



Watertown City Council
Monday, February 11, 2013
7:00 p.m.

Work Session Agenda

Discussion Items:

1. Maple Court Apartments
Charlie Allen of Evergreen Partners
2. Metropolitan Planning Organization Update
Sharon Addison, City Manager
3. Budget Discussions:
 - Fiscal Year 2012-13 General Fund Budget
James E. Mills, City Comptroller
 - Arena Capital Budget Proposal
Erin E. Gardner, Superintendent of Parks and Recreation

February 4, 2013

To: The Honorable Mayor and City Council

From: Kenneth A. Mix, Planning & Community Development Coordinator

Subject: Maple Court Apartments

As the City Council is aware, the proposed purchase and rehabilitation of Maple Court Apartments by Related Companies will not be proceeding. Evergreen Partners now has a Purchase Agreement for the property and has submitted an application for low income housing tax credits to NYS Housing and Community Renewal.

Charlie Allen of Evergreen Partners will be attending the City Council's Work Session on February 11, 2013 to discuss his company's proposal. A 2-page summary describing the company's background, the Maple Court transaction status, their proposal, and the sources and uses budget is attached.

Proposed Preservation of Maple Court Apartments, 540 Kieff Drive

Background on Evergreen Partners- Evergreen is a Maine based company with a primary focus on redeveloping and preserving the affordability of older, federally assisted rental properties. Evergreen's principals have a total of more than sixty years of experience in this field. Over the past fifteen years, we have completed redevelopments of more than forty properties comprising over 5,500 apartments. These properties are spread around the country in thirteen different states. Four are in New York.

Evergreen is a long-term owner and takes pride in working closely with community officials and stake holders to create and sustain stable properties that have a positive impact for our residents and for our neighbors. Evergreen's affiliated management company, Preservation Management, Inc. (PMI), provides property management services as well as resident support services at all properties. You can learn more about Evergreen and PMI at evergreenpartnershousing.com and preservationmanagement.com.

Maple Court Transaction Status- Evergreen has entered into a purchase agreement with the owners of the property and has submitted an application to NYS Housing & Community Renewal for Low Income Housing Tax Credits. The application due date was January 8th. Evergreen got involved with the property only in November and was pressed to work very quickly to meet the application deadline. The owner had previously planned to sell the property to a different buyer. Evergreen has a long standing relationship with the seller, having purchased a Glens Falls property from them in 2007. When the transaction with the previous buyer was terminated, the owners called Evergreen and we began working towards the acquisition of the property.

Preservation Plan Summary

- The property will be comprehensively renovated – windows, siding, roofs, HVAC, kitchens, bathrooms, flooring and fixtures will all be replaced.
- All residents currently benefit from a Project Based Section 8 subsidy contract that helps them pay their rent. That subsidy contract will be renewed on a long term basis. Residents will continue to pay rent at a level that is affordable to them and there will be no increase in their payments as a result of the transaction.
- Most of the funding for the transaction is provided by the sale of 9% Low Income Housing Tax Credits. This is a scarce resource and competition for the credits is intense.
- Rents will be increased to market levels with the incremental cost bourn by the Section 8 subsidy. This will allow for a new first mortgage that is the other major source of funds.
- No Pilot is assumed in the financing structure. Instead, property tax payments are projected based on underwritten revenues and expenses through the 581(a) formula applicable to affordable rental housing.

- A summary of Sources and Uses follows;

SOURCES

First Mortgage Loan	\$3,544,000
Tax Credit Equity	\$9,266,000
Interim Income	\$83,000
Developer Equity	<u>\$611,000</u>
Total Sources	\$13,504,000

USES

Acquisition	\$2,737,000
Construction	\$7,085,000
Arch, Devel, prof	
Fees	2,230,000
Interim Costs	\$320,000
Tax Credit Fees	\$66,000
Financing Fees	\$185,000
Other soft costs	\$263,000
Reserves	<u>\$618,000</u>
Total Uses	\$13,504,000

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February 7, 2013

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Metropolitan Planning Organization

As Council is aware, the U.S. Census Bureau has designated a portion of Jefferson County as 'urbanized' based on the data collected during the 2010 Census. As a result of this designation, the federal government has tasked the operators of the region's major transportation systems with the creation of a Metropolitan Planning Organization (MPO). As such, City staff would like to take an opportunity to brief Council on a wide range of issues related to this designation and the spin-up of the MPO.

Attached for Council's review is a 'fact sheet' containing pertinent information regarding an MPO, as well as a map of the proposed boundaries. City Engineer Hauk, Public Works Superintendent Hayes, and Planning and Community Development Director Mix, along with myself, will engage Council in an explanation of how the MPO works and how it will affect operators within the City of Watertown.

Metropolitan Planning Organization (MPO)
Fact Sheet

MPO: A transportation **policy-making** and **planning body** with representatives of local, state and federal government and transportation authorities located within the boundary.

