



BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
BOARD OF DIRECTORS MEETING MINUTES
February 15, 2018 – 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. Thomas Hersey, Frank Krakowski

Board Members *Excused*: OJ McFoy

Board Members *Absent*: Michael Ball

Fiscal Agent Present: Robert Keating

BENLIC Counsel Present: Martin Polowy

BENLIC Staff: Jocelyn Gordon, Ben Brown

BENLIC AmeriCorps: Andrea Folgherait

Guests: Bill Parke, BURA

HAND OUTS:

Agenda; Minutes of January 2018 Board Meeting; January 2018 Treasurer's Report;

NEW BUSINESS:

1. Roll Call
2. Approval of Minutes: The minutes of the January 18, 2018 Board of Directors Meeting were presented and reviewed. A motion to amend was made by Donna Estrich to approve, seconded by Michael Siragusa, and unanimously carried as approved.
3. Treasurer's Report: Treasurer Joseph Maciejewski presented a Treasurer's Report as of January 31, 2018 with a balance of \$2,088,379.34 (M&T Bank). A motion was made by Joseph Maciejewski to approve, seconded by James Comerford, and unanimously carried as approved.

A. Dispositions:

4. Resolution #2018-1 138 Toelsin Road, Town of Cheektowaga – Note and Mortgage Residence

Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 138 Toelsin Road, Town of Cheektowaga via the 2016 Erie County In-Rem Foreclosure Auction. The property was selected as a BENLIC in-house sale under BENLIC's "Note & Mortgage" program; the property has been listed for sale in January 2018 at \$64,900. The property being a "Note & Mortgage" means there is no income limit requirements for potential buyers.

BENLIC received two cash offers: RJM Homes LLC and a small business owner, Leo Nguyen. RJM intends to rehab and resale with a planned investment of \$53,854 and a value offer of \$63,500 – just below BENLIC asking price of \$64,900. The second offeror, Mr. Leo Nguyen, planned to do the necessary work alone, investing 62,300 for a family member to occupy, and a value offer of \$56,000. Both offerors delivered a competitive investment into the property.

However, the Board and BENLIC decided an offeror with more rehab experience, RJM Homes LLC, would be more fitting for this project; the estimated cost being \$38,225 and BENLIC investment of \$4,000. The Board and BENLIC have agreed that if RJM Homes LLC declines, BENLIC will use Mr. Leo Nguyen as the 2nd offeror. The disposition of 138 Toelsin Road, Town of Cheektowaga, NY in the amount of \$63,500 by an agreement of Sale of Real Property and no restrictive covenant, to first priority offeror RJM Homes LLC was motioned to approve by Michael Siragusa, seconded by James Comerford, and unanimously carried as approved.

5. Resolution #2018-2 0 Fairview, Town of Alden – Municipal Transfer Lot

BENLIC acquired the property of 0 Fairview, Town of Alden via the 2017 Erie County In-Rem Foreclosure Auction. The vacant lot was targeted by the town during the 2017 Request for Foreclosure process. The town hoped to use the site for future expansion for their sewage plant – adjacent to the vacant lot. BENLIC proposed a disposition price equal to that of the property's assessed value, \$10,100 - this offer was countered by the town at \$2920.00 (total of outstanding back tax plus \$100). On February 6, 2018, the town of Alden submitted a letter stating that 0 Fairview Drive was found to be in a DEC designated floodplain, and thus, unsuitable for any future sewage treatment infrastructure. The town also stated that the value of the parcel should be considerably lower than the original offer price because it is landlocked, making any development difficult. If acquired, the town would maintain the lot as open space and as a buffer around the existing sewage treatment plant.

The BENLIC Real Estate Subcommittee members recommended the parcel be sold for \$500, as recommended in BENLIC's Draft Disposition Guidelines for non-buildable lots, contingent on the Town's agreement to accept a deed restriction to maintain the property as open space/public use. This would in effect turn the lot into a non-buildable parcel and warrant the lower disposition price. However, after discussion, the Board determined the deed restriction was unnecessary and onerous.

The disposition of 0 Fairview, Town of Alden, NY in the amount of \$500 by an Agreement of Sale of Real Property with offeror, Town of Alden, was motioned to be approved by James Comerford, seconded by Frank Krakowski, and unanimously carried as approved.

B. Acquisitions:

6. Resolution #2018-3 56 E Hazeltine, Kenmore – Bank Donation

In September of 2017, BENLIC staff were contacted by Village of Kenmore officials regarding a potential bank donation. Due to strong market conditions, manageable rehab scope/size, and strategic location to local amenities, staff believe the property to be an appropriate acquisition. BENLIC staff believe the property would be marketable for resale sold either as a Note & Mortgage or rehabbed by BENLIC.

BENLIC will not be receiving any cash concessions with the donation, but Fannie Mae has agreed to repair any outstanding Kenmore Housing Court violations present at the property. There were questions and concerns over any housing code violations; it was suggested for BENLIC to have a list of all outstanding violations to present back to the Board, as well as all violations handled prior to acquisition. Additionally, title insurance will be provided to BENLIC.

Based on the successful bank donations by the Corporation, BENLIC seeks to continue its relationship with local and national lenders and accept donations of properties that are repairable in marketable locations and/or in strategic neighborhoods throughout Western New York. The property of 56 E. Hazeltine is in accord with such qualities, was motioned to be approved by James Comerford, seconded by Thomas Hersey, and unanimously carried out as approved.

