

JOHN WESLEY VILLAGE, LP

John Wesley Village is a 115 unit (inclusive of the superintendent unit) Senior Citizen (62 years of age and older) HAP/project based section-8 assisted complex.

The site is a garden style apartment complex on approx. 15 acres with a mixture of (8) one and (4) two story buildings, plus a community building. Construction on the site was completed and the facility was placed in service in 1980 operating as a Not For Profit Entity. There are 108 one bedroom units and 6 two bedroom units plus a 2 bedroom superintendent apartment. The total residential square footage is approximately 70,000.

The Riverhead Industrial Development Agency encouraged a business re-structure of a Not for Profit into a For Profit entity in order to refinance and improve the property ultimately putting the property back on the tax rolls through the phasing in of the anticipated new tax burden. This project included the purchase and renovations of the facility by John Wesley Village LP at a total project cost of \$12,804,393.

This project was authorized on December 4, 2017

TAXES/ABATEMENT

- Since 1980 (37 years) the Project has been exempt from taxation of school, county, town, and fire levies.
- Currently the property generates \$40,109.52 in water and sewer rent only to the Town.
- The property will immediately begin to contribute approximately \$117,236 to the taxing jurisdictions increasing every 3-5 years.
- The property is estimated to generate over \$3.2 million in property taxes over the next 20 years – which is \$2.2 million more that the current property would be expected to as a tax exempt entity.
- The Project will result in causing the Applicant to pay \$2,175,000 to the school, county, town, and fire taxing jurisdictions through the term of the benefit period.
- The project has an as-of-right ability to have their tax assessment determined based on an income minus expenses basis known as a 581a Real Property Tax Law;
- Sales tax exemption authorized up to \$65,619.

SCHOOL IMPACT

- The facility is a 62 year and older resident facility.
- Using the 2016/17 tax rate, it is estimated that the project will contribute over \$46,000 to the school district annually.

OVERALL IMPACT

- Restructuring from a Not for Profit to a For Profit Entity, the Project shall be fully assessed on the tax roll at the conclusion of Agency benefit period.
- The renovations are anticipated to create approximately 20 construction jobs.

- The IDA believes phasing in the tax burden for 20 years is a prudent opportunity for the town to invest in the continued provision of safe, sanitary, and affordable housing for qualifying Riverhead seniors.
- All Housing and Urban Development Agency contracts will be maintained and there will be no change in tenant eligibility or selection. All tenants will remain in place during the renovations.
- The total Project will be the acquisition and renovation of an existing 115-unit senior subsidized housing rental facility located at Middle Road, Riverhead, New York. The renovation shall include kitchen and bathroom replacements, removal of natural gas ranges and replacement with electric ranges, replacement of obsolete breaker panels, replacement of medical pull cord distress system with new wireless, central station monitored system, sidewalk area improvements, upgrade of site and walkway lighting, installation of rooftop photovoltaic solar panels, resurfacing of certain parking areas, and drilling and installation of irrigation wells for on-site landscaping use at an estimated cost of \$1,900,000.
- The Project improvements will benefit all existing and future senior citizen residents of the Project. These Project improvements would not be available to the senior citizen residents without Agency approval of the Project.