- Facilitates a comprehensive examination of the region's future and investment alternatives
- Established by Congress in 1964 to promote a transportation planning process that is "comprehensive, cooperative, and continuing"
- The U.S. Census Bureau designated an "urbanized area" based on a core area having a population of at least 50,000 in the 2010 Census
- Allocates and designates FHWA and FTA funds for Federal Aid projects within the MPO boundary
- An "urbanized area" must have an MPO or federal transportation funds cannot be expended within the area

First Step: Establish a **Memorandum of Understanding** between the City of Watertown, Jefferson County, and the Regional Office of the NYS Department of Transportation and approved by the Governor.

- MoU is the foundation document that establishes the MPO and outlines the following:
 - Host agency
 - MPO boundaries
 - Organizational structure and decision-making process
- The target date for completion of the MoU is early March.

Host Agency: Structure dictates that a **host agency** be chosen from those participating organizations.

- Responsibilities of the host agency include:
 - Serve as administrative and fiscal agent of the MPO
 - Provide physical office space
 - Ability to cover advance payments and submit for reimbursement of allocated MPO operating funds
- Hosting options include NYS Dot (Region 7), Jefferson County, and the City of Watertown
 - Consensus for DoT as initial/interim host (two years)
 - Future host is open for negotiation

MPO **Boundaries**: See attached map.

- Minimum boundaries based on computer-generated map by the U.S. Census Bureau (dark green)
- Must also include areas expected to "urbanize" in coming decades – (shaded green)
- Boundaries can expand or contract based on membership agreement – consensus is to make the MPO boundary one in the same as the urbanized boundary resulting from DoT 10-year census

Structure: The MPO is governed by a **Policy Committee** made up of local and state officials responsible for operating the major modes of public transportation within the boundaries.

- Must represent 75% of population within MPO boundary
- Representation and decision making procedures yet to be defined (consensus, majority, super-majority, etc.)
- **Planning Committee:** The advisory board to the Policy Committee for transportation issues.
 - Develop technical recommendations on projects and programs for Policy Committee consideration
 - Oversee MPO technical work
 - Generally composed of staff-level officials from local and state agencies within MPO
 - May be comprised of sub-committees with specific focus, e.g., traffic studies
- **Citizen Advisory Committee (optional):** Liaison to public
 - Advise Policy Committee on public involvement strategies
 - Assist in organizing public meetings and gathering public comment
 - Composed of members of the public
- Other special standing committees, ad hoc committees, and/or subcommittees may be formed as needed

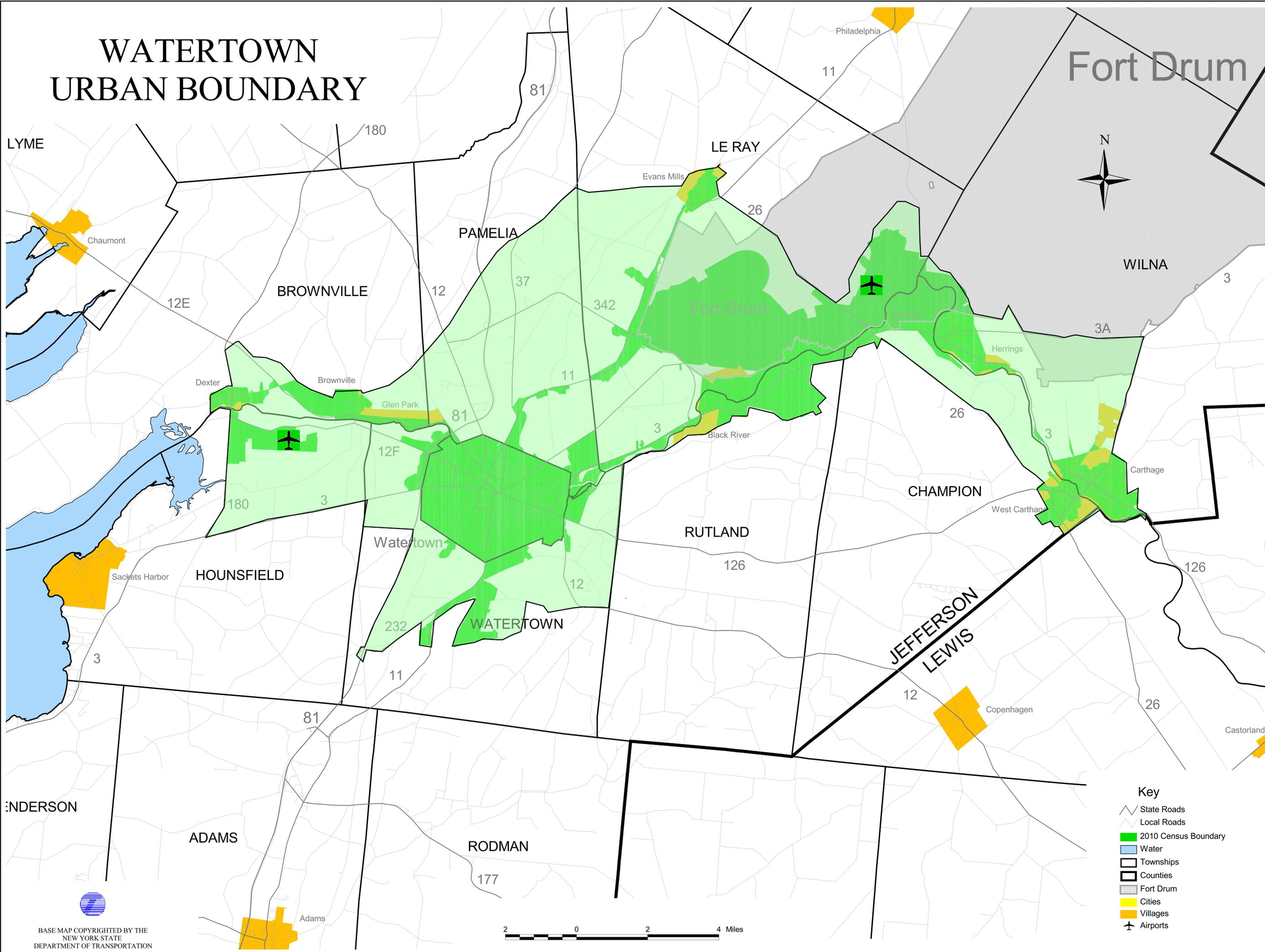
Benefits of an MPO:

