

# **BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**

**BOARD OF DIRECTORS MEETING MINUTES**  
August 21, 2015 – 9:00 AM  
Edward A. Rath County Office Building, Room 1004

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Call to Order by Vice Chairman Brendan Mehaffy,

## **ATTENDANCE:**

Board Members Present: Joseph L. Maciejewski, , Brendan Mehaffy, OJ McFoy, Donna J. Estrich, Christopher J. Schoepflin, Joseph Hogenkamp, Timothy Ball, Thomas Dearing

Board Members Excused: Frank E. Krakowski, Michael Siragusa, James Comerford. Jr.,

Fiscal Agent Present: Robert Keating

Executive Director Jocelyn Gordon

Assistant Program  
Coordinator Alex Carducci

GUESTS: Martin Polowy – BENLIC Counsel, Jennifer Sepulveda-Beltre  
COB - OSP

## **HAND OUTS:**

Agenda; Minutes of July 17, 2015 Board Meeting; Treasurer’s Report; BENLIC-City of Buffalo Proceeds Distribution Policy; Resolution #2015-10 Disposition of 1745 Abbott, Proposed Amended BENLIC Rules & Procedures; Resolution #2015-11 Authorizing BENLIC Membership in the New York Land Bank Association; Resolution #2015-12 Authorization to Schedule an Auction for 44A Windwood Ct.; OAG Projects – Updates

## **NEW BUSINESS:**

1. Roll Call
2. Approval of Minutes: The minutes of the July 17, 2015 Board of Directors Meeting were presented and reviewed. A motion was made to approve by OJ McFoy. Jr., seconded by Christopher J. Schoepflin and unanimously carried as approved.

3. Treasurer's Report: Treasurer Joseph Maciejewski presented a Treasurer's Report as of July 31, 2015 balance of (Key Bank) \$77,080.60 and the balance in the checking account at (Key Bank) \$19,784.44 also a balance of \$192,189.69 in M&T Bank Checking. A motion made by Tom Dearing, to approve, seconded by Tim Ball, and unanimously carried as approved.

4. BENLIC-City of Buffalo Proceeds Distribution Policy for 2015

- Jocelyn Gordon, BENLIC ED, commented that there has not been a Policy because BENLIC has not yet been involved with the Buffalo's auction. In order to use BENLIC "super-bid" power, a Policy must be adopted. BENLIC is attempting to acquire an inventory of property for residential rehabilitation – one approach is to attend the City's auction and acquire property through use of its "super-bid" power. Jocelyn Gordon remarked that there is no substantial difference between this Policy and the other Proceeds Distribution Policies adopted for and by the other foreclosing governmental units (FGUs). OJ McFoy remarked that the Buffalo Water Board should be included as an additional foreclosing entity to the Policy, as the Buffalo Water Board possess their own liens on property and have been included on the caption in past City in rem auctions, meaning BENLIC super-bid may not extinguish all taxes if the Buffalo Water Board is not specified in the Policy. Brendan Mehaffy remarked that three City of Buffalo bodies would need to approve a Policy as well as the BENLIC Board and the Erie County Legislature. Timothy Ball remarked that in past In Rem auctions, the Buffalo Water Board had been included in the caption (included as an additional foreclosing entity) and that there is a glut of properties from past In Rem auctions that include Water Board liens. Martin Polowy, BENLIC counsel remarked that pursuant to the statute of the Land Bank Act, charges such as Water Board liens would be extinguished; unless specification was made to the Policy that included the Water Board's status as lien-holder, its liens would be theoretically extinguished which would result in no payment of lien amounts out of the proceeds of the sale of the property by BENLIC. In light of this, Brendan Mehaffy commented that the Policy should reflect the City broadly, that the Water Board should be included, and that the Policy should be tabled for action at a later meeting.

Brendan Mehaffy remarked that if the BENLIC Board approves a Policy at its upcoming September meeting, that there would be sufficient time thereafter for all of the boards of the respective foreclosing entities to meet and vote to approve a Policy. Thomas Dearing inquired about the approval process of such Proceeds Policies; Marty Polowy remarked that such Policies have been approved first at the BENLIC Board level and then approved at other bodies – for example, the Erie County Legislature.

5. Resolution #2015-10 Disposition of 1745 Abbott Road, Lackawanna

- Jocelyn Gordon commented that 1745 Abbott Road was a residential rehabilitation funded through the Office of the Attorney General's grant award to BENLIC. Rehabilitation of the property was completed at the end of May 2015 and the property was put on the market for sale at the beginning of June. One full price offer for the property was received by BENLIC but fell through. Realtors continued to show the property but received no offers at the price of \$82,900 after multiple showings. After recommendation to reduce the sale price, a qualified offer was received for the property. The BENLIC Board was presented with the buyer's Property Purchase Application, and other information including a pre-qualification letter from the buyer's lender.

The Resolution #2015-10 misstated the sale price, as such the an amendment to strike the sale price of "\$82,900" and to state a sale price of "\$79,900" made by Joseph Maciejewski and seconded by Tom Dearing and unanimously approved. Motion to approve as amended made by Donna Estrich and seconded by Christopher J. Schoepflin, unanimously carried as approved as amended.

