



BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
BOARD OF DIRECTORS MEETING MINUTES
October 19, 2017 – 11:00 AM
Brisbane Building Conference Room 521
403 Main St. Suite 602
Buffalo, New York 14203

Call to Order by Brendan Mehaffy

ATTENDANCE:

Board Members Present: Brendan Mehaffy, Joseph L. Maciejewski, Donna J. Estrich, Joseph Hogenkamp, Timothy Ball, Michael Siragusa, James Comerford, Jr.

Board Members *Excused*: Christopher J. Schoepflin, OJ McFoy, Thomas Hersey

Fiscal Agent Present: Robert Keating

BENLIC Counsel Present: Martin Polowy

Executive Director: Jocelyn Gordon

Program Coordinator: Alex Carducci

Guests: Ben Brown – BENLIC AmeriCorps

HAND OUTS:

Agenda; Minutes of September 2017 Board Meeting; September 2017 Treasurer's Report;

NEW BUSINESS:

1. Roll Call
2. Approval of Minutes: The minutes of the September 17, 2017 Board of Directors Meeting were presented and reviewed. A motion was made by Donna Estrich to approve, seconded by Joseph Maciejewski, and unanimously carried as approved.
3. Treasurer's Report: Treasurer Joseph Maciejewski presented a Treasurer's Report as of September 30, 2017 with a balance of \$ 2,172,821.97 (M&T Bank). A motion was made by Joseph Hogenkamp. to approve, seconded by Thomas Hersey and unanimously carried as approved.

4. Resolution #2017-51 – Approved Bid for Asbestos Abatement, 77 East End, Cheektowaga

BENLIC acquired the structure 77 East End at the In-Rem auction 2016. The property will undergo rehab with the funding from the LISC Grant Award – averaging \$60,000 property rehab. A pre-renovation survey revealed an incidental disturbance of Thermal System Insulation (TSI) debris, which was throughout the basement. This causes BENLIC to obtain a variance of asbestos code in order to properly dispose of debris. There were concerns associated with the abatement, however, BENLIC has worked with the contractor prior – SEG, who was very accommodating. There was some confusion regarding why BENLIC didn't bid this out, which is due to the abatement being specialized, there would be a large premium. A motion to approve was made by Joseph Maciejewski, seconded by Donna Estrich, and unanimously carried as approved.

5. Resolution #2017-52 - 234 Carl, Buffalo - Approved Bid - Roof and Doors

BENLIC acquired the structure at 234 Carl at the City of Buffalo In-Rem auction as part of the corporation's share of bid assignment properties. Aside from the roof and doors, the property requires minimal, mostly cosmetic, rehabilitation. Originally, BENLIC awarded this property to Surety Construction, but because Surety did not have all of the requested insurance being the umbrella or the access liability, BENLIC granted it to M&V Home Repair instead. BENLIC works with M&V currently, and having M&V already possessing both of the insurance requirements, allows a quick start on the rehabilitations. A motion to approve the amended resolution was made by Michael Saragusa, seconded by Timothy Ball, and unanimously carried as approved.

6. Real Estate Subcommittee Report:

Committee Charter (*Action*):

BENLIC required the development of a Subcommittee due to the complexity and the amount of decision making that needs to be done on a monthly basis for acquisitions and dispositions. A Real Estate Subcommittee is not a formal requirement of public authority, but because of the import of this Subcommittee, we formalize the Real Estate Committee. This Committee will assist BENLIC in decisions from selling to Non-Profits for affordable housing, developing side lot programs, completing municipal transfers, to Pre-Acquisition Agreements. The Committee provides a clearer rationale for decision making and communication with other municipalities and Non-Profits. The Board added a change to the final sentence in item 4E, requesting to add in an adjustment regarding a position to act on an item in certain circumstances. A motion was made by Joseph Maciejewski and Joseph Hogenkamp, and unanimously carried as approved.

Donation Acquisitions (*Actions*):

Resolution #2017-47 – Donation Properties-National Community Stabilization Trust (NCST):

- 136 W. Ferry, Buffalo
- 699 S Huth, Cheektowaga
- 101 Balbach, Cheektowaga
- 13921 Quaker, Collins

All properties are curtesy of NCST, formally owned by Bank of America. Bank of America has completed foreclosures and has offered the properties to BENLIC as an opportunity. BENLIC has worked with Municipal inspectors to view the Buffalo property (136 W Ferry), Cheektowaga (699 S Huth & 101 Balbach), and BENLIC viewed the property in Collins (13921 Quaker). Of the four

properties, the Buffalo (West Ferry) will need the most work, otherwise the properties are considered to be solid with available grants of \$62,500 for improvements - if BENLIC chooses to apply for the grant. The West Ferry property is suspected to need considerable work while BENLIC could spend far less than that on the two Cheektowaga properties, and the property in Collins. The Real Estate Committee recommended BENLIC to apply for the full grant amount for all four properties – although, BENLIC doesn't necessarily think that is completely necessary. This is still being worked through. NCST will provide title insurance for all properties. A motion to approve with an Amendment to 136 West Ferry, was made by Joseph Maciejewski, seconded by Michael Siragusa, and unanimously carried as approved.

