

MEMORANDUM

TO: Board of Directors, Buffalo Erie Niagara Land Improvement Corporation

FROM: Brendan Mehaffy, Chairperson

SUBJECT: **Resolution #2017-32** Disposition of 44 Sandrock

DATE: July 20, 2017

DISCUSSION:

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 44 Sandrock, City of Buffalo (SBL #77.64-5-23) at the City's In Rem No.50 auction in 2016. Sandrock was one of the Buffalo properties BENLIC retained from the pool of bid assignment parcels.

In light of a modest scope of repairs and its potential as an investment property, BENLIC staff determined that Sandrock would be an ideal test-case for the Note & Mortgage process in the City of Buffalo. The property was listed for one month at \$19,500, and received plenty of interest, with the realtor conducting showings with over 40 groups. Two offers were submitted for consideration.

BENLIC staff has reviewed all offers on the property including respective Property Purchase Applications and Homebuyer Applications. The is being sold under BENLIC's "Note & Mortgage" program. A lien shall be placed on the property at a value of \$21,001. Lien Value for Note and Mortgage properties where repairs exceed sales price is equivalent to the offer price. Improvements to the property were done in order to market the property and include debris removal, heavy cleaning, lead testing, and porch painting. The purpose of the proposed disposition is congruent with BENLIC's mission to return property to productive use.



BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

Pursuant to the Property Disposition Guidelines of BENLIC, section 4.2(A), the Corporation may dispose of real property by negotiation. The following offers have been received:

| Offeror | Value Offered | Comments |
|------------------------|----------------------|--|
| Ezra Littman | \$21,001 | 30-day close; waived inspection; \$44,760 in investment planned; owns 17 local properties |
| Michael Maywalt | \$20,000 | 50-day close; waived inspection; \$45,000 in planned investment; owns 80 local properties |

| BENLIC Investment | Estimated Cost of Repairs | Lien Value |
|--------------------------|----------------------------------|-------------------|
| \$12,500 | \$45,602 | \$21,001 |

ACTION:

The Board of Directors is hereby requested to approve the following resolution:

RESOLVED that the BENLIC Board of Directors authorizes the disposition of the property of 44 Sandrock Road, City of Buffalo, NY (SBL #77.64-5-23) in the amount of \$21,001 by an Agreement of Sale of Real Property with first priority to offeror, Ezra Littman, and in so doing follows the proper procedure for disposal of real property by negotiation as described in the Property Disposition Guidelines of the Corporation; and be it further,

RESOLVED, that in the event that BENLIC and Mr. Littman are unable to complete the sale of the property,- the BENLIC Board of Directors authorizes the disposition of the property of 44 Sandrock Road, City of Buffalo, NY (SBL #77.64-5-23) in the amount equal to the listing price of \$20,000 by an Agreement of Sale with second priority to offeror Michael Maywalt, without further Board approval, and in doing so follows the proper procedure for disposal of real property negotiation as described in the Property Disposition Guidelines of the Corporation; and be it further,

RESOLVED: that the disposition of the property include a Note and Mortgage held by BENLIC to ensure the development of the property in an amount equal to the offer price, \$21,001; and be it further,

RESOLVED, that the Executive Director of BENLIC, Jocelyn Gordon, and BENLIC legal counsel are authorized to execute documents and take any necessary actions to close on the sale of the above-referenced property.