Bid Approvals:

7. Resolution #2018-4 27 N Aurora, Village of Lancaster – Demolition- Single Family Residence
BENLIC Funded

BENLIC acquired 27 N Aurora in the Village of Lancaster from the Erie County tax foreclosure auction in November 2016 via the Request for Foreclosure process. The property is recommended for demolition by the BENLIC Inspector. A structural engineer and registered architect report was obtained by BENLIC in summer 2017 that provided recommended repairs and detailed problems regarding the property's unsuitable grading. The report gave a range of repair costs from \$59,000 to \$78,000 for basement repairs and grading only. Additionally, the BENLIC Inspector, John Good, believed that only a full replacement of all walls and a very competent re-grading would permanently resolve the issues at this property – anything else would essentially be a temporary repair.

Prior to issuance of the demolition bid, BENLIC staff learned from the Village code enforcement official that the lot would be a buildable lot subsequent demolition. The Board and BENLIC discussed thoroughly the repercussions of a rehab versus demolition; because of the extraordinary high cost of rehabbing the property and to repair all necessary fixtures (totaling what could be up

to \$80,000) would not be feasible. Furthermore, BENLIC has received preliminary interest from the adjacent neighbor for using the vacant lot after demolition to build a garage; seemingly a better and suitable end use for the buildable vacant lot. BENLIC would dispose of the lot at approximately the lot value.

Whereas pursuant to the Corporations Procurement Policy for Goods and Services estimated to exceed \$10,000.00; a bid for construction services was released on February 1, 2018, with a submission deadline of February 13, 2018. BENLIC received six bids, BENLIC Board of Directors approves bid from Hanna Demolition Inc. at a price of \$10,700 – the lowest estimated cost. BENLIC investment to date being \$3,784 and totaling an estimated investment of \$15,984. A motion to approve the bid submitted by Hanna Demolition Inc., *not to exceed* \$10,700 and authorizes the execution of contract was made by Joseph Maciejewski, seconded by James Comerford, and unanimously carried out as approved.

8. Resolution #2018-5 66 Burch, West Seneca – Basement Wall work – Single Family Residence
Potential LISC Funded

BENLIC acquired 66 Burch in the Town of West Seneca from the Erie County tax foreclosure auction in November 2016 via the Request for Foreclosure process. The property is a good candidate for LISC rehab funding, as it is a single-family home in a low-moderate income neighborhood. The property has been stabilized with a recent roof replacement, but the foundation of the structure is in poor condition and needs repair. A bid for basement wall work was written with a generic scope by the BENLIC Building Inspector - as such work requires engineer approval the bid did not specifically direct the repairs needed. The bid scope stated no work would be done without engineer and Town of West Seneca approval. If the property is demoed, this is a non-buildable lot, therefore would remain a vacant parcel.

Whereas pursuant to the Corporations Procurement Policy for Goods and Services estimated to exceed \$10,000.00; a bid for construction services was released on February 1, 2018, with a submission deadline of February 13, 2018. BENLIC received two bids, BENLIC Board of Directors approves bid from Accurate Builders at a price of \$14,600 – the lowest estimated cost. BENLIC investment to date being \$15,384, totaling an estimated investment of \$110,000, and an average of \$60,000 available in LISC funding. A motion to approve the bid submitted by Accurate Builders *not to exceed* \$14,600 and authorizes the execution of contract, was made by Joseph Maciejewski, seconded by James Comerford, and unanimously carried out as approved.

9. Resolution #2018-6 Approve Bid for 107 Longview, Buffalo – Complete Project

BENLIC acquired 107 Longview in the City of Buffalo from the Buffalo tax foreclosure auction in December 2016. The property is a good candidate for LISC rehab funding, as it is a single-family home in a low-moderate income neighborhood. The property has been abated of asbestos material and stabilized with center beam repair. The bid was written by the BENLIC Building Inspector and includes some major items for repair. However, the structure does have a recent roof, windows, and vinyl siding completed by prior owners- furthermore, a suitable candidate for rehab. There was discussion regarding the marketability of this property, and what other homes in this neighborhood have been listed as; a property on the same block has been listed at \$69,000 and hasn't sold. However, 107 Longview has more amenities increasing its marketability, including an additional bedroom and a porch.

Whereas pursuant to the Corporation's Procurement Policy for Goods and Services estimated to exceed \$10,000.00, a bid for construction services was released on January 25, 2018 with a deadline to submit bids of February 15, 2018. BENLIC received two bids, BENLIC Board of Directors approves bid from Residential Construction Services Inc., at a price of \$90,021 – just around the estimate BENLIC Building Inspector predicted of \$98,000. BENLIC investment to date being \$11,881.30, totaling an estimated investment of \$109,881.3, and an average of \$60,000 available in LISC funding. A motion to approve the bid submitted by Residential Construction Inc., *not to exceed* \$90,021 and authorizes the execution of contract, was made by Donna Estrich, seconded by Timothy Ball, and unanimously carried out as approved.

10. Executive Director's Report:

- Bids for rehab projects and contractor response
- Annual Financial Audit to Begin Tomorrow (Feb 16th)- Accountants to Present Findings at March 22 Annual Meeting
- Organizational Assessment: Consultant Interviews Planned for Wednesday, February 28th. All Board Members welcome to attend (10- 12)
- Press: Rust Belt Podcast, NaCo County News

Adjournment:

A motion to adjourn the meeting was made by Donna Estrich, seconded by Thomas Hersey, and unanimously carried as adjourned.

NEXT MEETING: Board of Directors – 11 a.m. March 22, 2018
Location: Brisbane Building Conference Room 521 (403 Main St)

Recorded by: Andrea Folgherait, BENLIC Staff
Submitted for Approval: Jocelyn Gordon, Executive Director
Adopted by BENLIC Board Members on _____