

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

BOARD OF DIRECTORS MEETING MINUTES
September 19, 2014 – 9:00 AM
Edward A. Rath County Office Building, Room 1004

Call to Order by Chairwoman Maria Whyte.

ATTENDANCE:

Board Members Present: Maria Whyte, Frank E. Krakowski, Joseph L. Maciejewski, David Comerford, Joseph Hogenkamp, James Comerford, Jr., Donna J. Estrich, Timothy Ball, Christina Orsi, Michael Siragusa

Board Members Excused: Brendan Mehaffy

Executive Director Jocelyn Gordon
Asst Program Coordinator Alex Carducci

Fiscal Agent Present: Robert Keating

GUESTS: Sheldon Anderson - representative from Assembly member Crystal D. Peoples Office; Martin Polowy – Assistant Erie County Attorney; Jennifer Sepulveda-Beltre – City of Buffalo; Kenneth Swanekamp – Erie County Dept, of Environment and Planning; Paul Kranz – Erie County Dept. of Environment and Planning

HAND OUTS:

Agenda; Minutes of July 20, 2014 Board Meeting; Treasure Report; Pay it Forward Policy ; Resolution #: 2014-10 request of Authorization to Execute Sale Contract for 44-55 Pyle Court; Resolution #: 2014-11 Approval of BENLIC Property Purchase Application; Resolution # 2014-12 Request to Adjust Resolution # 2014-8 100 Sawyer Avenue. Financial Outcomes of BENLIC's Slate of Property's; BENLIC Financial / Economic Findings; 39 Fowler Ave. Memo. by Erie County Senior Housing Inspector; DRAFT Property Purchase Application; Letter re: Condition of 100 Sawyer Avenue, Town of Tonawanda as regards Environmental Condition and Use

NEW BUSINESS:

1. Roll Call
2. Approval of Minutes: The minutes of the July 18, 2014 Board of Directors Meeting were presented and reviewed. A motion made by Joseph Maciejewski to approve, seconded by James Comerford, Jr. and unanimously carried as approved.
3. Treasure Report: Treasurer Joseph L. Maciejewski presented a Treasurer's Report for the month of August that all bills have been paid to date leaving a balance of \$591,444.14. Joe noted that the Corporation has added an additional savings account due to FDIC deposit insurance limits, with the

possibility of a third account due to deposit insurance and magnitude of funds. Deposit and Investment Policy for compliance status – under review by Counsel, Draft to be placed before Audit & Finance committee in October. A motion made by David Comerford, to approve, seconded by Michael Siragusa, and unanimously carried as approved.

4. Proposed Administrative Fee for BENLIC Property Acquisition (Informational):

- Chairwoman Maria Whyte announced that BENLIC’s Carrying Costs did not initially include an Administrative Fee to cover staff time spent per property. Based on projected financial outcomes made by staff, the rationale behind such an Administrative fee, advice from the Center for Community Progress, and the Pay-it-Forward Policy – BENLIC will not impose an Administrative Fee as part of overall Carrying Costs.

5. Review of BENLIC Financials (Informational):

- Jocelyn Gordon reviewed current and projected financial information of the current inventory or soon-to-be inventory of the properties of the Corporation. Information included the appraised value of the property, the market value as determined by the local assessor, tax rates, the amount of back taxes, estimates of the carrying costs – including the current year tax bill owed on the property, estimates of primary sale prices and estimates of proceeds. Based on the estimated values, various scenarios as regards the Distribution of Proceeds upon the disposition of real property were described by the Executive Director. “Ideal” and “Worst” case scenarios were described. As regards “Pay-it-Forward” policy, the Executive Director described the average remittances that would constitute fifty percent of the real property taxes – for a residential property the remittance would constitute approximately \$500 per property per year, for a vacant property the remittance would constitute approximately \$50 per property per year. Remarks were that such amounts were lower than expected and do provide valuable information to the Corporation as well as Municipal leaders.

6. Proposed “ Pay it Forward” 5 year/50% Revenue Sharing Policy for 2014

- Under Procedure for Implementation of Pay it Forward Policy: Change to Resolved Clause to remove (municipality X) and replace with (Town or Village “X”); also under following paragraph removing the word (municipality’s) and replace with (Town or Village’s).
- A motion to amend the policy by Christina Orsi seconded by Donna J. Estrich and unanimously carried as amended.
- A motion to approve the policy as amended by Joseph Hogenkamp seconded by Christina Orsi and opposed Maria R. Whyte carried as approved.
- Pilot Update
 - Authorization to Execute Sale Contract at 44 Pyle Court – #2014-10
 - Resolution #: 2014-10 44 Pyle Court – Maria Whyte presented concern and called for amendments following the reading of the draft Resolution; the Chair suggested the Resolution to be amended by removing wording (calling for the Town of Tonawanda to pay an administrative fee) under the heading discussion and also adding under resolved clause after the phrase “independently appraised value”, “*consistent with the terms stated above*”; also

under last Resolved cause removal of “Jocelyn Gordon / Executive Director” and replace with “BENLIC” a motion to amend the Policy as suggested by Joseph Maciejewski seconded by Michael Siragusa and unanimously carried as approved.

