

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
ANNUAL REPORT 2020



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Jocelyn E. Gordon, BENLIC Executive Director

Contents

Board of Directors FY 2020.....	3
2020 Board Committees & Membership.....	3
Fiscal Year 2020 Meeting Attendance.....	4
Compensation Schedule.....	4
Board Members Evaluation.....	6
Corporation Organizational Chart.....	7
Reporting to the Cities of Buffalo, Lackawanna, Tonawanda and the County of Erie.....	7
Mission Statement and Measurement Report	7
Corporate Purpose.....	8
Legislation that Forms the Statutory Basis of the Corporation.....	8
Units or Subsidiaries of the Corporation.....	9
Operations Summary.....	9
2020 Accomplishments	9
Administrative Activities.....	13
Fiscal Year 2020 Financial Report	14
Financial Plan.....	17
Bonds.....	17
Grants and Subsidy Programs	17
Operating and Financial Risks.....	17
Long Term Liabilities	17
Real Property Schedule.....	17
Description of Pending Litigation	17
Description of the total amounts of assets, services or both – bought or sold without competitive bidding.....	17
Investment Report.....	17
Appendix A - Summary Results of Confidential Evaluation of Board Performance FY 2020.....	18
Appendix B - Performance Measurement Report FY 2020.....	23
Appendix C – Intermunicipal Agreement	25

Appendix D – By-Laws..... 41

Appendix E– Code of Ethics / Conflict of Interest Policy 47

Appendix F – Financial Plan 50

Appendix G –Property Report FY 2020 51

Appendix H – Procurement Report FY 2020..... 56

Appendix I – Investment Report FY 2020 61

Board of Directors FY 2020

- Brendan R. Mehaffy, Chair *elected Chair March 24, 2016*
- Michael A. Siragusa, Vice-Chair *elected Vice-Chair March 19, 2020*
- William Reece, Member *began – January 2020, elected Treasurer March 19, 2020*
- Scott Bylewski, Member *began- January 2020*
- Michael Grifa, Member *began- September 2020*
- Timothy A. Ball
- James Comerford, Jr.
- Donna J. Estrich
- Oluwole “OJ” McFoy
- Thomas R. Hersey
- Amanda Mays

2020 Board Committees & Membership

Audit and Finance:

- Donna J. Estrich, Chair
- Joseph Hogenkamp
- Michael A. Siragusa
- Robert Keating

Governance:

- Timothy A. Ball, Chair
- Brendan R. Mehaffy
- Michael A. Siragusa

Real Estate Subcommittee:

- Scott Bylewski
- William Reece
- Thomas R. Hersey
- Michael Grifa
- James Comerford, Jr.

Staff

- Executive Director, Jocelyn E. Gordon
- Program Manager, Marjorie McAllister - *06/2019*
- Program Coordinator, In-House Sales, Ben Brown – *10/2017*
- Assistant Program Coordinator, Andrea Folgherait – *10/2018 – 12/2020*
- Program Coordinator, Angelina White – *12/2020*
- Building Inspector, John Good – *11/2017*

Fiscal Year 2020 Meeting Attendance

Fiscal Year remained as Calendar Year in 2020 as determined by the Board of Directors.

January 30, 2020

Board Members Present: Brendan Mehaffy, Michael Siragusa, William Reece, Scott Bylewski, Donna J. Estrich, Timothy Ball, Thomas Hersey

Board Member(s) Excused: Amanda Mays, OJ. McFoy, Frank Krakowski

Board Member(s) Absent: James Comerford Jr.

February 2020 Meeting Cancelled

March 5, 2020

Board Members Present: Brendan Mehaffy, William Reece, OJ. McFoy, Scott Bylewski, Donna J. Estrich, Timothy Ball, Thomas Hersey, Amanda Mays, Frank Krakowski

Board Member(s) Excused: Michael Siragusa

Board Member(s) Absent: James Comerford Jr.

March 19, 2020

Board Member(s) Present: Brendan Mehaffy, Michael Siragusa, OJ. McFoy, Scott Bylewski, Timothy Ball, Thomas Hersey, Amanda Mays, Frank Krakowski

Board Member(s) Excused: William Reece, Donna J. Estrich

Board Member(s) Absent: James Comerford Jr., Amanda Mays, Frank Krakowski

April 16, 2020

Board Members Present: Brendan Mehaffy, Michael Siragusa, Scott Bylewski, Timothy Ball, Thomas Hersey, Amanda Mays, Frank Krakowski, Amanda Mays, William Reece

Board Member(s) Excused: Donna J. Estrich

Board Member(s) Absent: OJ. McFoy, James Comerford Jr., Frank Krakowski

May 21, 2020

Board Members Present: Brendan Mehaffy, Michael Siragusa, Scott Bylewski, Timothy Ball, Thomas Hersey, Amanda Mays, Frank Krakowski, Amanda Mays, William Reece, OJ McFoy, Donna J. Estrich

Board Member(s) Excused:

Board Member(s) Absent: James Comerford Jr.

