of \$46,824 in year 16 and would escalate by 3% each year for an additional fifteen-year term. The County would receive twenty-five percent (25%) of each annual payment, and the Town of Amherst would receive seventy-five percent (75%) of each annual payment. The attached payment Schedule A lists the complete payments over the first fifteen years of the current agreement and the next 15 years with this Agreement.

REASONS FOR RECOMMENDATION

The Town of Amherst supports extension of the PILOT Agreement and plans to vote in favor of the PILOT extension on March 7, 2016. The project conforms to the provisions of Article XI of the New York Private Finance Law.

BACKGROUND INFORMATION

In 2003, the development group purchased the property from the Town of Amherst and converted the facility into senior affordable housing. A major renovation occurred, transforming the old convent, vacant building into high quality housing utilizing tax credits. Extending the PILOT for another 15 years would match the duration of the affordability requirement. The project is located at 400 Mill Street in the Village of Williamsville. One hundred percent of the St. Mary's Commons units are set aside for households at or below 60% of area median income and 100% of the units are rent restricted. The current rents are \$658 for a one-bedroom and \$783 for a two-bedroom.

CONSEQUENCES OF NEGATIVE ACTION

Without the PILOT Agreement extension, it would not be economically feasible for St Mary's Commons Apartments, L.P. to continue to operate the senior housing as it is currently structured.

STEPS FOLLOWING APPROVAL

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

**A RESOLUTION SUBMITTED BY:
ENVIRONMENT AND PLANNING**

RE: Payment in Lieu of Taxes (PILOT) Agreement Extension for St. Mary's Commons Apartments, Williamsville – Affordable Senior Community

WHEREAS, St. Mary's Commons Apartments consists of a two story, 101-unit building designed for senior affordable housing; and

WHEREAS, St. Mary's Commons Apartments was originally built in 2003 utilizing tax credits. One hundred percent of the units are set aside for households at or below 60% of the area median income and 100% of the units are rent restricted; 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 St. Mary's Commons Apartments to continue to operate the community it is necessary to extend tax relief from the County of Erie and the Town of Amherst.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive is hereby authorized to execute a Payment in Lieu of Taxes (PILOT) Agreement extension with St. Mary's Commons Apartments, L.P., the Town of Amherst, and any other organizations necessary to conclude this PILOT Agreement; and be it further

RESOLVED, that said Agreement extension shall include an annual PILOT in the amount of taxes due as set forth on Schedule A attached hereto; 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
St. Mary's Commons Apartments

ST. MARY'S COMMONS APARTMENTS, L.P.

PILOT Payment Schedule
Proposed

	Year	PILOT Payment	County	Town
Actual	2005	30,054	7,514	22,541
	2006	30,956	7,739	23,217
	2007	31,884	7,971	23,913
	2008	32,840	8,210	24,631
	2009	33,826	8,457	25,370
	2010	34,841	8,710	26,131
	2011	35,886	8,972	26,915
	2012	36,963	9,241	27,722
	2013	38,072	9,518	28,554
	2014	39,214	9,803	29,410
	2015	40,390	10,098	30,293
	2016	41,602	10,400	31,201
	2017	42,850	10,712	32,137
Proposed	2018	44,135	11,034	33,101
	2019	45,459	11,365	34,095
	2020	46,824	11,706	35,118
	2021	48,229	12,057	36,171
	2022	49,675	12,419	37,257
	2023	51,166	12,791	38,374
	2024	52,701	13,175	39,525
	2025	54,282	13,570	40,711
	2026	55,910	13,978	41,933
	2027	57,587	14,397	43,191
	2028	59,315	14,829	44,486
	2029	61,094	15,274	45,821
	2030	62,927	15,732	47,195
	2031	64,815	16,204	48,611
	2032	66,760	16,690	50,070
	2033	68,762	17,191	51,572
	2034	70,825	17,706	53,119