

June 14, 2021

David C. Grow, Chairman  
Oneida County Industrial Development Agency  
584 Phoenix Drive  
Rome, New York 13441

Re: Woodhaven Ventures, LLC  
Payment-in-Lieu-of-Taxes Request for Redevelopment of Woodhaven Park, Rome

Dear Chairman Grow:

Thank you again to you and the members of the Oneida County IDA for your time at the meeting conducted on May 21, 2021. It was a productive and clarifying conversation for our team and we thank the IDA for the resolution for inducement of the Woodhaven Park redevelopment project. However, in subsequent discussions with IDA staff and counsel since the meeting, areas requiring further clarification have been identified. While the issues do not appear to rise to the level necessary to amend the resolution or re-notice the public hearing, they are relevant to the extent that a letter of clarification from Woodhaven Ventures, LLC (Applicant) is necessary.

First, we wish to confirm that the Applicant seeks a fifteen (15) year, fixed PILOT (“Master PILOT”) for purposes of measuring the length of the exemption for the Applicant. The exemption for each individual homeowner will be ten (10) years (“Mini PILOTs”) and necessarily be reduced from the exemption for the Applicant each time a lot is transferred to the subsequent owner. In theory, the maximum period for a Master PILOT to be in place is twenty-five (25) years – 15 years to realize the Applicant’s benefits and then 10 additional years for the last purchaser to realize full benefit. However, the Applicant wishes to be explicit in this letter that the length of exemption for its benefit will not exceed the 15 provided in the inducement resolution. At the time of the May meeting, it had not yet been determined between counsel the mechanism by which the extension of PILOT benefits to individual homeowners would be accomplished, namely either through a Master PILOT of 25 years or whether the same process could be achieved with a 15-year Master PILOT. Regardless of the mechanism selected by legal counsel for the Board and the Applicant, the financial inducement measured by the years of exemption remains the same. To reflect this, I have attached the amended schedule of the 15-year exemption period for the Board’s review.

Second, we have worked with IDA staff and counsel to develop the Mini PILOTs for the three housing types reviewed with the Board during the May meeting. In order for the Applicant to meet the market constraints and provide the needed housing, a fixed PILOT schedule is required within each of the Mini PILOTs. In recognizing that both the Master and Mini PILOT

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structures are based on current market conditions and residential housing assumptions concerning sell-out periods and timely infrastructure investments, the Applicant will, as discussed in the May meeting, commit to providing the Board a Woodhaven housing update each year for the first 5 years of the inducement to track the development against the assumptions over time. Our team values a productive and collaborative relationship with the IDA and looks forward to making its presentation at the next five February IDA meetings.

Finally, I have attached to this letter a confidential exhibit which includes Woodhaven's market analysis of the housing needs which support the making of this application to the Board and the subsequent inducement resolution.

We appreciate the time and attention the Board has provided our team during the PILOT application process. Please let me know if I can answer any questions or concerns.

Sincerely,



M. Elizabeth Coreno

MEC/

**WOODHAVEN PARK  
CITY OF ROME, NY  
RESIDENTIAL HOUSING MARKET ANALYSIS**  
Updated through May 21, 2021

**ROME MARKET ANALYSIS:** As part of its RFEI issued in November of 2018, the City of Rome, in conjunction with MV EDGE and other partners, included a residential housing market analysis which demonstrated significant need. Woodhaven Ventures, LLC was the successful RFEI respondent and relied heavily on the data and analysis presented by the City in its request.

**EMPLOYMENT SNAPSHOT:**

The business expansion and jobs growth at Griffiss Business & Technology Park and in Marcy has created housing needs for over 1,000 jobs to be created in Oneida County in the next five years. As demonstrated by the City of Rome’s RFEI issued in 2018, the market studies of the region between 2013 and 2017 indicated that 90% of the housing stock was built prior to 1970 and there is a dearth of modern housing options. Moreover, the starting salary for the employees at both Griffiss and Marcy is expected to average at \$99,000 per year (\$106,502 per COLA through 2020). Taken together, the market currently indicates that a starting salaried employee at either Griffiss or Rome would spend approximately \$2,650 on housing each month (30% of gross income).