June 2020 Meeting Cancelled

July 16, 2020

Board Members Present: Brendan Mehaffy, Michael Siragusa, Scott Bylewski, Timothy Ball, Amanda Mays, Frank Krakowski, William Reece, OJ McFoy, Donna J. Estrich

Board Member(s) Excused:

Board Member(s) Absent: James Comerford Jr., Thomas Hersey

August 20, 2020

Board Members Present: Scott Bylewski, Timothy Ball, Amanda Mays, Thomas Hersey, Frank Krakowski, William Reece, Donna J. Estrich

Board Member(s) Excused: Brendan Mehaffy, Michael Siragusa, OJ McFoy

Board Member(s) Absent: James Comerford Jr.,

September 17, 2020

Board Members Present: Brendan Mehaffy, Michael Siragusa, Scott Bylewski, Timothy Ball, Thomas Hersey, Frank Krakowski, William Reece, Donna J. Estrich, OJ McFoy

Board Member(s) Excused: Amanda Mays

Board Member(s) Absent: James Comerford Jr.,

October 15, 2020

Board Members Present: Brendan Mehaffy, Michael Siragusa, Scott Bylewski, Timothy Ball, Thomas Hersey, Frank Krakowski, William Reece, Donna J. Estrich, James Comerford Jr., Amanda Mays, Michael Grifa

Board Member(s) Excused: OJ McFoy

Board Member(s) Absent:

November 19, 2020

Board Members Present: Brendan Mehaffy, Michael Siragusa, Scott Bylewski, Timothy Ball, Thomas Hersey, William Reece, Donna J. Estrich, OJ McFoy

Board Member(s) Excused: James Comerford Jr., Amanda Mays, Michael Grifa

Board Member(s) Absent:

December Meeting Canceled

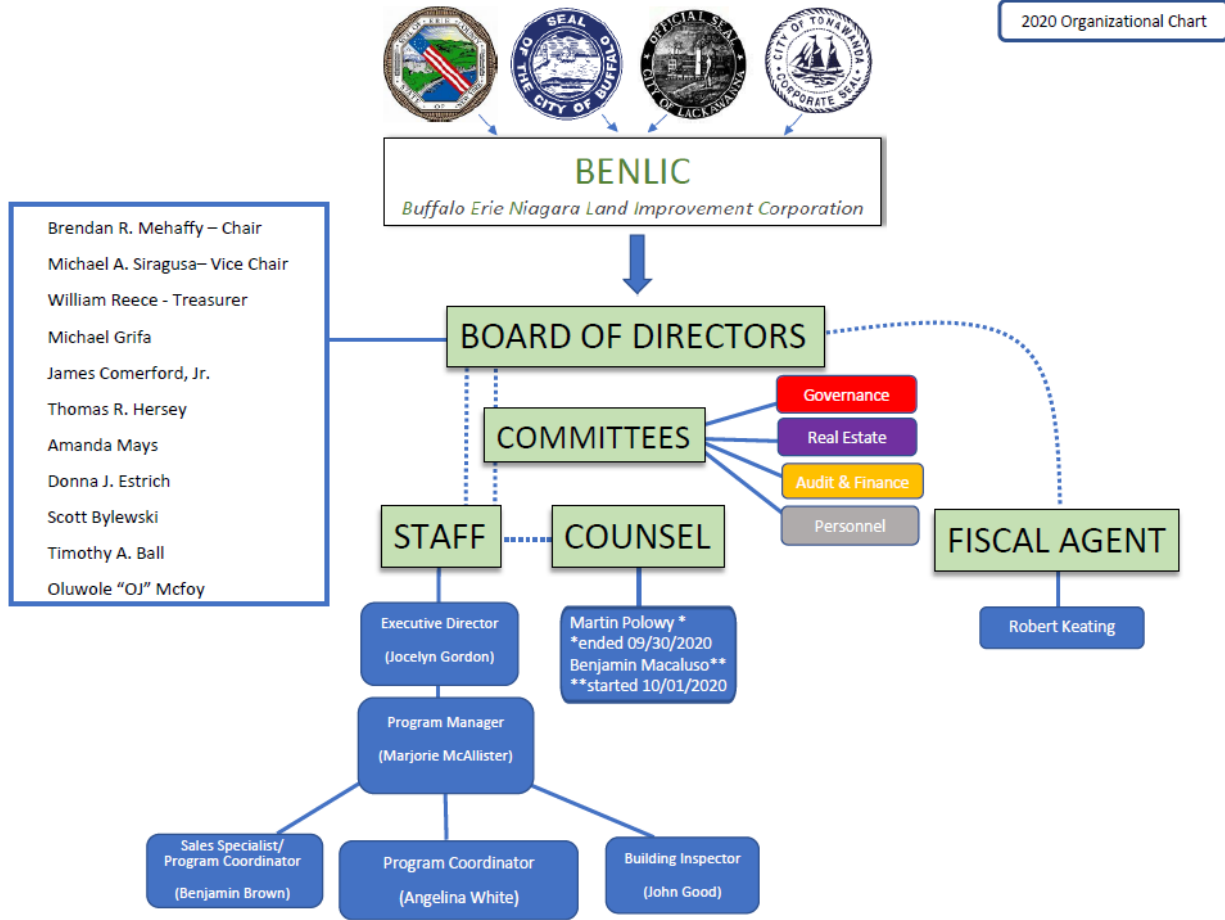
Compensation Schedule

There were no managerial employees employed by the Corporation who were compensated in excess of one-hundred thousand dollars (\$100,000) in fiscal year 2020.

