

Public Hearing – Canandaigua Shores, LLC

Tuesday, October 12, 2023 – 7:00 P.M.

Attendance: Steve Griffin, CEO Finger Lakes EDC, Mike Lipari Economic Development Specialist, Finger Lakes EDC, Glen Quackenbush, Richard Harder, Ed Brockman, Steve Hullings

The Public Hearing on the proposed straight leaseback transaction by the Finger Lakes Economic Development Center (FLEDC) on behalf of Canandaigua Shores, LLC, was held in the Town of Benton Town Hall, 1000 Route 14A, Town of Benton, Yates County, New York on Thursday, October 12, 2023 at 7:00 P.M.

In accordance with Section 859-a of the Act, a representative of the Agency will be at the above-stated time and place to present a copy of the Company's project Application, which is also available for viewing on the Agency's website at: <https://www.fingerlakesedc.com/canandaiguashores>. The Agency also live streamed the Public Hearing live on the FLEDC website at: <https://www.fingerlakesedc.com/new-events/canandaiguashorespublichearing>. The FLEDC also encouraged all interested parties to submit written comments to the FLEDC, which will be included within the public hearing record. Any written comments may be sent to the FLEDC, Attention: Steve Griffin, Chief Executive Officer, FLEDC, One Keuka Business Park, Suite 104, Penn Yan, New York 14524; Telephone: (315) 536-7328, no later than October 15, 2023.

The Public Hearing notice was published in the legal section of the Finger Lakes Times on September 29, 2023. The Notice of Public hearing was posted on the bulletin board on the Town of Benton Bulletin Board on September 29, 2023. Copies of the Public Hearing Notice were mailed to the taxing jurisdictions (Yates County, Town of Benton, Penn Yan Central School District) on September 29, 2023. The Notice of Public Hearing was also posted on the Finger Lakes Economic Development Center website on September 29, 2023.

Steve Griffin, CEO for the Finger Lakes Economic Development Center, called the Public Hearing to order at 7:06 pm. Mr. Griffin announced that the livestream was having audio difficulties. If there are any online attendees, please utilize the chat feature for any comments and/or questions you may have.

Mr. Griffin introduced himself as the CEO of the Finger Lakes Economic Development Center.

Mr. Griffin stated the purpose of this Public Hearing is to allow public comment on proposed financial assistance applied for by Canandaigua Shores, LLC. It is State law for any project that is projected to receive over \$100,000 in financial incentives to hold a Public Hearing. Comments received are presented to the Finger Lakes Economic Development Center Board of Directors for their consideration prior to voting to approve or reject the funding request.

Mr. Griffin reported Canandaigua Shores, LLC has applied for sales, mortgage and property tax exemptions on the proposed project. The proposed project would construct a 32-unit market rate senior housing facility on Hamilton and Flat streets in Penn Yan, consisting of eight (8) four-unit townhomes that will be available to rent. Each unit will be approximately 1,300 square feet and include an attached garage. The total project cost is \$8,977,985. Proposed is our standard 10-year non-manufacturing PILOT which is a 100% abatement on the increased assessed value of the project in the first year and then decreases 10% each year for the remaining life of the PILOT. The estimated tax benefits are as follows; \$68,500 mortgage recording tax if utilized, \$300,000 sales tax and \$458,830.31 in property tax for a total of \$827,330.31. The company will pay a projected cumulative PILOT payment of \$388,270 for a

combined company investment (total project cost plus PILOT payment) of \$9,366,255.13. The total economic benefit to the community to total community investment ratio is 11:1.

Mr. Griffin opened the Public Hearing for public comments.

Mr. Griffin addressed a question previously asked by Ed Brockman, why a PILOT for a housing project? Every one of our businesses is struggling to find employees, the primary challenge is employees can not find affordable nearby housing. Although this project is for seniors, the hope is that it will make available single-family homes in the area. Senior living is eligibility is 55+, many will still be a part of the workforce.

Ed Brockman inquired; will the property owner still receive a tax bill for the base value of the property? Mr. Griffin answered the base value is still fully taxable but will be billed apart of the PILOT billing and is added to the tax-exempt roll.

Ed Brockman asked, is it possible to not give a 100% abatement? Mr. Griffin responded: this project is a part of our standard 10-year non-manufacturing PILOT that is adopted within our Uniform Tax Exemption Policy (UTEP). If there is any change or variation in the schedule a PILOT deviation is required. Formal notice is provided to each of the affected tax jurisdiction outlining the changes to the PILOT terms.

Ed Brockman asked, how did you arrive at the tax savings figures? Mr. Griffin reported, there is no discounted cash flow models used. We use the current tax rates projected for 10-years without any change in the tax rate. We do not use any percent increase to tax rates or assessed value within our projections. The base value can fluctuate and is set by the assessors. If the assessment on the base value goes up the tax liability is based off of the adjusted base value.

Ed Brockman asked, how many board members do you have on your board. Mr. Griffin answered we have 7 Board members all of which are appointed by the Yates County Legislature.

Richard Harder asked, at what point does the base value of the property get set when factoring into the PILOT billings. Mr. Griffin answered, it is set on the taxable status date (March 1<sup>st</sup>) each year.

Richard Harder asked, if there is something that increases construction costs, the base value does not get set until after that? Mr. Griffin responded; construction costs are factored into the project value not the base value. The PILOT will be impacted by changes in construction costs. The base/land value can change but generally does not fluctuate significantly.

Ed Brockman made comment on behalf of the Village of Penn Yan: The Village is hurting for money, over 40% of their property is exempt from taxes including; churches, county buildings, and group homes. This PILOT does not make the Village have less income than they do now but does limit the amount they could have received.

Richar Harder asked, is the Village responsible for road maintenance and infrastructure? Ed Brockman indicated, there is water and sewer going in but it is not dedicated to the Village.

Richard Harder asked, will the Village end up with costs associated to road maintenance and infrastructure? If so, the Village is not receiving any compensation for 10-years despite having costs

associated with the development? Mr. Griffin responded, the Village will receive payments all along, they will not receive 100% of the full value until the end of the PILOT. They will get 100% of the base value all along but nothing additional in the first year, they will receive 10% on the increased value in year two, 20% of the increased value in year three, and so on.

Richard Harder asked, this is solely senior housing, senior being 55 and above? It is not low-income housing? Confirmed, one person living in the house has to be 55 or above, others younger can live there. This is market rate housing, not low income.

Ed Brockman stated, the Village sees the project as a benefit, creating more housing for the community.

S. Griffin described the FLEDC's ongoing efforts to develop the former McFetridge property on Route 14A into new housing.


S. Griffin explained a new growing national trend with housing developers is to rent newly constructed homes for 6-7 years before selling. This helps developers recoup some of their debt due to increased costs to construct single family homes. Costs to build are exceeding what they can sell homes for.

Glen Quackenbush asked, with the incentives that you are giving the developer we are not losing out on anything that we are currently receiving now? S. Griffin answered, that is correct.

Ed Brockman, is the sales tax exemption only eligible on Yates County purchases? S. Griffin, no sales tax exemption is eligible both in and out of County, it can be utilized on purchases anywhere in NY State. Our application states, purchases and labor are supposed to come from Yates County and the Counties immediately surrounding us to help increase overall impact on the region.

There being no other comments the Public Hearing was closed at 7:45pm by Mr. Griffin.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mike Lipari', with a long horizontal flourish extending to the right.

Mike Lipari