

Morgan B'Ville Apartments, LLC

Public Hearing

August 4, 2015

The Public Hearing of the Onondaga County Industrial Development Agency, held on this day, Tuesday, August 4, 2015 at the Village Offices, Village of Baldwinsville, 16 W Genesee Street, Baldwinsville, New York was called to order at 3:00 pm by Public Hearing Officer Honora Spillane.

ATTENDEES:

Honora Spillane, Public Hearing Officer

Gerald Sibrink

James Rodems

Robert Germain

Marguerite Ross

Adrian Van Maarseveen

The Public Hearing was conducted regarding the application and project described as follows:

Morgan B'Ville Apartments, LLC Acquisition by the Agency of a leasehold or other interest in certain property.

Location: 197 Downer Street
Village of Baldwinsville

NOTICE IS HEREBY GIVEN that a public hearing, pursuant to Article 18-A of the New York State General Municipal Law, will be held by the Onondaga County Industrial Development Agency (the "Agency") on Tuesday, August 4, 2015 at 3:00 PM, local time, at the Village Offices, Village of Baldwinsville, 16 W Genesee Street, Baldwinsville, New York in connection with the following matters:

Morgan B'ville Apartments, LLC., (the "Applicant"), has requested that the Agency consisting of (i) the acquisition by the Agency of a leasehold or other interest in certain property located at 197 Downer Street, Village of Baldwinsville, Onondaga County, New York (the "Land") and the existing improvements located thereon, consisting principally of the existing parcel and structures (the "Existing Improvements"), (ii) the renovation and retro-fitting of the Existing Improvements to accommodate 17 three story buildings which will contain in the aggregate approximately 442 market-rate residential apartment units, a rental office, club house, gymnasium, fitness center, storage units, common areas, parking, grading, landscaping and related site work improvements (the "Improvements"), and (iii) the acquisition and installation in and around the Improvements of certain items of equipment, machinery and other tangible personal property.

The Agency contemplates that it will acquire an interest in the Project by accepting title to or leasehold interest in the Project and leasing the Project to the Applicant pursuant to a lease or installment sale agreement. The financial assistance to be provided will be exemptions from state and local sales taxes, mortgage recording tax and a Payment-in-Lieu of Tax Agreement consistent with the policies of the Agency.

A representative of the Agency will at the above-stated time be at the above-stated place to hear comments and accept written comments from all persons with views in favor of or opposed to the proposed financial assistance to the Applicant or the location or nature of the Project.

Public Hearing Officer Spillane asked if anyone had any comments in favor of the proposed project. There were none. She then asked if anyone wanted to speak in opposition to the proposed project. James Rodems, Assistant Superintendent for Management Services for Baldwinsville Central School District stated that this PILOT is a bad deal financially for Baldwinsville Central School District. Under the Tax Cap formula for school districts, any PILOT is deducted from our levy the 1st year of the PILOT. Our tax levy is reduced by the value of the PILOT. As we manage the District's affairs a reduction in allowed revenue is not a good thing. A PILOT of \$1,000,000 reduces our next levy to near zero; a PILOT above that will see a one year reduction in property taxes. All caused by an artificial event – created by the County of Onondaga to benefit a Rochester, NY developer. As time goes by and the proposed apartments are built and occupied, the thinking is families will reside there. If the District spends \$15,000 per student annually, the state aids us with 40% of this cost; local tax payers pay the remaining 60%. Depending upon the size of the PILOT the rest of our taxpayers will bear the burden to educate the apartment complex's children. We acknowledge this project has a lot of positives. We know that area municipalities are for this development – this has the potential of increasing our local population. We too want to see people, families, move to Baldwinsville. Growing our community is important. We know the county is all for concentrated housing. Re-purposing a piece of property that has been allowed to deteriorate for years is a good thing. However, we are justifiably nervous about how a PILOT affects our near and long term finances. We have chosen to attend this hearing and express our reservations about this deal. School Districts are living in “different” times and cannot afford to sit quietly on the sidelines any longer. We request that with any PILOT given for this project to not include the school district.