Board Members Evaluation

See Appendix A

Corporation Organizational Chart



Reporting to the Cities of Buffalo, Lackawanna, Tonawanda and the County of Erie

The Buffalo Erie Niagara Land Improvement Corporation was created by an intermunicipal agreement under the New York State Land Bank Act, and makes its required annual report, as required by that law, to all constituent foreclosing governmental units (FGUs). All directors of the Corporation are *ex officio* members who are officers or appointees of either the City of Buffalo, the City of Lackawanna, the City of Tonawanda, the County of Erie or the Western New York Regional Office of the Empire State Development Corporation.

Mission Statement and Measurement Report

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) seeks to confront and alleviate the problems distressed properties cause to communities by supporting municipal and regional revitalization efforts and strategically acquiring, improving assembling and selling vacant, distressed, abandoned, and tax-delinquent properties.

Adopted: January 18, 2013, *Re-adopted* – March 22, 2018 at the Annual Meeting.

See Appendix B for Measurement Report

Corporate Purpose

As contained within BENLIC's Certificate of Incorporation:

The purposes for which the Corporation is formed are the following:

- (a) To confront and alleviate the problems caused by vacant, abandoned, tax-delinquent and tax foreclosed properties and to turn vacant spaces into vibrant places in Erie County.
- (b) To lessen the burdens on the governments of Erie County of acquiring and maintaining vacant, abandoned, tax-delinquent, and tax foreclosed properties.
- (c) To combat community deterioration and urban decay caused by vacant, abandoned, tax-delinquent, and tax foreclosed properties by taking remedial action to eliminate the physical, economic and social causes of such deterioration.
- (d) To serve as a land bank pursuant to Article 16 (the Land Bank Act) of the Not-for-Profit Corporation law.
- (e) To demonstrate the feasibility of a land bank and to encourage both other foreclosing governmental units and non-foreclosing municipalities and school districts to enter into intergovernmental cooperative agreements with the foreclosing governmental units in Erie County and/or the Corporation when they determine it to be in the interest of their residents to do so.
- (f) To pursue and to cooperate with and assist other organizations to pursue any one or more of the above-mentioned purposes.
- (g) Any purpose which shall assist the corporation on the furtherance of the above stated purposes which can be performed by a corporation as defined by subparagraph (a)(5) of section 102 of the Not-for-Profit Corporation Law.

The lawful public objectives which each purpose of the Corporation will serve are to lessen the burdens of government and combat community deterioration by performing those functions permissible under the New York Land Bank Act.

Legislation that Forms the Statutory Basis of the Corporation

- Section 1600 of the State of New York Not-for-Profit Corporation Law – *Appendix C*
- Intermunicipal Agreement (between County of Erie, The City of Buffalo, The City of Lackawanna, The City of Tonawanda) – *Appendix D*
- Certificate of Resolution (Empire State Development) – *Appendix E*

Bylaws

See Appendix F

Units or Subsidiaries of the Corporation

The Corporation had no units or subsidiaries in fiscal year 2020.

Operations Summary

- An eleven (11) member board governs the Corporation, all board members serve ex officio:
 1. The Commission of Administration and Finance, Policy and Urban Affairs for the City of Buffalo
 2. The Executive Director of Strategic Planning of the City of Buffalo
 3. The Commissioner of Permit and Inspection Services of the City of Buffalo
 4. The Corporation Counsel of the City of Buffalo
 5. The General Manager of the Buffalo Sewer Authority
 6. The Commissioner of Environment and Planning of the County of Erie
 7. The Director of Real Property Services of the County of Erie
 8. The County Attorney of Erie County
 9. The City Assessor of the City of Lackawanna
 10. The City Treasurer of the City of Tonawanda
 11. The Western New York Regional Director of the Empire State Development Corporation
- The City of Buffalo and the County of Erie continued to provide staff support as an in-kind contribution throughout 2020.
- The Erie County Attorney is Counsel to the Corporation; as allowed by the Certificate of Incorporation, the County Attorney continued to assign Assistant County Attorney, Martin Polowy, as a deputy, to advise and represent the Corporation in 2020.
- BENLIC retained the firm of Drescher and Malecki LLP to perform the Corporation's independent audit for fiscal year-ending 2020. The cost for auditor services was paid for by the Corporation. The audited financial statements for fiscal year 2020 are available on the Corporation's website at www.benlic.org.
- BENLIC retained the firm of Lumsden McCormick LLC as fee accountants as of fourth quarter 2018. The firm continued to provide oversight and guidance to the corporation in 2020. The cost for accountant services was paid for by the Corporation.
- There were ten public meetings of the Board of Directors of the Corporation in fiscal year 2020.

