



BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
BOARD OF DIRECTORS MEETING MINUTES
July 19, 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, James Comerford Jr, Joseph L. Maciejewski, Donna J. Estrich, Joseph Hogenkamp, Frank Krakowski,

Board Members *Excused*: Thomas Hersey, O.J. McFoy, Timothy Ball, Michael Siragusa, Robert Keating

Board Members *Absent*:

Fiscal Agent Present: Excused

BENLIC Counsel Present: Martin Polowy

BENLIC Staff: Jocelyn Gordon, Alex Carducci, Ben Brown

BENLIC AmeriCorps: Andrea Folgherait

Guests: Bill Parke - BURA

HAND OUTS:

Agenda; Minutes of July 2018 Board Meeting; July 2018 Treasurer's Report; Resolutions; and Rehab Grant Projects.

NEW BUSINESS:

1. Roll Call
2. Approval of June 2018 Minutes – with Real Estate Committee Minutes of 7/11/2018:
The minutes of the June 21, 2018 Board of Directors Meeting were presented and

reviewed. A motion to approve was made by Joseph Hogenkamp, seconded by Donna Estrich, and unanimously carried as approved.

3. Treasurer's Report: Treasurer Joseph Maciejewski presented a Treasurer's Report as of June 29, 2018 with a balance of \$2,314,833.83 (M&T Bank). A motion was made by Joseph Maciejewski to approve, seconded by Joseph Hogenkamp, and unanimously carried as approved.

4. **Real Estate Committee Report:**

A. Dispositions:

Resolution #2018-44 – 106 Wilshire, Town of Cheektowaga – Note and Mortgage

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 106 Wilshire Drive, Town of Cheektowaga via the 2017 Erie County In-Rem Foreclosure Auction. BENLIC listed the property for sale in June 2018 at a price of \$59,900. This property was selected for BENLIC in-house sales. BENLIC staff held property showings, collected offers, and fielded property inquiries as opposed to third-party realtors. BENLIC staff has reviewed all offers on the property including respective Property Purchase Applications. No improvements to the property have been made and is being sold under BENLIC's "Note & Mortgage" program. Therefore, there are no income limit requirements for potential buyers.

BENLIC received two offerors: Jenna McDonald and Christopher Kirk and ERZ Real Estate Holdings LLC. The Kirks submitted an offer of \$50,000, are first time homebuyers, and plan to use FHA financing-203K Renovation Loan. The second offeror ERZ Real Estate Holdings LLC, submitted an offer of \$49,929, ERZ plans to renovate and resale using private financing, as well as a planned investment of \$40,000. BENLIC Real Estate Subcommittee Members have reviewed all offers and support a disposition by BENLIC Board of Director vote to Jenna McDonald and Christopher Kirk. BENLIC investment being \$1,205; BENLIC Building Inspector, John Good, has drawn a scope of work for the property and presumes the estimated cost of repairs to be \$39,750, with a lien value of \$19,188.

BENLIC Board of Directors authorizes the disposition of the property of 106 Wilshire Drive, NY (SBL#80.19-3-2) in the amount of \$50,000 by an Agreement of Sale of Real Property with first priority to offeror, Jenna McDonald, and Christopher Kirk, and in so doing follows the proper procedure for disposal of real property by negotiation as described in the Property Disposition Guidelines of the Corporation; and be it further. In the event that BENLIC and Jenna McDonald and Christopher Kirk are unable to complete the sale of the property, the BENLIC Board of Directors authorizes the disposition of the property of 106 Wilshire Drive, NY (SBL#80.19-3-2) in the amount of \$49,929 by an Agreement of Sale with second priority to offeror ERZ Real Estate Holdings LLC., without further Board approval, A motion to approve was made by Joseph Hogenkamp, seconded by Donna Estrich, and unanimously carried out as approved.

Resolution #2018-45 – 1 Schlenker, Cheektowaga – Note and Mortgage

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 1 Schlenker Avenue, Town of Cheektowaga via the 2017 Erie County In-Rem Foreclosure Auction.

BENLIC listed the property for sale in June 2018 at a price of \$49,900. This property was selected for BENLIC in-house sales. BENLIC staff held property showings, collected offers, and fielded property inquiries as opposed to third-party realtors. BENLIC made some stabilization improvements to the property, including debris removal. The property is being sold under BENLIC's "Note & Mortgage" program. Therefore, there are no income limit requirements for potential buyers. The purpose of the proposed disposition is congruent with BENLIC's mission to return the property to productive use.

BENLIC staff has reviewed all offers on the property including respective Property Purchase Applications. BENLIC received one offeror: Emily Brady submitted a cash offer of \$35,000. Brady plans to invest \$60,000 to renovate and resale for a first-time homebuyer and will perform the rehab work with her husband. BENLIC Real Estate Subcommittee Members have reviewed the offer and support a disposition by BENLIC Board of Director vote to Emily Brady. BENLIC investment being \$3,540; BENLIC Building Inspector, John Good, has drawn a scope of work for the property and presumes the estimated cost of repairs to be \$31,550, with a lien value of \$25,871.

BENLIC Board of Directors authorizes the disposition of the property of 1 Schlenker Avenue, Town of Cheektowaga, NY (SBL#102.16-4-22) in the amount of \$31,550 by an Agreement of Sale of Real Property to offeror, Emily Brady, and in so doing follows the proper procedure for disposal of real property by negotiation as described in the Property Disposition Guidelines of the Corporation; and be it further. A motioned to approve was made by James Comerford Jr., seconded by Joseph Maciejewski, and unanimously carried as approved.

