

**Special Town Board Meeting held February 28, 2017 at 10:00 A.M. at the Town Hall**

**in Schroon Lake N.Y.**

**Present:**

**Town Supervisor:** Michael Marnell

**Councilpersons:** Clara Phibbs, Roger Friedman, Meg Wood and Don Sage

**Town Clerk:** Patricia Savarie

**Also Present:** Richard Schoenstadt

Supervisor Marnell called the meeting to order at 10:00 A.M.

**Resolution #79 Pilot Agreement with Schroon Lake Housing Redevelopment Company**

Councilman Friedman moved a resolution to accept the PILOT agreement between the Town of Schroon and the Schroon Lake Housing Redevelopment Company for a 20 year period, seconded by Councilwoman Wood; carried.

**TAX EXEMPTION AGREEMENT**

**THIS AGREEMENT**, dated this 28<sup>th</sup> day of February 2017, is made by and between the TOWN OF SCHROON , a municipal corporation duly formed under the laws of the State of New York, having its principal office at the Town Hall at 15 Leland Avenue, Schroon Lake, New York, 12870 (the “Town”), and SCHROON LAKE HOUSING REDEVELOPMENT COMPANY, L.P., a Limited Partnership organized pursuant to Article V of the Private Housing Finance Law of the State of New York (PHFL) and having its principal office and place of business at 16 Fonda Avenue, Oneonta, NY 13820, (the “Owner”).

**WITNESETH:**

**WHEREAS**, the Owner holds title to certain real property within the Town which is improved with a multi-family housing project for the purpose of providing housing for elderly persons of low income (the “Property”), which Property is identified as Tax Map Number 147.54-1-27.100 and more particularly described in Schedule “A” attached hereto and made a part hereof, and which Property qualified for (1) a mortgage interest credit reduction pursuant to the United States Department of Agriculture, Farmers Home Administration, Section 515 Multi-family Mortgage Program, and (2) subsidized rental assistance under the New York State Rural Rental Assistance Program; and

**WHEREAS**, in order for the Property to be economically viable as multi-family housing for elderly persons of low income and thereby receive the interest credit reduction, under the USDA Section 515 Multi-family Mortgage Program and subsidized rentals under the New York State Rural Rental Assistance program, the Owner must limit the rent to be charged and must limit rentals to those Tenants with limited income and accordingly cannot pay annual real estate taxes based on the full assessed value of the Property to the local municipal taxing jurisdictions; and

**WHEREAS**, the multi-family housing improvements on the Property are financed by a mortgage loan secured by a mortgage on the property, held by the United States Department of Agriculture Rural Development under Section 515 of the USDA Multi-family Mortgage Program of the National Housing Act, and is hereinafter referred to as the “Federally-aided Mortgage”; and

**WHEREAS**, in connection with said housing project, the Owner has applied to the Town for exemptions from Town, County and School taxes on the Property pursuant to Article V, Section 125 of the Private Housing Finance Law of the State of New York, as amended, upon the terms and conditions herein set forth; and

**WHEREAS**, the Town’s Board of Assessors acts on behalf of the Town of Schroon, County of Essex and the Schroon Lake Central School District is assessing real property for the purpose of taxation within the meaning of Section 125.1(c) of Article V of the Private Housing Finance Law of the State of New York; as amended; and

**WHEREAS**, the Town, by resolution adopted on the 28<sup>th</sup> day of February , 2017, by the Town Board of the Town of Schroon approved and authorized the execution of this Agreement,