2020 Accomplishments

Continued Operations during COVID-19 Pandemic

BENLIC staff were anticipating a good year at the beginning of 2020 in terms of acquisitions and dispositions. In March 2020, New York State closed all non-essential businesses due to the spread of COVID-19. Through the close of non-essential businesses BENLIC continued to operate with staff working remotely. This was challenging because BENLIC had not operated remotely prior to this. Despite the inherent challenges COVID brought our sales and activities were largely continued unharmed. The sales target for 2020 was \$1,500,000 and BENLIC sold \$1,290,713.00 worth of property. The number of acquisitions was significantly lower for 2020 due to moratoriums on foreclosure sales.

Migrating BENLIC Server to the Cloud

The 2019 audit recommended that BENLIC implement a disaster recovery plan for unplanned server interruptions. This recommendation was fortuitous due to the interruptions caused by COVID-19 shutdowns. Since this recommendation was made BENLIC has migrated to a cloud-based server. In 2020, the Corporation started using accounting programs online using Quickbooks and Bill.com etc. to seamlessly track and pay bills remotely. The auditors have noted that our internal controls are strong and financial information much easier to access and work with because of our improvements. These changes has set up BENLIC to be prepared to seamlessly continue work in the case of future interruptions to in office operations.

Continued the Vacant to Value Program

The Corporation implemented a novel property sales program in 2017, the “Development Enforcement Note and Mortgage” Initiative was a best practice developed originally by the Greater Syracuse NY Land Bank. BENLIC renamed the program in 2019 to Vacant to Value Program to better market the program to a wider audience. The goal of the program sales is to sell distressed properties to responsible buyers at minimal costs to the land bank, but to ensure such buyers make substantial improvements to the properties. The improvements needed are dictated by a scope of work developed by BENLIC and the performance of the buyer to make such improvements is secured by a lien recorded by the Corporation in the amount of the work needed for the property. In 2019, BENLIC sold twenty-one (21) Vacant to Value properties. In 2020, we monitored the progress of these Vacant to Value properties. BENLIC sold eight (8) Vacant to Value properties in 2020. Buyers of such properties have been monitored closely as to their improvement work – many have gone above and beyond the minimal scope and none have fallen out of compliance to-date. The Corporation continues to see the success of the program in its impact and flexibility in dealing with returning distressed properties to productive use in future years.

City of Buffalo Property Transfer

In 2020, BENLIC piloted a new acquisition strategy with the City of Buffalo. BENLIC can acquire parcels in a variety of ways, including “transfer to the land bank real property and interests in real property of the municipality on such terms and conditions and according to such procedures as determined by the municipality” as authorized by Article 16 of New York State Not-for-Profit Corporation Law (“The Land Bank Act”). BENLIC and the City of Buffalo developed a Property Disposal Agreement. Properties acquired through this disposal agreement previously had one or more years of delinquent City, Buffalo Sewer Authority, Buffalo Water Board, County property taxes and fees owed by the property owner(s) and/or interest(s). It was therefore appropriate for BENLIC to develop a Proceeds Distribution Policy in this instance where a property(ies) originally acquired through foreclosure and subsequently acquired by the City of Buffalo as the primary FGU is transferred to BENLIC. This new Agreement was especially beneficial to BENLIC to allow it to continue its work in the City of Buffalo during the moratorium on tax foreclosures throughout 2020. The properties acquired using this agreement were the only properties BENLIC acquired in 2020.

Assessment of Tax Delinquency and Foreclosure Eligibility – Erie County, New York Jason Knight

BENLIC engaged local researcher, Jason Knight, Ph.D., AICP, to conduct a five-year quantitative/spatial analysis of tax delinquency throughout Erie County, Buffalo, Lackawanna, and Tonawanda (2014-2018) using data from county liens, Buffalo Foreclosure Auction Data, and Tax Delinquency Lists. The goal of this report was to investigate any trends, patterns, or statistically significant data and provide summary with

recommendations of next steps for BENLIC and partners. The recommendations of this study have been incorporated into BENLIC staff work plan and into organizational strategic planning.

National Fuel Grant – Partnership for Urban Revitalization in Western New York

BENLIC participates in National Fuel’s Partnership for Urban Revitalization in WNY (PUR-WNY). PUR-WNY is a program that gives rebates to stakeholders willing to invest and install efficient space heating and water heating equipment in qualified areas across WNY. BENLIC invests in high efficiency natural gas equipment and provides those benefits to properties undergoing rehab. BENLIC has submitted a total of fourteen (14) projects to National Fuel for grant award consideration. Of the fourteen (14) projects, ten (10) applications were accepted between 2018-2019. The remaining four (4) did not meet specified requirements. National Fuel requires the site to have a National Fuel mainline in the area, be located in a low-income neighborhood, and be without an active gas account for twelve (12) months. In 2020, BENLIC completed two (2) projects under PUR-WNY and received the rebate for those 2019 projects in early 2020 for installing efficient space heating and water heating equipment. The rebate totaled \$10,200.00, or \$5,100.00 for each project. BENLIC anticipates seven (7) more projects under this PUR-WNY to close out in 2020.

