

**Westchester Park Preservation, LP**  
**\$ 35,600,000**  
**INDUCEMENT RESOLUTION / TAX EXEMPT BOND**  
**ANTICIPATED BOND AMOUNT UP TO \$25,000,000**

**ELIGIBILITY**

- NAICS Section – 531110

**COMPANY INCENTIVES**

- Anticipated Bond Amount – up to \$ 25,000,000
- Approximately \$ 525,000 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$ 169,500

**JOBS & ANNUAL PAYROLL**

- Current Jobs: 4 FT
- Annual Payroll: \$ 250,000
- Projected new jobs: 1 FT
- Est. salary/yr. of FT jobs created: \$ 33,000
- Est. salary/yr. of jobs retained: \$ 45,000
- Total jobs after project completion: 5 FTE

**PROJECTED COMMUNITY BENEFITS\***

- NET Community Benefits: \$14,356,948
- Construction Jobs: 162
- Spillover Jobs: 79
- Total Payroll: \$13,534,970

**INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)\***

Incentives: \$694,500  
 Community Benefit: \$14,301,874  
 Cost Benefit Ratio  
 • 1:21

Project Title: Westchester Park  
 Project Address: 55 Ralston Ave, Tonawanda, NY 14217  
 (Kenmore Town of Tonawanda UFSD)

**Agency Request**

Issuance of a federally tax-exempt bond, a sales tax and a mortgage recording tax exemption in connection with the acquisition and renovation of an existing 201 unit affordable property for seniors.

Land / Building Acquisition	\$ 16,600,000
Reconstruction / Renovations	\$ 10,000,000
Soft Costs/Other	\$ 9,000,000
<b>Total Project Cost</b>	<b>\$ 35,600,000</b>
 85%	 \$ 30,260,000

**Company Description**

The property is currently owned by a joint venture between the Related Companies and MJ Peterson. The purchasers will be a limited partnership entity with 99.99% ownership (to be created).

**Project Description**

Westchester Park Apartments is an existing 201 unit affordable property for seniors that consists of two buildings connected by a passageway on the ground floor. The first building is a five-story elevator serviced building built in 1980 with concrete foundation and brick exterior. The second building is a two-story split level low-rise building without elevator access that originally served as an elementary school built in the 1960s and was retrofitted into apartments in the 1980s at the same time that building one was constructed. Amenities include a lobby area, laundry room, lounge area, library and community room and an onsite leasing office.

The purchasers of the property are planning major renovations costing approximately \$ 50,000 per unit. Rehabilitation of the property is expected to improve the property functionally and aesthetically. Modernization of 100% of units will include new bathrooms, kitchens, flooring and lighting, painting landscaping, improvements, modernization of community space and addition of new site wide free Wi-Fi. The scope will include bringing 5% of the units (11) to full ADA compliance. The property will remain livable throughout construction so it is not expected that any tenants will be displaced during the construction period.

The proposal contemplates financing from tax exempt bonds from the ECIDA, 4% Low Income Housing Tax Credits (LIHTC) from NYSHCR as well as a Payment in Lieu of Taxes (PILOT) from the Town of Tonawanda. 200 of the 201 units are subsidized by a project-based Section 8 HAP contract – as part of the proposed transaction, the existing HAP contract will be extended for an additional 20 years.

\* Cost Benefit Analysis Tool powered by MRB Group

### Project Description (cont'd)

Unit Type	Square Footage	HAP
Studio (9 units)	550 sf	\$ 980
One Bedroom (184 units)	640 – 650 sf	\$ 1,260
Two Bedroom (8 units)	800 sf	\$ 1,465

The Section 8 Housing Choice Voucher program is a form of government rent assistance through housing assistance payment contracts known as a HAP. On average, each household covered by a HAP contract will pay somewhere between 30% and 40% of its income on rent.

### Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

#### Cost: Incentives

COSTS	Tax Exemption	Amount
	Property Tax	\$0
	Sales Tax	\$ 525,000
	Mortgage Recording	169,500
	Total	\$ 694,500
	Discounted at 2%	\$694,500

#### Benefit: Projected Community Benefit\*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **	
	Erie County	Individuals	Payroll Construction		\$12,230,753
			Payroll Permanent		\$ 1,304,217
		Public	Property Taxes		\$ 0
			Sales Taxes		\$ 107,491
			Other Revenue (Muni)		\$ 5,650
	New York State	Public	Income Taxes		\$ 609,074
			Sales Taxes		\$ 94,745
				Total Benefits to EC + NYS***	\$14,356,948
				Discounted at 2%	\$14,301,874

\* Cost Benefit Analysis Tool powered by MRB Group \*\*includes direct & indirect \$ over project period \*\*\* may not sum to total due to rounding

Discounted Cost	\$694,500
Discounted Benefit	\$14,301,874
Ratio	1:21

**Conclusion:** The Cost Benefit for this project is :1. For every \$1 in costs (incentives), this project provides \$21 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$40 in benefits to the community.**

## Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$ 35,600,000 85% = \$ 30,260,000
Employment	Coincides with Recapture Period	Maintain Base = 4 FT Create 85% of Projected Projected = 1 FT 85% of Projected = 0 FT Recapture Employment = 4 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with Recapture Period	Adherence to Policy
Unpaid Tax	Coincides with Recapture Period	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of Mortgage recording tax, state and local sales taxes

### Recapture applies to:

State and Local Sales Taxes  
Mortgage Recording Tax

### Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 4 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

### Project ECIDA History

- 09/28/23: Public hearing held.
- 10/25/23: Type II Action not subject to SEQRA review
- 10/25/23: Inducement and Bond Sale Resolution presented to Board of Directors