**MARKET FINDINGS (2013-2017\*):**

150 units + 50 townhouse units supportable over time for Woodhaven and B240 sites for young professionals, empty nesters and tech workers

37,000 sf additional retail space able to be supported to complement residential development

Opportunity for Senior Housing – with focus on high-density, multi-family development.

90% of existing housing built prior to 1970 – indicating limited supply of modern housing choices

\$121 - \$160 per sf – rents for similar high density, mixed-use, and upper floor housing in Utica-Rome metro, ranging from adaptive reuse of historic structures to new townhouse-style construction.

For full market studies, go to: [www.romerises.com](http://www.romerises.com)

**\$99,000 PER YEAR**

is the weighted average salary of STEM workers, according to zip code census of Griffiss employers (conducted annually), 1,700+ workers and entrepreneurs in the professional, scientific, and technical fields working on Griffiss Tech Park – and fewer than 30% of Griffiss employees currently live in Rome. STEM workers currently earn 1.5 – 2.5X the average annual salary in the region.

\* Data collected from recent studies and community engagement efforts.

**ECONOMIC GAME CHANGERS FOR GRIFFISS, ROME, AND THE MOHAWK VALLEY.**

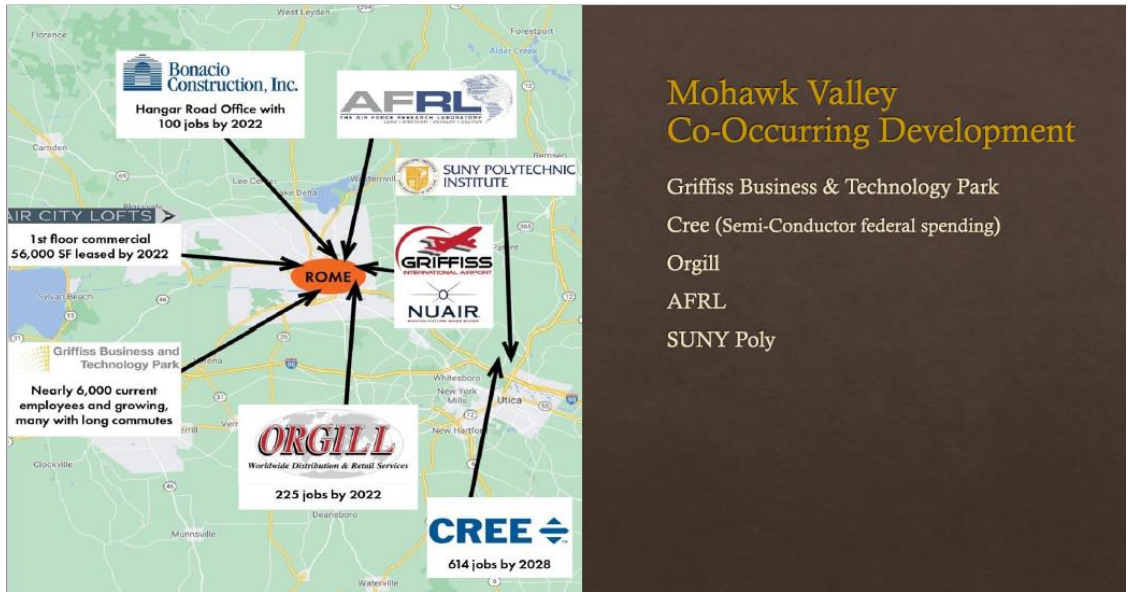
**CYBER SECURITY** – Increasing concerns over data integrity, information assurance, and national security are resulting in stepped up funding for defense contracting, particularly in the cyber security industry on Griffiss. These firms are ramping up hiring of young talent from all around the country, and account for the highest-paid workers in the Region. Modern, hip places to live within walking and biking distance to Griffiss are in high demand.

**Griffiss UAV Test Site** – The fully-instrumented test range and cyber integration place Rome at the leading edge of sense and avoid UAV research and development. NASA's growing presence at the Rome Test Site will bring 30 new UAS R&D jobs to Rome.