Real Estate Committee Charter and Operation

The Corporation maintains a “Property Selection Subcommittee” to assist with reviewing properties submitted for acquisition consideration under the Request for Foreclosure Process (“RFF”). In 2017, the scope and formality of this body was expanded, and a *Real Estate Committee* was formed. Beyond reviewing submissions under the RFF, the Committee continued to assist the Corporation in 2019 by reviewing all potential acquisition and disposition activity, as well as other matters related to property operations. The committee and BENLIC remain making decisions of disposition by following the detailed “guidelines” as a framework to guide the routinely complex disposition situations of the Corporation, maintaining transparency and consistency with a dispositions schedule.

Enterprise Community Partners, INC. - Land Bank Community Revitalization Initiative

In early 2020, BENLIC applied and was awarded the Land Bank Community Revitalization Initiative 4.2 grant through Enterprise Community Partners, Inc. “Round 4.2” of NY Attorney General Grant funds. This grant was developed in recognition that racialized inequity fostered through decades of housing policies, exacerbated by the Great Recession, has disproportionately impacted communities of color, and furthermore, that New York State’s Land Banks were developed to revitalize communities in the wake of the Great Recession, Enterprise believes that Land Banks are positioned to take the lead in the development of solutions for meaningful and intentional change. To build upon this success and, Enterprise will be supporting Land Banks that are integrating a racial equity lens in their work.

These funds are to support and ensure that all New Yorkers, particularly those disproportionately affected by the last decade’s foreclosure crisis, have access to the housing and economic opportunities created by Land Banks. The Corporation was awarded a grant in the amount of \$650,000 in early 2020. This grant will be administered throughout 2020 and 2021 have the following deliverables: abatement and transfer two properties to Habitat for Humanity WNY, rehabilitation of four City of Buffalo properties and a number of community engagement and marketing strategies.

Property Sales

The Corporation recorded a sales figure of \$1,290,713.00 in the disposition of 23 property dispositions.

BENLIC- Community Development Not-for-Profit Partnerships

Throughout 2020, BENLIC participated in Enterprise Community Partner's, in partnership with the New York State Attorney General, Anti-Displacement Learning Network ("ADLN"). Over the course of this two-year grant process, participants receive peer learning opportunities, one-on-one technical support, and up to \$25,000 in funding. The Buffalo ADLN group consisted of four local housing non-profits as well as a community think-tank and two representatives from County and City government. Through this process BENLIC assisted in writing a grant for \$1 million to implement anti-displacement strategies in the City of Buffalo. The Buffalo ADLN group was awarded \$1 million to strengthen the City of Buffalo's work to reduce or prevent displacement in their communities.

Additionally, in 2020 BENLIC continued to grow partnerships. Some of BENLIC's most successful partnerships with not-for-profits were created in 2018. In 2020, BENLIC staff created a non-profit needs assessment to proactively engaged other non-profit partnerships. This needs assessment was used to interview leaders of local housing non-profits and other groups. The goal of the interview was to find common ground in mission and to find ways that BENLIC could either assist in fulfilling their housing missions or offer their service population BENLIC's programs. Our strongest partnership continues to be with Habitat for Humanity Buffalo. BENLIC was able to dispose of three properties to Habitat for Humanity in 2020 that will serve low-income homeowners. BENLIC will continue to build partnerships with organizations serving Erie County to develop creative redevelopment strategies in neighborhoods across Erie County.

Continued Partnership with University at Buffalo

In partnership with the City of Tonawanda, BENLIC identified the vacant lot at 91 Fuller Avenue as a project site due to its strategic location and the project's ability to strengthen a historically healthy, low-moderate income community. BENLIC engaged a senior studio class at SUNY University of Buffalo School of Architecture, led by instructor and architect Bradley Wales to design and prepare full construction drawings of the proposed new home. To ensure public input and support for the initiative, BENLIC and the studio class worked with City of Tonawanda Officials, as well as local residents, to discuss the project and address any potential stakeholder concerns.

Organizational Assessment – Human Resource Consultants, EK Ward & Associates, Report and Action Plan

The BENLIC **Organization Capacity and Growth Assessment (OCGA)** was conducted between March 6, 2018 and September 18, 2018 as an initiative to provide BENLIC's leadership, staff, and Board a means to reflect on the current capacity of BENLIC and how the organization is positioned for further development and growth. The **OCGA** Report is intended to help BENLIC determine its strengths and opportunities for improvement. Based on anonymous responses from BENLIC's leaders, staff and Board members, the report is a snapshot of how the organization is progressing, based on the perception and experiences of insiders. The **OCGA** provides a confirmation of the organization's strengths and suggestions for strengthening its capacities. Also included are suggestions and recommended Year 1 Action Plans for strengthening the organization and growing it to the next level. 2020 represented the second year of implementation of the Action Plan.

The assessment was aimed at informing the development of 3-Year strategically aligned action plans. Development of the action plans is based on the results of the **OCGA** which identifies areas determined to be important strengths, and areas important for capacity building and growth but are in need of additional development and maturity. The results represent baseline information for future comparison.