Marguerite Ross stated that as one of the 99% of the citizens of Onondaga County she says it is high time for OCIDA and County government to stop subsidizing the richest 1% of citizens at the expense of all the rest of us. She stated that public subsidizes for rich absentee developers like the Morgan family should not even be considered period. She stated that her home is in the Village of Fayetteville and she lives next door to the former O'Brien and Gere site where Morgan Management is wanting to put some apartments there too so she knows that Morgan Management is not above trying to exploit communities in our County in the guise of redeveloping so called blighted properties. She stated that it seems that some local officials in Onondaga County are blinded by desperation to have someone anyone do something anything with these so called blighted properties to the point they cannot tell the difference between a good deal and a rip off. She stated that she has to wonder whether the Morgan bought B'Ville Apartment proposal is Déjà vu all over again like the developers Fayetteville Village Apartments proposal. She asked what does she mean by Déjà vu all over again, is the Honorable Stephanie Minor the only local official who sees how greatly the people of Onondaga County have suffered and continue to suffer from OCIDA giving away the store to so called Destiny NYUSA sick. She stated that when Joanie Mahoney said we should be grateful to give up \$600 million in tax revenue in exchange for a shopping mall, what is a mere \$5 million in tax breaks for a luxury apartment complex in Baldwinsville. She stated that when you think you owe a debt of gratitude to the Congel cartel for giving them \$600 million in tax breaks in exchange for a shopping mall in Syracuse then she has to ask what a \$5 million tax break which is the estimate for the B'Ville Apartments, what does that mean to those folks. She stated that she has news for Joanie and she has news for everyone else in OCIDA to us 99%'s \$5 million is a fortune. She stated that it is way more money than we will ever see. She stated that we the taxpayers of Onondaga County,

the State of New York are neither willing nor able to pay \$5 million to enrich Morgan Management. She stated that we the tax payers are not willing to subsidize 442 luxury apartments to have tenants paying up to \$1,500 a month. She stated that she is not a home owner in the B'Ville school district and she is in the FM school district. She stated that above all we can not afford to give up \$1 in property tax revenue for our county's public schools. She stated that no doubt the Baldwinsville School District is struggling like all the rest of us to maintain services in the face of the arbitrary property tax cap. She stated that so beloved by Joanie Mahoney, by King Andrew and by all the 1%'s who pay for their campaigns. She stated that how can school district tax payers afford to forego the revenue on the full fair market value of the Morgan B'Ville Apartment complex to which at least they are entitled. She stated that why do they even have to ask that question. She stated that in the name of all that is holy what have we come to in this County in this State in this great nation of ours when the rich are supposedly entitled to subsidies for their luxury lifestyles. She stated that so many of our poor children can't even get enough to eat. She stated that according to the Post Standard Morgan Management sees a need, quote unquote, for market rate apartments in our suburbs. She stated that Kevin Morgan was quoted as saying they see a great demand for new apartments in the Syracuse area. She stated that as a native of Onondaga County and a native of the Village of Fayetteville she wouldn't want to bet on there is a need for luxury apartments in the suburbs with \$1,5000 rent. She stated that there is a great demand for it she wouldn't want to take that bet, no but Kevin Morgan is welcome to as far as she is concerned, good for him, go for it, go ahead and gamble on multi-family residential real estate market in our County if you want to. She stated that developers that can propose worthy apartment projects at appropriate locations in our County should have no trouble obtaining the necessary government approvals and adequate private financing. She stated that they will make money if they succeed, if they fail they will lose it. She stated that is the name of the game in our capital system. She stated that they should thank their lucky stars that they even have any access to capital to play that game but don't you dare raid the public treasurer and use the citizen's tax dollars to anti up on your personal bets. She stated that don't you dare come crying to the people if you lose your shirt and if you do win big you better be ready to pay the tax man a good chunk of your earnings just like everyone else has to. She stated that after all the more given from our community in our lives the more is expected to us, from us. She stated that the more we receive the more we owe giving back and she is not talking about charity she is talking about the debt that you owe in taxes, public services including Baldwinsville public schools.

Claude Sykes stated that he is the Supervisor for the Town of VanBuren and lacking any information as to how far and to what extent this PILOT is going to reach to, will it impact Town taxes or not is unforeseen at this point and time. He stated that as it was mentioned earlier if it is going to impact Town taxes then he would ask that the Town of Van Buren be excluded from the PILOT.

Robert Germain asked if the project is a senior project or is it a non senior. Public Hearing Officer Spillane stated that it is market rate.