6. Amendment of BENLIC Rules & Procedures

- BENLIC Counsel Martin Polowy commented on the proposed amendments to the BENLIC Rules & Procedures: Mr. Polowy explained that there were two proposed amendments: 1) an amendment regarding the selection of officers in the event of a vacancy of an officer and 2) to clean-up some acronyms regarding BENLIC forms. OJ McFoy remarked that of the language "elected or appointed" that "or appointed" should be removed and that the word "elected" should read "selected" to reflect the language of the Rules & Procedures regarding selection of officers during the Annual Meeting.

Motion to amend made by Tim Ball, seconded by Tom Dearing and unanimously amended. Motion to approve as amended by Tim Ball and seconded by Joseph Maciejewski and unanimously carried as approved as amended.

7. Resolution #2015-11 – Authorizing BENLIC Membership in the New York Land Bank Association

- Jocelyn Gordon commented that the New York Land Bank Association (NYLBA) is currently an unincorporated group, and that Resolution #2015-11 would authorize BENLIC to support the formation of the Association as an incorporated entity and would allow BENLIC to join the Association formally when the first meeting of the Association is held.

Motion to approve made by Christopher J. Schoepflin, seconded by Tom Dearing and unanimously carried as approved.

8. Resolution #2015-12 – Authorization to Schedule an Auction for 44A Windwood Ct., Cheektowaga

- Jocelyn Gordon commented that 44A Windwood Ct. is a vacant lot in the Town of Cheektowaga. BENLIC acquired the tax certificate for the property in 2013 as part of 3 properties in its initial PILOT project. A buyer has expressed interest in 44A Windwood Ct.; the interested buyer is currently maintaining the lot which is adjacent to his property and near an apartment complex. A sale price for the property is being determined and a sale can be negotiated with the interested buyer when BENLIC takes ownership of the property. Resolution #2015-12 authorizes BENLIC to schedule and hold a tax foreclosure auction – the first step towards approval to acquire the property by BENLIC. A motion to approved Resolution #2015-12 made by Joe Maciejewski, seconded by Tom Dearing and unanimously carried as approved.

9. OAG Grant Projects Update:

- OAG Second Round County Rehabs – Jocelyn Gordon informed the Board that the Corporation is still “short” of property in its inventory to meet grant benchmarks for 2016, however additional properties had been identified by staff and board members, and a review of those properties had been completed by the Property Selection Subcommittee of the Corporation. BENLIC staff will continue to work with the municipalities in which these additional properties are located to determine property priority, as well as other factors such as physical condition and vacancy. Five additional properties have been identified, the Corporation still requires appropriate process to be made by the municipalities before acquisition can be made at the County’s In Rem auction this coming September.
- OAG Second Round City of Buffalo Rehabs – as of the August meeting, only one property for rehab in the City of Buffalo has been identified out of five (an REO donation property). BENLIC staff examined other properties currently owned by the City of Buffalo’s real estate department for rehabilitation and resale; however all of the property’s required rehabilitation at a cost greater than \$75,000 average allocation marked for the five total project properties. Brendan Mehaffy commented that acquisition of property by BENLIC through the City’s In Rem Auction this coming October would present itself as challenging; he remarked that BENLIC would need to find a way to somehow efficiently identify rehab candidates out of a large and fluid list of property in a short time frame. Brendan Mehaffy also commented that BENLIC would need some appropriate authorization before any use of Super-bid at the City’s auction. Jocelyn Gordon commented that the fund allocated for City rehabs needs to be spent in some fashion, but that rehabilitations and resale of property can result in revenue for the Corporation, and that activities such as demolition do not result in any recycling of proceeds. She remarked that other avenues

to acquiring property to meet the grant deliverable of City rehabs include purchase of property.

Tom Dearing remarked generally that BENLIC staff should be aware of appropriately and efficiently spending down both the County allocation of \$930,000 and the City allocation of \$450,000 for rehabs by the end of the grant term, so that no funds are withheld by the OAG.

- County Demolitions are underway, and additional demolitions throughout the County can be completed throughout 2016. Donna Estrich inquired about the property of 50-64 Scott St. in the Village of Hamburg, Jocelyn Gordon explained that the properties are adjoined and that the Village desires to own or develop the property in the future. The properties are tax delinquent – BENLIC intends to acquire in 2016 at the County’s auction, after the Village completes an environmental review of the property.
- The City of Lackawanna has completed some demolitions and will forward any additional partial balance of its fund towards completing another demolition.

#### 10. Executive Directors Report

- Strategic Plan – Jocelyn Gordon still working on a draft. The Strategic Planning Subcommittee has no members as all three former Committee members are no longer BENLIC Board members.
- Pre-acquisition Development Agreement – Jocelyn Gordon explained the idea for such an Agreement is to prepare an agreement with an interested buyer ahead of actual BENLIC acquisition that states purchase price and other conditions. Marty Polowy commented that there may be some payment upfront from the interested buyer for the cost for foreclosure as well as an administrative fee that considers the work of BENLIC to facilitate the process. Mr. Polowy commented that adoption of the agreement *after* the Governor approves of the passed legislative amendments regarding exemption from the property disposition guidelines of the Public authorities Law would be preferred.

#### 11. Adjournment:

- A motion to adjourn was made by OJ McFoy and seconded by Joseph Maciejewski and unanimously carried as adjourned.

NEXT MEETING: Board of Directors – 9 a.m. Friday, September 18, 2015  
Location: Rath County Office Building, Room 1004

Recorded by: Alex Carducci

Submitted for Approval: Brendan Mehaffy.

Adopted by BENLIC Board Members on \_\_\_\_\_