Organizational Capacity –Program Coordinator Job Opening

Following the recommendations of the OCGA staff developed the job description for a Program Coordinator position. In December 2020, Angelina White, was hired to fill the Program Coordinator position. The **Program Coordinator** position was created to provide comprehensive support to BENLIC's programs across operational, financial and administrative functions as well as tasks related to municipal affairs, fundraising and special projects as they develop.

Administrative Activities

- In March 2020, the Board elected its officers – Chair, Brendan Mehaffy; Vice-Chair, Michael Siragusa; Treasurer, William Reece. Additionally, chairs of Audit and Finance Committee and Governance committees, Donna Estrich and Michael Siragusa respectively, were elected in March 2020.

Fiscal Year 2020 Financial Report

The Public Authority Accountability Act of 2005 (PAAA) as amended in 2009 is designed to ensure greater efficiency and accountability for New York's public authorities. Among the requirements of the PAAA is the preparation of an annual report that is to contain specified information. This section of the Agency Annual Report summarizes the financial information required by the PAAA.

STATEMENTS OF FINANCIAL POSITION

Statements of Financial Position December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,292,977	\$ 1,425,364
Investments	-	1,498,948
Receivables	97,854	63,306
Prepaid expenses	<u>3,508</u>	<u>3,605</u>
Total current assets	<u>3,394,339</u>	<u>2,991,223</u>
Noncurrent assets:		
Security deposit	1,856	1,856
Assets held for sale	<u>1,717,458</u>	<u>2,073,774</u>
Total noncurrent assets	<u>1,719,314</u>	<u>2,075,630</u>
 Total assets	 <u>\$ 5,113,653</u>	 <u>\$ 5,066,853</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Operating accounts payable	\$ 62,011	\$ 57,780
Amounts due to municipalities	467,630	693,265
Accrued liabilities	<u>-</u>	<u>4,839</u>
Total liabilities	<u>529,641</u>	<u>755,884</u>
 Net assets:		
Without donor restrictions	<u>\$ 4,584,012</u>	<u>\$ 4,310,969</u>
Total net assets	<u>4,584,012</u>	<u>4,310,969</u>
 Total liabilities and net assets	 <u>\$ 5,113,653</u>	 <u>\$ 5,066,853</u>

STATEMENTS OF ACTIVITIES

Statement of Activities Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Grant revenue	\$ 1,013,963	\$ 72,400	\$ 1,086,363
Property sales	1,139,079	-	1,139,079
Miscellaneous revenue	1,077	-	1,077
Total revenues	<u>2,154,119</u>	<u>72,400</u>	<u>2,226,519</u>
Net assets released from restrictions:			
Expiration of purpose restrictions	<u>72,400</u>	<u>(72,400)</u>	<u>-</u>
Total revenues and net assets released from restrictions	<u>2,226,519</u>	<u>-</u>	<u>2,226,519</u>
Expenses:			
Cost of sales	1,522,637	-	1,522,637
Salary expenses	322,084	-	322,084
Retirement contributions	21,484	-	21,484
Professional services	43,166	-	43,166
Office expenses	47,839	-	47,839
Other expenses	16,738	-	16,738
Total expenses	<u>1,973,948</u>	<u>-</u>	<u>1,973,948</u>
Change in net assets from operating activities	252,571	-	252,571
Nonoperating activities:			
Interest income	<u>20,472</u>	<u>-</u>	<u>20,472</u>
Total nonoperating activities	<u>20,472</u>	<u>-</u>	<u>20,472</u>
Change in net assets	273,043	-	273,043
Total net assets—beginning	<u>4,310,969</u>	<u>-</u>	<u>4,310,969</u>
Total net assets—ending	<u>\$ 4,584,012</u>	<u>\$ -</u>	<u>\$ 4,584,012</u>

STATEMENTS OF CASH FLOWS

Statements of Cash Flows Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets from operating activities	\$ 252,571	\$ 773,630
Adjustments to reconcile change in net assets from operating activities to net cash provided by operating activities:		
(Increase) in receivables	(34,548)	(63,306)
Decrease in prepaid expenses	97	123
Decrease in assets held for sale	356,316	67,925
Increase (decrease) in operating accounts payable	4,231	(91,915)
(Decrease) increase in amounts due to municipalities	(225,635)	5,892
(Decrease) in accrued liabilities	(4,839)	(18)
(Decrease) in unearned revenue	-	(251,743)
Net cash provided by operating activities	<u>348,193</u>	<u>440,588</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturity (purchase) of investments	1,498,948	(1,499,562)
Interest income	<u>20,472</u>	<u>12,373</u>
Net cash provided by (used for) investing activities	<u>1,519,420</u>	<u>(1,487,189)</u>
Net increase (decrease) in cash and cash equivalents	1,867,613	(1,046,601)
Cash and cash equivalents—beginning	<u>1,425,364</u>	<u>2,471,965</u>
Cash and cash equivalents—ending	<u>\$ 3,292,977</u>	<u>\$ 1,425,364</u>

Financial Plan

See Appendix G

Bonds

The Corporation has issued no bonds.