**NOW THEREFORE**, it is agreed as follows:

- (1) In accordance with Section 125 of the PHFL, the Town of Schroon, as the assessing authority on behalf of itself and the Schroon Lake Central School District and the County of Essex, hereby grants to the Owner exemptions from all Town, County and School taxes, including Special District taxes but excepting assessments for local improvements, on the assessed value of the Property (the land and the improvements thereon) in excess of \$47,700 (Forty-Seven Thousand Seven Hundred Dollars), which was the assessed value of the Property (total of land and improvements), at the time of approval of the original Tax Exemption Agreement dated April 9, 1990, for the Property, which Agreement has expired.
- (2) The tax exemptions provided hereby shall initially be included on and shown in the Town's 2017 Assessment Roll and shall remain effective as long as the Federally-aided Mortgage, whether actually Federally subsidized or not, is outstanding, but in no event shall be included in or shown on Town Assessment Rolls after the Town Assessment Roll filed in 2036.
- (3) So long as the exemptions provided hereunder shall continue in force and effect, the owner shall pay real property taxes to the Town (including Special Districts), County and School District as determined and fixed solely on the basis of an assessed value for the Property, both land and improvements, totaling \$47,700 (Forty-Seven Thousand Seven Hundred Dollars), consistent with Paragraph 1 above.
- (4) In addition to the taxes payable under Paragraph 3 hereof, so long as the exemptions provided for hereunder shall remain in force and effect, resulting in reduced Town and County taxes for the Assessment Roll Years to which the exemptions apply, for each such Assessment Roll Year the owner shall pay to the Town, in lieu of all taxes other than taxes payable under Paragraph 3 hereof and assessments for local improvements, an amount which when added to the taxes payable pursuant to Paragraph 3 of this Agreement shall equal a total (total tax cap) of \$10,000 per Assessment Roll Year, calculated at \$416 for each dwelling unit, for the first five Assessment Roll years of this Agreement commencing with Assessment Roll Year 2017, \$10,500 for the sixth through tenth Assessment Roll Years or \$437.50 per unit, \$11,000 for the eleventh through fifteenth Assessment Roll Years or \$458.33 per unit, and \$11,500 or \$479 per unit for the sixteenth through twentieth Assessment Roll Years, inclusive. An Assessment Roll Year begins on July 1 of any year when the assessment roll for a particular year is filed and ends on June 30<sup>th</sup> of the following year when it expires. An Assessment Roll Year includes the time periods when taxes based on a particular assessment roll are due – this is September of the same year for School Taxes and January of the following year for County, Town, Highway, Special District and Local Improvement taxes. For details See spreadsheet entitled "Schedule of Pilot Payments Tax Exemption Agreement" attached hereto and made a part hereof
- (5) The sums due and payable pursuant to Paragraph 4 hereof shall commence on December 1, 2018 and shall be due and payable on or before December 1<sup>st</sup> of each subsequent calendar year until the agreement expires. For example, the sum due under Paragraph 4 for Assessment Roll Year 2017 shall be due and payable on December 1, 2018. The failure to make payment of the sum due for any Assessment Roll Year when the same shall be due and payable shall be treated, for all purposes, as a failure to make payment of taxes and shall be governed by the same provisions of law as shall apply to the failure to make payment of taxes.
- (6) Unless otherwise terminated earlier by mutual agreement or as provided for under the PHFL, this Agreement shall expire on December 31, 2037.

For details See spreadsheet entitled "Schedule of Pilot Payments Tax Exemption Agreement" attached hereto and made a part hereof

The final pilot payment due pursuant to Paragraphs 4 and 5 above for the final Assessment Roll Year (2036) is due December 1<sup>st</sup>, 2037.

Notwithstanding the expiration of this Agreement, any amounts due and payable under paragraphs 4 and 5 by the owner, that have not been paid as of December 31<sup>st</sup>, 2037 shall remain due and payable in full to the Town, together with any applicable fines, fees, penalties and interest.

The provisions of this Paragraph 6 shall be deemed to survive the expiration of this Agreement.

(7) So long as the exemptions provided here under shall continue in full force and effect, rentals charged for dwelling units on the Property for any and every calendar year for which Town, County or School taxes are payable based upon the reduced assessment and exemptions provided for in Paragraph 1 shall not exceed the maximum amount established or allowed by the United States Department of Agriculture, Rural Development, regardless of whether the rents for such dwelling units are subsidized or not, and the housing project shall be operated in conformance with the provisions of Article V of the Private Housing Finance Law. The final calendar year subject to the provisions of this paragraph is 2037.

(8) This Agreement may be modified only in writing, which must be signed by both parties to be effective.