**Marcy Nanocenter** – Considered one of the top greenfield sites in North America for semiconductor manufacturing, Marcy is within a 12-minute highway drive to Rome. Marcy Nanocenter is development ready and can support three high volume semiconductor facilities that can support 2,000 to 3,000 jobs.

**DANFOSS Silicon Power** – The Danish semiconductor research and development company, headquartered in Germany, will produce Silicon Carbide power modules at SUNY Polytechnic in Marcy, adjacent to Marcy Nano. Danfoss has hired 24 individuals to date, and will hire up to 300 new engineers, technicians, managers, and other semiconductor workers over the next two years.

**NYS DOT Average Daily Traffic**



### HOUSING STOCK

The City of Rome has nearly no availability or diversity of housing options for the more than 1,000 employees who will resettle in Oneida County in the coming year. Rather than locate near their work, they will select more available and updated housing options in Syracuse or Utica and then drive each day to and from the Rome locations. There is no question that the housing choices are increasingly being made based upon travel time. The best example of this is the speed at which Air City Lofts apartments at Griffiss have leased to 100% in less than six months and the growing wait list six months prior to Phase II opening. Availability of single-family homes attractive to the talent moving in is scarce. Our multi-phase approach will bring different types of single-family homes to market as demand grows, with availability as early 2022 when the market needs it most.





## CURRENT RESIDENTIAL MARKET

The average time a home is currently on the market in Rome is 1.3 months and the inventory to purchase is at an all-time low. As identified by the Coldwell Banker Faith Properties Report in March of 2021, Rome residential home sales are up 7.7% year over year and the single-family home price has risen 14%. With the surge in employment known to be occurring in Rome over the next 12 to 60 months, there is significant pressure to provide market-commensurate housing options as a for-sale product to induce long-term residency in the City of Rome.



**Current Market Need  
Single Family Homes**

- Average Listing Time: 1.3 Months
- Inventory at an all-time low
- 280 homes sold in the City of Rome (↑ 7.7% year over year)
- Single family home prices in the City of Rome ↑ 14%
- Surge of talent relocating to market in next 5 years

Source: Coldwell Banker Faith Properties March 2021 Market Update

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## WOODHAVEN SITE

The Woodhaven Park site is a previously developed housing neighborhood formerly used as military housing for the US Air Force and was obtained by the City through a tax sale. The buildings have all been demolished but the roads and much of the infrastructure remains in place. The redevelopment of the site represents several unique aspects for the City and for any redevelopment:

- (1) The site is located within the City limits and adjacent to other residential neighborhoods which ensures its walkability to amenities and the school which it borders on its east side.
- (2) The site is located on the existing municipal sewer and water systems, as well as utility providers. It has an existing network of roads and sidewalks which are intended to be reutilized by the Applicant. The redevelopment demonstrates an adaptive reuse of an abandoned site which does not implicate additional natural resource impact or the extension of suburban sprawl. The municipal services such a fire/emergency response and school bus routes will remain the same and do not indicate an increase in service area. As a result, the Woodhaven site is a net-neutral from a fiscal and environmental impact perspective and is unlikely to be replicated within the City by any other development.

- (3) The infrastructure expenditure to update the existing systems is significant, even with the adaptive reuse. The City and the Applicant have explored a variety of mechanisms to bring those costs within the redevelopment cost potential. The higher the cost of redevelopment, the more expensive the home is to the end purchaser. Given the site's unique location and the existing Rome residential market, the window for home purchase cost is narrow.
- (4) Adding to the affordable considerations for the site is the high municipal tax rate in the City of Rome, as well as the school taxes for the districts implicated. As demonstrated on the layout below, without the assistance of the IDA, the monthly mortgage payment on a housing-commensurate single-family residence coupled with the tax burden who price the homes beyond what would be considered affordable.