Grants and Subsidy Programs

The Corporation has no grant and subsidy programs.

Operating and Financial Risks

The Corporation currently has no operating or financial risks.

Long Term Liabilities

The Corporation has no long-term liabilities.

Real Property Schedule

See Appendix H for Annual Property Report FY 2020.

Description of Pending Litigation

The Corporation was not involved as a party to any litigation in fiscal year 2020.

Description of the total amounts of assets, services or both – bought or sold without competitive bidding

See Appendix I – Procurement Report

Investment Report

See Appendix J

Confidential Evaluation of Board Performance

10
Responses

03:34
Average time to complete

Active
Status

1. Board members have a shared understanding of the mission and purpose of the Authority.

● Agree	9
● Somewhat Agree	1
● Neutral	0
● Somewhat Disagree	0
● Disagree	0



2. The policies, practices and decisions of the Board are always consistent with the mission.

● Agree	10
● Somewhat Agree	0
● Neutral	0
● Somewhat Disagree	0
● Disagree	0



3. Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.

● Agree	8
● Somewhat Agree	2
● Neutral	0
● Somewhat Disagree	0
● Disagree	0



4. The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.

● Agree	10
● Somewhat Agree	0
● Neutral	0
● Somewhat Disagree	0
● Disagree	0



5. The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.

● Agree	7
● Somewhat Agree	3
● Neutral	0
● Somewhat Disagree	0
● Disagree	0



6. The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.

● Agree	9
● Somewhat Agree	1
● Neutral	0
● Somewhat Disagree	0
● Disagree	0



7. Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.

● Agree	8
● Somewhat Agree	1
● Neutral	1
● Somewhat Disagree	0
● Disagree	0



8. Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.

Agree	8
Somewhat Agree	2
Neutral	0
Somewhat Disagree	0
Disagree	0



9. The Board meets to review and approval all documents and reports prior to public release and is confident that the information being presented is accurate and complete.

Agree	9
Somewhat Agree	1
Neutral	0
Somewhat Disagree	0
Disagree	0



10. The Board knows of the statutory obligations of the Authority and if the Authority is in compliance with state law.

Agree	8
Somewhat Agree	1
Neutral	0
Somewhat Disagree	0
Disagree	0



11. Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.

Agree	9
Somewhat Agree	0
Neutral	1
Somewhat Disagree	0
Disagree	0



12. Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.

● Agree	7
● Somewhat Agree	1
● Neutral	1
● Somewhat Disagree	1
● Disagree	0



13. Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required

● Agree	8
● Somewhat Agree	2
● Neutral	0
● Somewhat Disagree	0
● Disagree	0



14. The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.

● Agree	7
● Somewhat Agree	3
● Neutral	0
● Somewhat Disagree	0
● Disagree	0



15. The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.

● Agree	7
● Somewhat Agree	3
● Neutral	0
● Somewhat Disagree	0
● Disagree	0



16. Board members demonstrate leadership and vision and work respectfully with each other.

● Agree	9
● Somewhat Agree	1
● Neutral	0
● Somewhat Disagree	0
● Disagree	0



Mission Statement: The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) seeks to confront and alleviate the problems distressed properties cause to communities by supporting municipal and regional revitalization efforts and strategically acquiring, improving, assembling and selling distressed, vacant, abandoned and and/or tax-delinquent properties.

❖ **Return distressed, vacant, abandoned and/or tax-delinquent property to productive use.**

The Corporation obtained and holds clear title on all of its property:

- a. Acquired six (6) tax-delinquent and tax-foreclosed properties using the negotiating powers with the City of Buffalo
 - i. Enterprise Community Partners Inc. granted funds to BENLIC to rehabilitate distressed properties, and additional funding associated with the National Community Stabilization Trust (NCST). NCST is a part of the Bank of America –New York Attorney General Mortgage Fraud Settlement; funding administration, new construction, and rehabilitation activities. The Corporation used these funds to rehabilitate seven (7) single-family, and two (2) new construction of single-family homes as a part of a Pilot Project for urban infill on a vacant lot. The two (2) new construction properties under the Local Initiatives Support Corporation grant funds were resold to low-moderate income buyers.
- b. BENLIC disposed of twenty-three (23) properties during 2020
 - i. The Corporation disposed of twenty-three (23) properties: fourteen (14) residential structures and nine (9) vacant lots. BENLIC sold seven (7) residential structures after performing an “in-house” rehab using grant funds; two (2) new construction residence; Eight (8) “Vacant to Value” residential structures, and five (5) lots to adjacent homeowners or residential property owners.

❖ **Enhance the quality of life within neighborhoods**

- a. The Corporation commenced or continued rehabilitating seven (7) properties. These properties are blighting proximate property and neighborhoods at-large. A property’s rehabilitation will increase its value and improve neighborhood perception. Many of the Corporation’s rehabilitation projects are nestled amongst otherwise properly-maintained properties; it is expected that rehabilitating this sort of property will generate very significant economic and social impacts. In addition, the Corporation began constructing three (3) single family homes on a single vacant lot improving the fabric of a historic neighborhood that has not seen new construction in over twenty (20) years.
- b. Accompanying property acquisitions in 2020 and planned 2020 acquisitions, were adopted municipal resolutions and property applications (including re-use plans)– The Request for Foreclosure process was unsuccessful in 2020 due to the tax foreclosure auction moratorium

due to COVID-19 but the resolutions adopted by the municipalities will be honored in 2021 when the tax foreclosure auction moratorium is lifted.

