



BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
BOARD OF DIRECTORS MEETING MINUTES
August 16th, 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: James Comerford Jr, Joseph L. Maciejewski, Joseph Hogenkamp, Frank Krakowski, Timothy Ball, Thomas Hersey

Board Members *Excused*: Brendan Mehaffy, Michael Siragusa, , Donna Estrich, O.J. McFoy, Donna J. Estrich

Board Members *Absent*:

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 August 2018 Board Meeting; August 2018 Treasurer's Report; EK Ward & Associates: Organizational Assessment Presentation, and Resolutions.

NEW BUSINESS:

1. Roll Call
2. EK Ward & Associates: Organizational Assessment Presentation:

EK Ward Consultants presented data and analyzed BENLIC growth, development, presented a SWOT analysis, and displayed a variety of financial comprehensions to the Board. Board Members received information on how to complete the upcoming assessment and survey on BENLIC operations.

3. Approval of July 2018 Minutes – with Real Estate Committee Minutes of 8/8/2018: The minutes of the July 19th, 2018 Board of Directors Meeting were presented and reviewed. A motion to approve was made by Joseph Maciejewski, seconded by Frank Krakowski, and unanimously carried as approved.
4. Treasurer’s Report: Treasurer Joseph Maciejewski presented a Treasurer’s Report as of July 30, 2018 with a balance of \$2,392,675.68 (M&T Bank). A motion was made by Joseph Maciejewski to approve, seconded by Timothy Ball, and unanimously carried as approved.
5. **Real Estate Committee Report:**

A. Dispositions:

Resolution #2018-49 – 20 Andrews, Town of Cheektowaga – Note and Mortgage – Not-for-Profit

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 20 Andrews, Town of Cheektowaga via the 2017 Erie County In-Rem 165 Foreclosure Auction. As a single-family home, it was identified by Habitat for Humanity as a strategic acquisition for rehab and resale to an income-eligible family. Historically, Habitat for Humanity has worked within the City of Buffalo to provide affordable homeownership opportunities. In hopes of expanding organizational activities outside of Buffalo, 20 Andrews Avenue was selected for acquisition by the organization. Habitat for Humanity plans to renovate the residence with the help of volunteers and staff members. BENLIC staff and Habitat for Humanity have negotiated a sale price of \$7,500.00, a lien amount of \$7,500.00 for two-years, with a BENLIC investment of \$4,030.00. BENLIC has implemented a longer period of construction for Not-for-Profits, holding a two-year lien rather than just a one-year lien. This provides more time for the organization(s) to successfully complete projects, as there are different protocols and time frames for certain rules and procedures particular to every organization that can cause delays on a project. Additionally, this provides more time for the organization to obtain a Certificate of Occupancy from the given municipality.

BENLIC Board of Directors authorizes the disposition of the property of 20 Andrews, Town of Cheektowaga (SBL #101.28-2-5) in the amount of \$7,500 by an Agreement of Sale of Real Property to Habitat for Humanity. A motion to approve was made by Timothy Ball, seconded by Thomas Hersey, and unanimously carried out as approved.

Resolution #2018-50 – 2246 Bailey, Buffalo – Bailey Green LLC.

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 2246 Bailey, Buffalo via the 2017 Erie County In-Rem 51 Foreclosure Auction. The two-family home was identified by Bailey Green LLC as a strategic acquisition as it is within the Bailey Green Neighborhood, a public-private partnership to promote community well-being and development.

Bailey Green LLC. plans to renovate the structure with the help of volunteers and professional assistance. The planned use for the property will be as a headquarters for local community development organizations focused on working within the target neighborhood. BENLIC staff and Bailey Green LLC., similar to the partnership with Habitat for Humanity, have negotiated a sale price of \$7,500.00. BENLIC attached the same stipulations as with Habitat for Humanity, giving a two-year lien period of \$7,500.00, and having already invested \$4,030.00.

BENLIC Board of Directors authorizes the disposition of the property of 2246 Bailey Avenue, City of Buffalo, NY (SBL #101.28-2-5) in the amount of \$7,500.00 by an Agreement of Sale of Real Property to the offeror, Bailey Green, LLC. A motion to approve was made by James Comerford Jr., seconded by Joseph Maciejewski, and unanimously carried as approved.

Resolution #2018-51 - 228 Newman, Village of Springville – Note & Mortgage

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 228 Newman Street, Village of Springville via the 2017 Erie County In-Rem Foreclosure Auction. BENLIC listed the property for sale in July 2018 at a price of \$7,500.00. This property was selected for BENLIC in-house sales. BENLIC staff held all property showings, collected all offers, and fielded all property inquiries. As a property under BENLIC's "Note & Mortgage" Program, there are no income limit requirements. BENLIC received two offerors: Kevin Ploetz and Garry Pecak & Michael Pinto – both offerors submitted an offer of \$8,500.00 and have plans to renovate and resale. Pecak & Pinto submitted a package stating 172,000.00 available funds with a proposed investment of \$89,000.00, both have experience working on six prior home renovations. Ploetz submitted a package of available funds up to \$100,000.00, had experience in residential renovations - however, having an unknown cost estimate of investment at the time of the application submittal made his offer second priority. BENLIC Board felt that the first offeror, Garry Pecak and Michael Pinto had demonstrated access of funds, a detailed work scope, and rational thought process of how they would renovate and resale the property – as a 3 unit with 1 rental as the rest finished getting renovated over a few years' time.