- An MPO requires a **comprehensive** examination of the region's future plans for transportation development, infrastructure improvements, and service delivery
- Also requires regional **collaboration** through development of strategies that effectively allocate scarce transportation funding resources toward outcomes that move toward the region's shared vision for the future
- Ensures that quality public transportation and infrastructure development **continue** to be a regional priority within the MPO boundary

MPO Deliverables:

- Long Range Transportation Plan (LRTP): containing goals, objectives, and actions
- Unified Planning Work Program (UPWP): tasks to accomplish planning activities
- Transportation Improvement Plan (TIP): projects necessary to implement LRTP
- Coordinated Public Transit: how to make the best use of transit operations
- Participation Plan: ensure communication with the public and key stakeholders
- Note: the MPO must provide deliverables or federal dollars will be delayed

WATERTOWN URBAN BOUNDARY



Fort Drum



WILNA

CHAMPION

RUTLAND

WATERTOWN

JEFFERSON
LEWIS

HOUNSFIELD

ADAMS

RODMAN

LYME

LE RAY

PAMELIA

BROWNVILLE

ANDERSON

Key

- State Roads
- Local Roads
- 2010 Census Boundary
- Water
- Townships
- Counties
- Fort Drum
- Cities
- Villages
- Airports



February 6, 2013

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Fiscal Year 2012-13 General Fund Budget

The City's General Fund Budget for Fiscal Year 2012-13 is falling short in two of its largest revenue sources – sales tax and sale of hydro-electric power.

Although sales tax revenue through December is up \$196,949 or 2.22% compared to the same time last year, on a budgetary basis revenue is down \$135,996 or 1.47% as the City had budgeted for a larger increase than is actually occurring. Sales tax revenue is projected to be \$365,000 short based on the year-to-date revenues plus projecting the 3rd and 4th quarters' revenues to be 1% higher than the last years' same quarterly amounts.

Revenue from the sale of excess hydro-electric power to National Grid is down \$324,440 or 22.54% compared to the same time last year and on a budgetary basis revenue is down \$527,940 or 32.13%. The City has had to buy electricity in four of the first seven months of the fiscal year due to low production. Revenue from the sale of excess hydro-electric power is projected to be \$890,300 short based on the year-to-date revenues plus revenue for the remaining months based on last year's plant production and facilities' consumptions for the same remaining months. In addition the City's General Fund utility expense accounts are projected to be \$43,000 over budget due to the need to purchase electricity.

The City has expended \$166,000 higher than budgeted on property demolitions for 606 Factory Street, 123 Lynde Street East, 239 High Street and 209 Sterling Street. The property owners of 239 High Street and 209 Sterling Street have been invoiced for the demolition costs but collection of the full amounts is not absolute.

There are two revenue accounts with better than expected results which have helped mitigate some of the negative budgetary impacts of the demolition costs and the sales tax and hydro-electric revenue shortfalls. Revenue from the sale of real property is nearly \$172,000 over budget due to the sale of 753 Rear Main Street West and six other houses. Mortgage tax revenue is projected to finish \$182,000 over budget.

The following represents a summary of the extraordinary revenue and expenditure items as well as expenditures that can be delayed until revenues improve, deferred until next fiscal year or funded with debt. In addition the City could modify its current funding method for the Arena fire suppression system and Thompson Park pavilion and fund with debt and release resources needed for this year's budget.

February 7, 2013

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Arena Capital Budget Proposal

Attached for Council's review are two capital project plans for the necessary modifications required to repair and upgrade the City's Arena. The difference between the two plans is a budget lines for the design and installation of a second sheet of ice. Parks and Recreation Director Erin Gardner and City Engineer Kurt Hauk are prepared to discuss both options with Council.