IN WITNESS WHEREOF, the undersigned have signed and sealed this agreement all as of the date therein above set forth.

| Agreement Year | Assessment Roll Year | *School Tax Due Sept of: | **Town,County Etc Tax due Jan of: | *** Total tax cap* (does not include local improvements): | **** Pilot Payment =:   | ***** Pilot Payment Due Date |
|----------------|----------------------|--------------------------|-----------------------------------|---|---|------------------------------|
| 1              | 2017                 | 2017                     | 2018                              | \$10,000  | \$10,000 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2018             |
| 2              | 2018                 | 2018                     | 2019                              | \$10,000  | \$10,000 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2019             |
| 3              | 2019                 | 2019                     | 2020                              | \$10,000  | \$10,000 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2020             |
| 4              | 2020                 | 2020                     | 2021                              | \$10,000  | \$10,000 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2021             |
| 5              | 2021                 | 2021                     | 2022                              | \$10,000  | \$10,000 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2022             |
| 6              | 2022                 | 2022                     | 2023                              | \$10,500  | \$10,500 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2023             |
| 7              | 2023                 | 2023                     | 2024                              | \$10,500  | \$10,500 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2024             |
| 8              | 2024                 | 2024                     | 2025                              | \$10,500  | \$10,500 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2025             |
| 9              | 2025                 | 2025                     | 2026                              | \$10,500  | \$10,500 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2026             |
| 10             | 2026                 | 2026                     | 2027                              | \$10,500  | \$10,500 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2027             |
| 11             | 2027                 | 2027                     | 2028                              | \$11,000  | \$11,000 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2028             |
| 12             | 2028                 | 2028                     | 2029                              | \$11,000  | \$11,000 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2029             |
| 13             | 2029                 | 2029                     | 2030                              | \$11,000  | \$11,000 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2030             |
| 14             | 2030                 | 2030                     | 2031                              | \$11,000  | \$11,000 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2031             |
| 15             | 2031                 | 2031                     | 2032                              | \$11,000  | \$11,000 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2032             |
| 16             | 2032                 | 2032                     | 2033                              | \$11,500  | \$11,500 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2033             |
| 17             | 2033                 | 2033                     | 2034                              | \$11,500  | \$11,500 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2034             |
| 18             | 2034                 | 2034                     | 2035                              | \$11,500  | \$11,500 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2035             |
| 19             | 2035                 | 2035                     | 2036                              | \$11,500  | \$11,500 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2036             |
| 20             | 2036                 | 2036                     | 2037                              | \$11,500  | \$11,500 - (Separately Paid School, County, Town, Highway and Special District Taxes) | December 1, 2037             |
| Agreement Ends | 2037+                | 2037+ - no exemption     | 2038+ - no exemption              | n/a   | n/a   | n/a                          |

\* School Tax for all years of the agreement to be based on an assessed value of \$47,700 (Paragraphs 1 and 3 of the agreement)

\*\* Town, County, Highway and Special District Taxes for all years of the agreement to be based on an assessed value of \$47,700. (Paragraphs 1 and 3 of the agreement).

\*\*\* The "total tax cap" limits the total tax liability - as described in paragraph 4 of the agreement - by the Owner of the Property for each year of the agreement. A year here is based on the Assessment Roll Year. The agreement starts July 1, 2017 when the 2017 assessment roll is filed. The 2017 assessment roll is the basis for School Taxes Due in September 2017 and is the basis for Town, County, Highway and Special District Taxes due in January 2018. These taxes will be based on an assessment of \$47,700. The Pilot payment will equal the "total tax cap" amount for the particular year of the agreement less the aforementioned taxes for the same year of the agreement. **Except that taxes on local improvements will be based on the full assessed value and will be in addition to the total tax cap.** (At the current time there is only one local improvement tax. The total tax for that was around \$114 on the 2017 Town Tax Roll.) (Paragraph 4 of the agreement).

\*\*\*\* Pilot Payment = "Total Tax Cap" - (Separately Paid School, County, Town, Highway and Special District Taxes) The Separately Paid Taxes are those taxes paid in the normal manner but based on an assessed value of \$47,700 (Paragraph 4 of the agreement)

\*\*\*\*\* Pilot payment due date. Starting on December 1, 2018 and each December 1 thereafter up to and including December 1, 2037 the pilot payment as noted above for the preceding Assessment Roll Year shall be due and payable. (Paragraph 4 and 6 of the agreement)

Councilman Sage made a motion to adjourn at 10:37 A.M., seconded by Councilwoman Wood; carried.

I, Patricia J. Savarie, do hereby certify the foregoing to be a true and correct transcript from the minutes now on file in my office and of the whole such original minutes.

Dated: February 28, 2017 \_\_\_\_\_  
Town Clerk