Resolution #2018-46 1122 Walden, Cheektowaga – Side Lot

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired 12 vacant side-lots within the Town of Cheektowaga during the 2017 Erie County In-Rem Auction. Of these 12 lots, 9 were selected for side-lot sales to adjacent property owners. In late 2017, BENLIC staff identified all possible adjacent owners, and solicited adjacent owner interest through direct mail. Adjacent owners were directed to submit side lot purchase applications and state the intended use of the lot if acquired. Additionally, the letters stated that offers should be a minimum of \$500 to be considered for purchase. In June of 2018, BENLIC began to publicly market the remaining vacant side-lots that did not receive offers from adjacent property owners. BENLIC used prior professional appraisals of nearby vacant lots to establish a per-square-foot price for the remaining properties.

BENLIC staff has reviewed the offer including respective Side-Lot Purchase Application. The purpose of the proposed disposition is congruent with BENLIC's mission to return the property to productive use. BENLIC received one offeror: Rashal Sarwar submitted an offer of \$1,668 to combine the lot with his own property (which is currently under renovation) to erect a child playset and fence for his children. BENLIC Real Estate Subcommittee Members have reviewed all offers and support a disposition by BENLIC Board of Director vote to Rashel Sarwar for the side-lot located at 1122 Walden Avenue.

BENLIC Board of Directors authorizes the disposition of the property of 1122 Walden Avenue, Town of Cheektowaga, NY (SBL #101.60-5-23) in the amount of \$1,668.00 by an Agreement of Sale of Real Property to offeror, Rashel Sarwar, and in so doing follows the proper procedure for disposal of real property by negotiation as described in the Property Disposition Guidelines of the

Corporation; and be it further. A motion to approve was made by Joseph Hogenkamp, seconded by Donna Estrich, and unanimously carried as approved.

B. Other Items

Resolution #2018-47 Amend Brokerage Agreement – Flat fee Listing Floor

To effectively facilitate the disposition of property, the BENLIC Board of Directors authorized the adoption of the BENLIC Brokerage Agreement via BENLIC Resolution #2014-16. Terms of the original agreement allowed for a payable sale commission of six percent (6%) of the total sale price or no less than one thousand two hundred dollars (\$1,200). Since the adoption of the agreement, BENLIC has begun to sell an increasing number of homes through the Note & Mortgage Program. Inventory sold through this program requires significant improvements and require, in many instances, a below-market sale price to attract interested offerors. BENLIC now wishes to amend the Brokerage Agreement to allow a sale commission of a fixed two thousand two hundred dollars (\$2,200) in special circumstances when private real estate brokerages are sought by the Corporation to market Note & Mortgage or other “as-is” property.

BENLIC and the Board of Directors discussed this item thoroughly; because of the variety of inventory-types BENLIC disposes of, there becomes a variety of price points. BENLIC suggested that on a case by case basis the Real Estate Committee be able to approve a commission price of \$1,200 or below, rather than having to bring it to the Board for approval. Meaning a commission of \$1,200-\$2,200 be granted by the Board. The instance for changing the agreement comes from a particular case of three exceptionally challenging, but good candidates for responsible investors. The properties will be packaged for a realtor to sell- however, require a responsible selling strategy. Sales Specialist, Benjamin Brown, has worked with 3 realtors and will be working with, HUNT realtor, Jonathon Kurtz. Mr. Kurtz demonstrated the best and most responsible proposal of the 3 properties.

The Board was hesitant to amend the Brokerage Agreement and tabled the resolution. A motion to deny was made by James Comerford, Jr., seconded by Donna Estrich, and unanimously carried out as denied. Board Chair Mehaffy acknowledged that, if successfully approved, the Board would consider a commission waiver by Mr. Kurtz for a value not otherwise stated in the brokerage agreement. Chair Mehaffy believed this would encourage Mr. Kurtz, and other realtors, to sell at highest and best offer. BENLIC Board Members agreed with Chair Mehaffy's opinion and directed BENLIC Counsel Poloway to assist staff in including new language within the Brokerage Agreement in this special instance. A motion to approve an amended resolution was made by James Comerford, seconded by Donna Estrich, and unanimously carried as approved.

5. **Resolution #2018-48** Approve LISC Grant Agreements – Three Rehab Projects

BENLIC has received and initiated rehab work on three residential properties obtain through donations from the National Community Stabilization Trust. Rehab funds were available to improve these properties from Bank of America Settlement, with the funds administered by LISC. BENLIC had received letter commitments for each of these three projects. To receive the funds, BENLIC has to enter into an agreement with LISC. Use of the funds is limited to rehab work on these three projects:

Property	Funding	Grant Program Action #
13921 Quaker, Collins	\$ 61,875	47489-0004
101 Balbach, Cheektowaga	\$ 81,000	47489-0006
699 S Huth, Cheektowaga	\$ 74,250	47489-0005

BENLIC Board of Directors authorizes execution of the above three referenced LISC Grant Agreements between BENLIC and LISC. A motion to amend was made by Joseph Hogenkamp, seconded by Joseph Maciejewski, and unanimously carried as approved.

6. *Executive Director's Report:*

- Just Announced – AG Grant Rd. 4 - \$2 M for 2019-2020. Application due 9/7.
- 36-38 Longnecker – New Construction Demonstration Project – Out to bid
- HR Consultants – Focus Group Report, Next Steps – Organizational Assessment Presentation August 16th
- Initiated RFF 2019 Process to Cities, Towns, and Villages

Adjournment:

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

NEXT MEETING: Board of Directors – 11 a.m. August 16th, 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 _____