Resolution #2017-48- City of Lackawanna Transfer, 86 Caldwell, Lackawanna

BENLIC acquired the property of 86 Caldwell, Lackawanna as a donation by the City to use in BENLIC's Note and Mortgage Program. BENLIC has viewed the property and although \$40-\$50,000 dollars of work will need to be put into the property, it is worth about \$60,000 and considered to be a quality property. The City Council voted to transfer the property to BENLIC, which was approved for \$1. BENLIC will not just work with the previous buyer, but will help the buyer gather a solid work plan, as well as open it up to other offers. A motion to approve was made by Thomas Hersey, seconded by Timothy Ball, and unanimously carried as approved.

Mortgage Discharge (Action) – 392 Frankhauser, Amherst

This was BENLIC's first release as part of the Note and Mortgage Program. This property was sold this past May, with a property lien of \$25,021. The buyer completed all the work, acquired all necessary permits. BENLIC has also worked with the Town of Amherst Inspector who has concurred that all the required work is complete. A motion to approve for the lien to be released off this property was made by Joseph Maciejewski, seconded by Timothy Ball, and unanimously carried as approved.

7. Revised Rule and Procedures – Real Property Identification (Action):

The Governance Committee met last month to make some changes to reflect the reality of BENLIC property acquisitions. Major changes include, a revision of how BENLIC identifies and selects properties. Of the changes, one of significance is for, "BENLIC not to acquire properties which the municipality, via a formal resolution of its governing body adopted prior to auction, requests BENLIC not acquire via formal resolution prior to auction" page 11 of Rules and Procedures. A bundled motion to approve the amended resolution was made for all changes except, section iii and striking on page 12, which will be re-visited.

8. Resolution #2017-49 - City of Buffalo – In Rem 2017 Authorization to Bid Properties

The City Council has voted to allow BENLIC to bid at In-Rem 51. BENLIC has worked with Buffalo OSP on strategically identifying bid-candidates. There are a number of properties (269), BENLIC will have the ability to retain up to 10% of properties that come through – currently BENLIC is interested in only a portion of this list. It is anticipated that 30 to 40 of the 269 properties will be successfully bid. A motion to approve the amended resolution was made by Donna Estrich, seconded Joseph Maciejewski, and unanimously carried as approved.

9. Resolution #2017-50- Approval of BENLIC Budget for 2018 – Focus on ABO

BENLIC is still open to changes and adjustments to the budget, however, Alex Carducci was able to present a balanced budget, including three-year projections. The major change to the budget was how BENLIC accounts for Cost of Sales, previously properties included insurance, preservation, environmental, lead tests, rehabs, utilities, etc. in great detail, BENLIC has followed this exactly, but has condensed this into reasonable categories. ABO has fixed categories, Alex will go through their fixed categories and work within the ABO structure to construct one with BENLIC. Beyond this, other comments included the estimated sales of out years and repayment of taxes. This is a challenging estimate to predict, but of the 18 proposed this is a considerable estimate - moving forward BENLIC can provide updates on that information. A motion to approve the amended resolution was made by Donna Estrich, seconded by Joseph Hogenkamp, and unanimously carried as approved.

10. Executive Director's Report

Ben Brown, the new Sales Specialist, gave the results from the acquisitions of the In-Rem auction. It was a successful auction, 33 properties in total, 13 residential- mostly single family, and 18 vacant lots. Majority of properties were in Cheektowaga, which will help to continue the growth and success BENLIC and Cheektowaga have formed together. Part of which, the Cheektowaga Side Lot Program is still being developed, but the Town agreed if BENLIC cannot dispose of the property in a year, Cheektowaga will dispose of them. Additionally, the Angola properties have been expedited, and the two properties will be demoed. BENLIC is beginning to prepare for the next two auctions coming up, one in Buffalo and one in Tonawanda.

The new AmeriCorps member will be starting on November 1st.

On November 20th, BENLIC will be traveling to Binghamton for a workshop.

BENLIC has received some resumes for a new Building Inspector Position and will be interviewing candidates this week. The Board discussed an applicant who is currently working for Accurate, a company that works with BENLIC, and if there were any predicted conflicts due to this standing relationship. The Board encouraged BENLIC to keep looking for qualified candidates.

Adjournment:

A motion to adjourn was unanimously carried as adjourned.

NEXT MEETING: Board of Directors – 11 a.m. November 16th, 2017
Location: Brisbane Building Conference Room 521 (403 Main St)

Recorded by: Frank E Krakowski
Submitted for Approval: Frank E Krakowski
Adopted by BENLIC Board Members on _____