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# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

July 19, 2021

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

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

Dear Honorable Members:

Please find an enclosed resolution from the Department of Environment and Planning regarding a Payment in Lieu of Taxes (PILOT) Agreement for Folwell Apartments Project. The resolution authorizes the County Executive to execute an agreement with Folwell Apartments LLC, Folwell Apartments Housing Development Fund Corporation, and the City of Buffalo.

Should your Honorable Body require further information, I encourage you to contact Deputy Commissioner Daniel Castle. Thank you for your consideration on this matter.

Sincerely yours,

A handwritten signature in black ink that reads "Mark C. Poloncarz". The signature is written in a cursive style with a long horizontal flourish at the end.

Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/mw  
Enclosure

cc: Daniel Castle, Deputy Commissioner

## MEMORANDUM

**To:** Honorable Members of the Erie County Legislature  
**From:** Department of Environment and Planning  
**Re:** Payment in Lieu of Taxes (PILOT) Agreement Folwell Apartments Project, City of Buffalo – Affordable Housing Project  
**Date:** July 19, 2021

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### **SUMMARY**

The resolution authorizes the County Executive to execute a PILOT Agreement with Folwell Apartments LLC, Folwell Apartments Housing Development Fund Corporation, and the City of Buffalo

The owner is seeking a PILOT from the City of Buffalo 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 Folwell Apartments Project shall be based on a payment of \$9,609 in year 1 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 City of Buffalo would receive seventy-five percent (75%) of each annual payment. The payment Schedule A lists the payments for the 15 years of the Agreement.

### **REASONS FOR RECOMMENDATION**

The City of Buffalo supports the PILOT and on July 20th, 2021, the Common Council of the City of Buffalo approved Folwell Apartments project PILOT Agreement. The project conforms to the provisions of Article XI of the New York Private Housing Finance Law.

### **BACKGROUND INFORMATION**

The residential project is located at 219 Bryant Street, in the vacant Maternity Building of the former Children's Hospital, Census Tract 67.02, in the City of Buffalo, zip code 14222. The project consists of the historic rehab and redevelopment on the former hospital building into forty-four (44) affordable apartments for seniors age 62 and up. 100% of the project will provide affordable housing for household whose income range from below 30% Area Median Income (AMI) to 60% AMI. The total development cost is projected to be \$14,764,403.

### **CONSEQUENCES OF NEGATIVE ACTION**

Without the PILOT, it would not be economically feasible for Folwell Apartments LLC and/or Follwell Apartments Housing Development Fund Corporation to operate the project as it is currently structured.

### **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 Folwell Apartments Project, City of Buffalo – Affordable Housing Project

WHEREAS, Folwell Apartments Project consists of the rehab and redevelopment of a vacant hospital building located on the former Women and Children's Hospital Campus in the City of Buffalo into forty-four (44) affordable rental units for multi-family senior housing located at 219 Bryant Street, Buffalo, NY 14222; 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 Folwell Apartments LLC and/or Folwell Apartments Housing Development Fund Corporation to operate the housing project it is necessary to extend 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 Folwell Apartments LLC, Folwell Apartments Housing Development Fund Corporation, and the City of Buffalo, and any other organizations necessary to conclude this PILOT 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; 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  
PILOT Payments**

Year	Total	City	County
1	9,609.00	7,206.75	2,402.25
2	9,897.27	7,422.95	2,474.32
3	10,194.19	7,645.64	2,548.55
4	10,500.01	7,875.01	2,625.00
5	10,815.01	8,111.26	2,703.75
6	11,139.46	8,354.60	2,784.87
7	11,473.65	8,605.24	2,868.41
8	11,817.86	8,863.39	2,954.46
9	12,172.39	9,129.30	3,043.10
10	12,537.57	9,403.17	3,134.39
11	12,913.69	9,685.27	3,228.42
12	13,301.10	9,975.83	3,325.28
13	13,700.14	10,275.10	3,425.03
14	14,111.14	10,583.36	3,527.79
15	14,534.47	10,900.86	3,633.62