Robert Germain asked if the proposed PILOT a 10 year. Public Hearing Officer Spillane stated that the proposed PILOT is OCIDA's standard 10 year PILOT schedule.

Robert Germain asked if OCIDA is ever exempted the school district from a PILOT. Public Hearing Officer Spillane stated that not to her knowledge but she does not know any further.

Public Hearing Officer Spillane stated to Claude Sykes that we can certainly present the details to him when they are finalized for his review.

Marguerite Ross asked what the time frame is on the review of this request. Public Hearing Officer Spillane stated that OCIDA meets next in September.

Marguerite Ross asked what else happens before that in terms of the review process besides the public hearing. Public Hearing Officer Spillane stated that we have internal processes that reviewing application and completion but there is no other public forum until the next Agency meeting. Julie Cerio stated that all the comments from this meeting are shared with the Board.

Robert Germain asked if they will be able to speak at the Agency Board meeting. Public Hearing Officer Spillane stated that they are welcome to attend. Julie Cerio stated that it is up to the Chairman to determine whether or not to take comments.

Marguerite Ross asked when the meeting will be held. Public Hearing Officer Spillane stated that she believes it is September 8.

James Rodems stated that they are looking at a .73% tax capital or even lower as the 2nd quarter comes in. He stated that he is looking at layoffs right now and if they are impacted by a PILOT as said earlier it knocks down their levy. He stated that they may need to go 2 or 3 people. He stated that now we are in the Town services. He stated that the State keeps extending the tax cap and it is only deferring things kicking the can down the road. He stated that there has got to be an end someday.

Dick Clarke stated that he is the Mayor for the Village of Baldwinsville and he agrees with the fact when they were first talking to Morgan about them looking for a tax break, they were assuming 2% tax cap. He stated that now they are in the same boat as Van Buren and they are talking about a very tight budget to begin with. He stated that the anticipation of tax revenue increasing was something they could build on and now we are talking about not only not having that but also losing some of the levy. He stated that it is a tough situation.

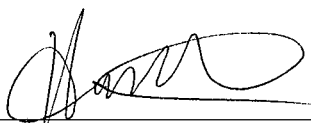
She then asked if anyone wanted to make any general comments about the proposed project. There were none. The Public Hearing Officer also noted that no written comments concerning the project had been received as of August 4, 2015. The comments are kept on file and available for public viewing at 333 West Washington Street, Suite 130, Syracuse, New York.

The notice for Public Hearing has been read. The opportunity for comments for and against the proposed project has been noted. There being no further business, Public Hearing Officer Smiley closed the hearing at 3:17 p.m.

Dated: August 4, 2015

ONONDAGA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By:



Honora Spillane, Public Hearing Officer

VILLAGE OF BALDWINSVILLE



Office of the Mayor
16 West Genesee Street
Baldwinsville, NY 13027
(315) 635-3521



November. 4, 2015

Onondaga County Industrial Development Agency
333 W. Washington Street.
Syracuse, NY 13202

Dear Agency Members:

The Village of Baldwinsville has concerns with the PILOT agreement planned for the Morgan Management apartment project on Downer Street.

This developer is in a position to make big money on this project. The PILOT ensures that, while at the same time seriously hamstringing our village – which has a limited revenue stream. There was anticipation that this project would enable us to keep our budget strong but with the loss of tax revenue and the lower tax cap, our budget will take a hit and heavier cuts.

Before the tax cap dropped to .73%, we supported some form of tax break for the project – sales tax, etc. – but what we face seems extravagant and could hurt our ability to provide services in the future.

We would ask that the payments – and we have no idea of the exact financial hit we face with this PILOT - not be so low as to penalize the village. Before the project, we at least received a minimal amount of tax revenue on vacant property. It would seem that tax figure would be in order again, as a minimum, with the PILOT affecting the actual project. Also, we could not approve any plan that is not pro-rata. We would want the same proportion of payment we would have received if there was no PILOT.

Morgan has a right to seek the best possible financial plan. But our village should also expect to not be harmed by their plans. A payment of 0 (zero) dollars is not acceptable for our taxpayers. It is hard to believe that this project would not have proceeded without such a big tax break.

With two more potential apartment projects planned for our village, this sets a scary precedent that could seriously damage our finances.

Thank you for your consideration.

Sincerely,

Richard A. Clarke
Mayor/Village of Baldwinsville
315-635-3521

Cell
439-4683