



fairness & equity

Department of Assessment

128 East Buffalo Street

Jay Franklin
Director

Inclusion through Diversity

Irene Kehoe
Assistant Director

To: Tompkins County Legislature
From: Jay Franklin
Date: July 29, 2019
Re: Immaculate Conception School Redevelopment PILOT

1. Action Requested

To consider a resolution to adopt a PILOT pursuant to Section 577 of the Private Housing Finance Law (PHFL). (The Department of Assessment is not advocating for or against this PILOT but simply providing information for your review).

2. Background

INHS has approached the County to authorize a PILOT payment for the redevelopment project at the old Immaculate Conception school located in the City of Ithaca. INHS is in the process of forming a Housing Development Fund Corporation which would make this redevelopment project eligible for the PILOT authorized by PHFL 577.

The county has authorized PILOTs under this section of law for the Mcgraw Senior Housing, Freeville Senior Housing, and the recently expired PILOT for the Groton Senior Housing. Likely in error, the City of Ithaca has granted this PILOT for the INHS scattered sites along with the ISN Housing on 4th Street. This is “likely in error” as this section of law clearly states that in the instance that the county is the assessing unit, that these PILOTs must be authorized by the County Legislative body for it to be applicable to the other taxing jurisdictions.

The reason behind the legislative body of the assessing unit being the authorize body is clear – this provides a central location to ensure that the PILOT billing occurs. In the past, the PILOT for ISN Housing (along with a few other odd PILOTs) have gone “unbilled”. By centralizing this with the assessing unit, it can be processed in the same manner that other PILOTs are processed.

INHS has provided their financial documentation. Without this PILOT, the property would be subject to the provisions of the Real Property Tax Law Section 581-a but even this preferential treatment does not make the current project (including acquisition costs and development costs) viable.

This project would bring 75 new units on-line (68 units being subject to an income test) along with adding 121 bedrooms.

3. Financial Implication

The following chart shows the estimated impact of this PILOT.

| | Current | PILOT | 581a | Pilot vs 581a | PILOT vs Current |
|-------------------|----------|----------|-----------|------------------|---------------------|
| Property Taxes | \$13,398 | \$41,514 | \$123,599 | (\$82,085) | \$28,116 |

The base payment level would be at a minimum of \$41,514 which is \$28,116 greater than the current taxes collected on this property. It is also \$82,085 less than what this property would pay under the preferential treatment outlined in RPTL Section 581-a. However, without the PILOT, there is the distinct likelihood that this redevelopment project as proposed of 68 affordable units (and 7 market rate units) would not occur.