



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

September 5, 2025

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

RE: Payment in Lieu of Taxes (PILOT) Agreement for Hillview Commons and City of Tonawanda – 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 Hillview Commons. The resolution authorizes the County Executive to execute an agreement with THA PH. 1 Housing Development Fund Company, Inc., THA PH. 1 Limited Partnership, and the City of Tonawanda.

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

Sincerely yours,

A handwritten signature in black ink, reading "Mark C. Poloncarz".

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/jw
Enclosure

cc: Daniel R. Castle, Commissioner

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Payment in Lieu of Taxes (PILOT) Agreement Hillview Commons, City of Tonawanda – Affordable Housing Project
Date: September 5, 2025

SUMMARY

The resolution authorizes the County Executive to execute a PILOT Agreement with THA PH. 1 Housing Development Fund Company, Inc., THA PH. 1 Limited Partnership, and the City of Tonawanda.

The owner is seeking a PILOT from the City of Tonawanda 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 Hillview Commons shall be based on a payment of \$16,633 in year 1 and would escalate by 3% each year for an additional fifteen-year term. The payment Schedule A lists the payments for the 15 years of the Agreement.

REASONS FOR RECOMMENDATION

The City of Tonawanda supports the PILOT and on February 20, 2025, the Common Council approved the Hillview Commons 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 involves the acquisition of property on Dodge Avenue in the City of Tonawanda and new construction of 52 affordable units for low-income senior housing. The project will provide affordable housing opportunities to households that earn up to 50% AMI. The total development cost is projected to be \$25,911,486.

CONSEQUENCES OF NEGATIVE ACTION

Without the PILOT, it would not be economically feasible for THA PH. 1 Housing Development Fund Company, Inc., and/or THA PH. 1 Limited Partnership to complete 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 Hillview Commons, City of Tonawanda – Affordable Housing Project

WHEREAS, Hillview Commons Project consists of the acquisition and construction of 52 units for low income senior housing on Dodge Avenue in the City of Tonawanda; 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 with THA PH. 1 Housing Development Fund Company Inc. and THA PH. 1 Limited Partnership to operate the housing project it is necessary to extend tax relief from the County of Erie and the City of Tonawanda.

NOW, THEREFORE, BE IT

RESOLVED, that the Erie County Legislature hereby authorizes the County Executive or Deputy County Executive to execute a Payment in Lieu of Taxes (PILOT) Agreement with THA PH. 1 Housing Development Fund Company Inc., THA PH. 1 Limited Partnership, and the City of Tonawanda 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's Office, Comptroller's Office, Division of Budget and Management, Department of Real Property Tax Services, Department of Environment and Planning and Department of Law.

SCHEDULE "A"
PILOT Payments

Year	Total Payment	Portion to City	Portion to County
1	\$16,633.00	\$12,474.75	\$4,158.25
2	\$17,131.99	\$12,848.99	\$4,283.00
3	\$17,645.95	\$13,234.46	\$4,411.49
4	\$18,175.33	\$13,631.50	\$4,543.83
5	\$18,720.59	\$14,040.44	\$4,680.15
6	\$19,282.21	\$14,461.65	\$4,820.55
7	\$19,860.67	\$14,895.50	\$4,965.17
8	\$20,456.49	\$15,342.37	\$5,114.12
9	\$21,070.19	\$15,802.64	\$5,267.55
10	\$21,702.29	\$16,276.72	\$5,425.57
11	\$22,353.36	\$16,765.02	\$5,588.34
12	\$23,023.96	\$17,267.97	\$5,755.99
13	\$23,714.68	\$17,786.01	\$5,928.67
14	\$24,426.12	\$18,319.59	\$6,106.53
15	\$25,158.90	\$18,869.18	\$6,289.73