- Resolution #: 2014-10 44 Pyle Court. A motion to approve the policy as amended by David Comerford seconded by Timothy Ball and unanimously carried as approved.
 - Resolution #: 2014-11 Approval of BENLIC Property Purchase Application 39 Fowler Avenue – Bid response of rehabilitation of 39 Fowler has been non-existent. “Sale as-is” was addressed as a possible course of action; Board members expressed concern over selling the property “as-is” to an entity that may be an “un-fit” purchaser. Demolition of property was also considered as possible course of action going forward.
 - Resolution to be amended by adding to first resolved clause after the word Application insert the following, “subject to inclusion of terms contained in the City of Buffalo’s purchaser application” a motion to amend the Resolution to include the above language as suggested by James Comerford, Jr. seconded by Michael Siragusa and unanimously carried as amended.
 - Resolution #: 2014-11 Approval of BENLIC Property Purchase Application a motion to approve the Resolution as amended by Joseph Maciejewski seconded by David Comerford and unanimously carried as approved.
- September County Auction Updates:
 - Amherst Vacant Properties Removed from In-Rem. BENLIC – in accordance with the Resolution passed by the Town – intended to acquire the properties via Erie County In-Rem auction 162. The owner of the properties (4351 Tonawanda Creek Rd., 5170 Millersport Hwy., and 5190 Millersport Hwy.) declared bankruptcy and the properties were subsequently removed from the auction list. Joseph Maciejewski noted that if the properties were discharged from bankruptcy – a three parcel sale could be conducted, allowing BENLIC to acquire the properties before the next In-Rem auction.
 - 100 Sawyer – Request to Adjust Resolution 2014-8. A letter written by Paul B. Kranz, Erie County Associate Environmental Engineer was reviewed by the Board Members. Mr. Kranz gave a verbal account of his experience with the property as regards its environmental condition; his letter read: “the Department [of Environment and Planning] has no record of past industrial use of the site, underground storage tanks, spills, waste disposal or other site activities that would indicate an environmental risk or need for remedial action”. Mr. Kranz also stated that the language of Resolution 2014-8 was “excessive”. Mr. Kenneth Swanekamp gave a verbal account of his knowledge of the property and his dealings with employees from the management division of the adjacent owner. He stated that the company desired to acquire the property for use simply as a buffer between their transforms and the next parcel. Chairwoman Maria Whyte commented on her investigation regarding the scale and scope of other Land Bank’s environmental practices. Her findings suggested that Land Banks differ as regards environmental concerns – some avoid acquisition of possibly environmentally-affected properties, others seek such properties out, as is such a Land Bank’s prerogative. Christina Orsi addressed concern over acquiring property and not having a seller in-place ahead of time. In the instance of 100 Sawyer Avenue – the property was of interest by the Board because of an outstanding interest made by the adjacent owner. Joseph Maciejewski expressed that the company, PeroxyChem, even under new ownership, would eventually buy the property. Donna Estrich questioned if there was any financial benefit in acquiring the property in this year

relative to the following year. The discussion agreed that there was no outstanding benefit to acquiring it next year relative to this year.

- A suggestion to amend the Resolution to read “RESOLVED, that BENLIC...” instead of “...that Jocelyn Gordon, BENLIC Executive Director...” was made by counsel. Motion to amend Resolution #2014-12 by Timothy Ball, seconded by Joseph Maciejewski and unanimously carried as amended. Motion to approve as amended made by David Comerford, seconded by Michael Siragusa and unanimously carried as approved.
- REO Property Donation PILOT – (Informational):
 - Executive Director Jocelyn Gordon announced that 79 Ellen Drive, Cheektowaga – Wells Fargo Donation of duplex property and \$15,000 cash donation – will be closing the date of September 26.
- Executive Director’s Report (Informational)
 - OAG Grant Update – Jocelyn Gordon informed the Board of current application, submitted the day of the Board meeting, 9/19, to the New York State Office of the Attorney General for approximately \$3 Million. Jocelyn Gordon informed the Board the results of the application would be announced by Mid-October.
 - RFF Update – materials to initiate the 2015 Request for Foreclosure process (RFF) to be sent out by the end of the month by BENLIC staff
 - Additional Personnel Update – Conveyance of the Personnel Subcommittee prior to the next Board meeting was addressed as necessary
 - City of Buffalo Demolitions – James Comerford Jr. announced that all demolitions using OAG funding have been bid and approved. Demolitions are on-target for completion by November 2014.
 - Strategic Planning Retreat – Saturday, December 6th or Friday, December 5th
 - City of Tonawanda Auction Update – 10/18, on track to acquire three residential properties in the City
 - City of Lackawanna Auction Update – 7/15. Jocelyn Gordon received deed for 1745 Abbott Rd. in Lackawanna
- Adjournment:
 - A motion to adjourn was made by Joseph Maciejewski and seconded by Michael Siragusa unanimously carried.

NEXT MEETING: Board of Directors – 9 a.m. Friday, October 17, 2014
Location: Rath County Office Building, Room 1004

Recorded by: Frank E. Krakowski
Submitted for Approval: Maria R. Whyte
Adopted by BENLIC Board Members on _____