BENLIC Board of Directors authorized the disposition of the property of 228 Newman, Village of Springville, NY (SBL# 336.09-1-14) in the amount of \$8,500.00 by an Agreement of Sale of Real Property to offerors, Garry Pecak & Michael Pinto, with second priority to offeror Kevin Ploetz. A motion to approve was made by Timothy Ball, seconded by James Comerford Jr., and unanimously carried as approved.

B. Bid Approvals

Resolution #2018-52- 36-38 Longnecker, Buffalo – Two House In-fill construction Project

The Buffalo Erie Niagara Land Improvement Corporation ("BENLIC") acquired the property at 36 Longnecker Street, City of Buffalo via the City of Buffalo Homesteading Program. The property was acquired with intent to construct two detached single-family homes within the Lovejoy Community. BENLIC received a \$180,000.00 grant award made by Local Initiatives Support Corporation (LISC) to develop a residential urban infill project within the City of Buffalo. BENLIC, with assistance from the City of Buffalo Office of Strategic Planning and BURA, identified the vacant lot at 36 Longnecker Street within the Lovejoy Neighborhood due to its

strategic location and the project's ability to strengthen a historically healthy, low-moderate income community.

BENLIC secured the architectural services of Conway and Company Architects via BENLIC Board of Director Resolution #2017-65 to design, prepare architectural drawings, and gain the required site-plan approvals to initiate new housing construction on the parcel. The architects also reviewed submitted bids for accuracy and completeness. To ensure public input and support for the initiative, BENLIC worked with Lovejoy District Councilmember Richard Fontana, as well as local residents, to discuss the project and address any potential stakeholder concerns.

Bids for construction services for the project were publicly sought on July 13, 2018 with a deadline to receive bids on August 6, 2018. Site plan drawings and project manuals were made available in the form of physical forms or digital copies for all interested bidders. BENLIC received three bidders: Residential Construction Services, Inc. submitted the highest bid at \$464,400.00, Precision Construction (Modular-built) just under Residential Construction of \$397,000.00, and Sunset Custom Homes, Inc who was awarded the bid at \$397,000.00 – just above BENLIC's estimated cost at \$387,000.00. BENLIC has estimated the sale price for two properties will be in the range between \$220,000.00 - \$250,000.00.

The BENLIC Board of Directors approved the bid of Sunset Custom Homes Inc., for a total amount not to exceed \$397,000.00 A motion to approve was made by Joseph Maciejewski, seconded by Timothy Ball, and unanimously carried out as approved.

Resolution #2018-53- 101 Balbach, Cheektowaga – Change Orders

BENLIC is currently undertaking ten (10) major rehab projects – seven funded by LISC through the NYS AG bank settlement funds, and another three projects, also funded by LISC, in partnership with National Communities Stabilization Trust (NCST). Greater funding for these projects is leveraged by BENLIC matching funds at a ratio of 70% LISC/30% BENLIC.

Since the start of work in mid-Spring of 2018, some projects have necessitated the need for formal change orders because of a) unanticipated or unknown work, b) work required by local municipal authorities, c) work items not put in initial scope for original bids/work items deemed necessary after bid-related work items were completed. A schedule of the change orders for **101 Balbach, Cheektowaga**, was distributed to BENLIC Board Members.

The BENLIC Board of Directors amended the construction agreement for construction services for 101 Balbach, Town of Cheektowaga, NY with Sunset Custom Homes, Inc. from the original construction amount of \$119,650.00 to \$132,190.00, a \$12,450.00 increase in total cost of change orders. A motion to amend was made by James Comerford Jr., seconded by Frank Krakowski, and unanimously carried as approved.

Resolution #2018-54 - 72 Schauf, Buffalo – Additional Bedroom

BENLIC acquired 72 Schauf Avenue, City of Buffalo NY 14211 (SBL 90.77-5-18) from the City of Buffalo in 2016 to fill its inventory of rehab candidates. The small single-family home was

considerably distressed, and as such, underwent a complete rehab. The second story, and rear bedroom were particularly deteriorated as a fire had damaged portions of the home prior to BENLIC acquisition. Originally, BENLIC had planned to leave the second story unfinished, where the buyer had the option to finish the second story as a third bedroom. Due to the lack of interest in the property, BENLIC has decided to finish the third bedroom in hopes of increasing the number of interested offerors and improving the sale value. Funding was provided through the New York State Office of the Attorney General

The bid was released on August 7, 2018, with a submission deadline of August 15, 2018 and BENLIC received two bidders: Sunset Custom Homes, Inc. submitted a bid for \$18,500.00, and the winning bid submitted by Residential Construction Services, Inc. at \$10,850.00 – this was about what BENLIC Building Inspector, John Good had estimated at between \$10,000 -\$12,000.

The BENLIC Board of Directors approved the bid from Residential Construction Services for \$10,850.00. A motion to approve was made by Joseph Maciejewski, seconded by James Comerford Jr., and unanimously carried as approved.

6. *Executive Director's Report:*

- AG Grant Rd. 4 - \$2 M for 2019-2020. Application due 9/7.

Adjournment:

A motion to adjourn the meeting was made by Timothy Ball, seconded by James Comerford Jr., and unanimously carried as adjourned.

NEXT MEETING: Board of Directors – 11 a.m. September 20, 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 _____