



**Partners in Business  
& Economic Development**

February 23, 2006

*Genesee County Economic Development Center*

We are very pleased

to advise you that on February 21<sup>st</sup>, the Genesee County Economic Development Center Board approved an incentives package for a new building project located in the City of Batavia.

The details of the project and incentives that helped make it possible are described below.

**Company:** Bank Street Senior Housing LLC ( via Conifer Realty LLC)  
**Project Location:** St. Jerome Hospital: 16 Bank Street, Batavia NY 14020  
**Municipality:** City of Batavia  
**School District:** Batavia City Schools

**Project Description:** Development of 37 one-bedroom affordable senior apartments, to be financed by equity raised by the syndication of Low Income Housing Credits and the New York State Trust Fund. The proposed development will be located on the top 4 floors of the former St. Jerome’s Hospital building. The project will be a joint venture between United Memorial Medical Center and Conifer Realty. In order to maintain rents that are affordable to low income senior citizens and achieve certain funding criteria it is important that the project receive a Payment in Lieu of Taxes agreement (PILOT). The redevelopment of the St Jerome’s Hospital represents the cornerstone to the redevelopment of the Bank Street Campus.

**Total Capital Investment:** \$4,530,000

**Tax Incentives Provided:** \$242,000

**Estimated Sales Tax Exemption:** \$170,000 [building construction & furnishings – during redevelopment]

**Estimated Mortgage Tax Exemption:** \$72,000

**Estimated Property Tax Exemption:** \$19,516 (30 Year PILOT based on the combined City of Batavia property tax rate of \$41.45. Assessment for affordable housing is controlled by newly enacted legislation being section 581-a of the NY Real Property Tax law. Based on this legislation - the

estimated assessed value for the "housing condo" being the top 4 floors of St. Jerome Hospital is \$261,171. Legislation sets an algorithm in place to determine Assessed Value calculated as net annual cash flow from ops (after reserves) divided by capitalization rate (9%) & Tax rate (4.15%) for the building = 13.15% (total cap rate). Normal real estate assessed value models do not apply. Had this occurred, Assessed Value would've likely exceeded \$2M and annual property tax benefits provided to this project via PILOT would've exceeded \$2.1M at those levels

PILOT Structure: \$275 property taxes per unit for 37 units = \$10,175 annually proportioned according to respective taxing jurisdiction tax rates. 30 year term. Escalator annually based on average increase in combined taxing jurisdictions tax rates. NOTE: PILOT payments are "Incremental" taxes paid as St. Jerome hospital has previously been tax exempt.

Jobs Created: 2

The GCEDC aggressively works to encourage increased job opportunities and an increased tax base through investment in Genesee County.

Feel free to share this information with anyone that you feel is appropriate. For any questions or for further information, please contact our office at 343-4866.

**Genesee County Economic Development Center**

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