3 Bdr/2.5 Ba/2car 1600 SF	With Incentives	Without Incentives	Difference
Price	\$354,500	\$386,400	\$31,900
ACL 3 Bdr 1458 SF	\$2,115	N/A	N/A
Conventional Loan/Monthly	\$2,090	\$3,184	\$1,094
FHA Loan/Monthly	\$2,310	\$3,470	\$1,160
Property Taxes agg. 10/yr	\$59,960	\$177,561	\$117,601

## Master PILOT

(Subject to Annual Sales Reconciliation)

<u>Annual Escalator</u>	<u>Purchase Price Land</u>	<u>Purchase Price Land/Lot</u>
1.015	\$ 390,000.00	\$ 1,560.00

Master PILOT Yr.	PILOT Exemption	PILOT Obligation Pct. (%)	Tax Rate With 1.5% Annual Escalator	Full Taxes on Land (Based on 250 Lots)	Annual PILOT Without Credit for Lots Sold
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1	80%	20%	\$ 63.50	\$ 24,765.00	\$ 4,953.00
2	80%	20%	\$ 64.45	\$ 25,136.48	\$ 5,027.30
3	80%	20%	\$ 65.42	\$ 25,513.52	\$ 5,102.70
4	80%	20%	\$ 66.40	\$ 25,896.22	\$ 5,179.24
5	80%	20%	\$ 67.40	\$ 26,284.67	\$ 5,256.93
6	60%	40%	\$ 68.41	\$ 26,678.94	\$ 10,671.58
7	60%	40%	\$ 69.43	\$ 27,079.12	\$ 10,831.65
8	60%	40%	\$ 70.48	\$ 27,485.31	\$ 10,994.12
9	60%	40%	\$ 71.53	\$ 27,897.59	\$ 11,159.04
10	60%	40%	\$ 72.61	\$ 28,316.05	\$ 11,326.42
11	40%	60%	\$ 73.69	\$ 28,740.79	\$ 17,244.48
12	40%	60%	\$ 74.80	\$ 29,171.91	\$ 17,503.14
13	40%	60%	\$ 75.92	\$ 29,609.48	\$ 17,765.69
14	40%	60%	\$ 77.06	\$ 30,053.63	\$ 18,032.18
15	40%	60%	\$ 78.22	\$ 30,504.43	\$ 18,302.66

Total Yrs. 1-15 \$ 413,133.14 \$ 169,350.13

Total PILOT Benefit \$ 243,783.02

City	\$	20.20
County	\$	10.04
School	\$	33.26
<b>Total</b>	<b>\$</b>	<b>63.50</b>

**Woodhaven Ventures LLC**  
*Homeowner PILOT Structure*

Phase 1-4	Ave. Size Lot (SF)	4,200	Phase 5:	5,200
<b>2 Bdr/2Bath/2 Car Garage</b>				
<b>Residential PILOT 1400 SF</b>				
Sales Price (With Incentives):	\$	<b>315,000.00</b>		
Current Eq. Rate:		66.09%		
Adjusted Eq. Rate for PILOT:		<b>33.045%</b>		
Tax Rate Est.	\$	63.50		
Assessment Base (PILOT):	\$	104,091.75		
Assessment Based on Eq. Rate:	\$	208,183.50		

Ave. Size Lot (SF)	4,200	phase 5:	5,200
<b>3 Bdr./2.5 Bath/2 Car Garage</b>			
<b>Residential PILOT 1600SF</b>			
Sales Price (With Incentives)	\$	<b>354,500.00</b>	
Eq. Rate:		66.09%	
Adjusted Eq. Rate for PILOT:		<b>33.045%</b>	
Tax Rate Est.	\$	63.50	
Assessment Base (PILOT):	\$	117,144.53	
Assessment Based on Eq. Rate:	\$	234,289.05	

Ave. Size Lot (SF)	3,950
<b>2 Bdr./2 Bath/1 Car Garage</b>	
<b>Residential PILOT 1280SF Duplex</b>	
Sales Price (With Incentives)	\$ <b>289,000.00</b>
Eq. Rate:	66.09%
Adjusted Eq. Rate for PILOT:	<b>33.045%</b>
Tax Rate Est.	\$ 63.50
Assessment Base (PILOT):	\$ 95,500.05
Assessment Based on Eq. Rate:	\$ 191,000.10

\$ 104,091.75	\$ 208,183.50
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\$ 117,144.53	\$ 234,289.05
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\$ 95,500.05	\$ 191,000.10
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PILOT Yr.	485 (i) PILOT	Escalator	Annual PILOT	100% Property Tax (Based on Eq.)
1	50%	1.02	3,371.01	\$ 11,339.34
2	55%	1.02	3,708.11	\$ 11,566.13
3	60%	1.02	4,045.21	\$ 11,797.45
4	65%	1.02	4,382.31	\$ 12,033.40
5	70%	1.02	4,719.42	\$ 12,274.07
6	75%	1.02	5,056.52	\$ 12,519.55
7	80%	1.02	5,393.62	\$ 12,769.94
8	85%	1.02	5,730.72	\$ 13,025.34
9	90%	1.02	6,067.82	\$ 13,285.84
10	95%	1.02	6,404.92	\$ 13,551.56
Total Over 10 Yrs.			\$ 48,879.66	\$ 124,162.60
Average/Yr.			\$ 4,887.97	\$ 12,416.26
Average/Mth.			\$ 407.33	\$ 1,034.69

PILOT Yr.	485 (i) PILOT	Escalator	Annual PILOT	100% Property Tax (Based on Eq.)
1	50%	1.02	3,793.73	\$ 12,761.26
2	55%	1.02	4,173.10	\$ 13,016.48
3	60%	1.02	4,552.47	\$ 13,276.81
4	65%	1.02	4,931.84	\$ 13,542.35
5	70%	1.02	5,311.22	\$ 13,813.19
6	75%	1.02	5,690.59	\$ 14,089.46
7	80%	1.02	6,069.96	\$ 14,371.25
8	85%	1.02	6,449.33	\$ 14,658.67
9	90%	1.02	6,828.71	\$ 14,951.85
10	95%	1.02	7,208.08	\$ 15,250.88
Total Over 10 Yrs.			\$ 55,009.02	\$ 139,732.19
Average/Yr.			\$ 5,500.90	\$ 13,973.22
Average/Mth.			\$ 458.41	\$ 1,164.43

PILOT Yr.	485 (i) PILOT	Escalator	Annual PILOT	100% Property Tax (Based on Eq.)
1	50%	1.02	3,092.77	\$ 10,403.39
2	55%	1.02	3,402.05	\$ 10,611.46
3	60%	1.02	3,711.32	\$ 10,823.69
4	65%	1.02	4,020.60	\$ 11,040.16
5	70%	1.02	4,329.88	\$ 11,260.97
6	75%	1.02	4,639.15	\$ 11,486.19
7	80%	1.02	4,948.43	\$ 11,715.91
8	85%	1.02	5,257.71	\$ 11,950.23
9	90%	1.02	5,566.98	\$ 12,189.23
10	95%	1.02	5,876.26	\$ 12,433.02
Total Over 10 Yrs.			\$ 44,845.15	\$ 113,914.26
Average/Yr.			\$ 4,484.52	\$ 11,391.43
Average/Mth.			\$ 373.71	\$ 949.29

Est. No. of Units	Total PILOT	Total 100% RPT	Est. No. of Units	Total PILOT	Total 100% RPT	Est. No. of Units	Total PILOT	Total 100% RPT	Total PILOT	Total 100% RPT			
Single Family PILOT	109	\$ 5,327,883.40	\$ 13,533,723.08	Single Family PILOT	109	\$ 5,995,983.06	\$ 15,230,808.99	Duplex	32	\$ 1,435,044.87	\$ 3,645,256.18	\$ 12,758,911.33	\$ 32,409,788.25
		\$ 8,205,839.68				\$ 9,234,825.93				\$ 2,210,211.31		\$ 19,650,876.92	
		<b>Difference Over 10 Yrs.</b>				<b>Difference Over 10 Yrs.</b>				<b>Difference Over 10 Yrs.</b>		<b>Difference Over 10 Yrs.</b>	