❖ ***Actualize, stabilize and grow the value of the real property tax base***

- a. Properties undergoing rehabilitation by the Corporation, or otherwise improved, will likely realize an increased assessment. This increase will provide for future growth in the value of the real property tax base.
- b. Disposition guidelines of the Corporation function to responsibly return property to productive use to owners that will improve, maintain, make code-compliant and safe, and keep conveyed property from returning to its formerly distressed, vacant, abandoned and/or tax-delinquent status.

❖ ***Provide economic growth, encourage economic opportunities***

Education and Outreach is conducted continually throughout Erie County during the course of the year. Each town and village in Erie County received an annual notification of properties “ripe” for foreclosure which is interpreted as at least three years behind in tax liens. These properties are considered Land Bank candidates. BENLIC conducts training sessions, presentations, and one on one visits to municipal leaders. These sessions are intended to perform participants as to the benefits of Land Bank participation, the economic opportunities the Land Bank offers, and the value of returning vacant, abandoned structures to productive use.

BENLIC also seeks partnership with qualified not-for-profits with affordable housing missions. In 2020, the Corporation assisted Habitat for Humanity and University District Community Development Corporation (UDCDC) to acquire properties for rehabilitation and resale.

❖ ***Lessen the burden on local government***

- a. The Corporation completely insured and secured its property in its own name.
- b. The Corporation repaid property taxes and foreclosure fees to municipalities.
- c. The Corporation maintained a budget line for demolition in cases where a municipality requested the demolition of a property that fit with the mission of the Corporation.

❖ ***Build organization capacity***

- a. The Corporation maintained capacity throughout 2020. One staff member, Andrea Folgherait, left the organization and the position of Program Coordinator was filled by Angelina White, a University of Buffalo Masters of Urban Planning Candidate.
- b. BENLIC is considering Undergraduate and Graduate Students for Intern opportunities.

APPENDIX C – INTERMUNICIPAL AGREEMENT

INTERMUNICIPAL AGREEMENT

BETWEEN ERIE COUNTY, THE CITY OF BUFFALO, THE CITY OF LACKAWANNA AND THE
CITY OF TONAWANDA

FOR THE CREATION OF THE
BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

(A New York Land Bank)

This Intermunicipal Agreement made and entered into this 29th day of March,

2012 ("Agreement") under the New York Land Bank Act, Article 16 of the New York Not-for-Profit Corporation Law, between ERIE COUNTY (hereinafter the "County") and the CITY OF BUFFALO, (hereinafter "Buffalo"), the CITY OF LACKAWANNA (hereinafter "Lackawanna"), the CITY OF TONAWANDA, (hereinafter "Tonawanda") (hereinafter collectively referred to as the "Parties") for the purpose of establishing and creating the BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION, a type C not-for-profit corporation to administer and implement the purposes and objectives of this Agreement.

RECITALS

WHEREAS, in enacting the New York Land Bank Act as Article 16 of the New York Not-for-Profit Corporation Law (hereinafter the "Land Bank Act"), the Legislature found that there exists in the state of

New York a continuing need to strengthen and revitalize the economy of the state of New York and communities in this state and that it is in the best interests of the state of New York and communities in this state to confront the problems caused by vacant, abandoned and tax delinquent properties through the creation of land banks in a coordinated manner to foster the development of that property and to promote economic growth; and

WHEREAS, Section 1603 of the Land Bank Act permits any or any two or more foreclosing governmental units to enter into an intergovernmental cooperation agreement to establish a land bank; and

WHEREAS, the Parties herein agree that the establishment of a land bank would be beneficial to the Parties and to the citizens of the City of Buffalo, the City of Lackawanna, the City of Tonawanda and the County of Erie; and

WHEREAS, the Parties desire to create the Buffalo Erie Niagara Land Improvement Corporation as a type c not-for-profit corporation to operate as a land bank in accordance with the Land Bank Act and to exercise the powers, duties, functions, and responsibilities of a land bank under the Land Bank Act.

Accordingly, the Parties agree to the following:

ARTICLE I DEFINITIONS

As used in this Agreement the following terms shall have the meanings provided in this Article

Section 1.01. "Board of Directors" or "Board" means the Board of Directors of the Land Bank.

Section 1.02. "Agreement" means this intermunicipal agreement between the Parties.

Section 1.03. "Effective Date" means the date upon which all of the following are satisfied:

- (a) the Agreement is approved by resolution of the Erie County Legislature and signed by the County Executive;
- (b) the Agreement is approved by Ordinance of the Common Council of the City of Buffalo and signed by the Mayor; and
- (c) the Agreement is approved by Ordinance of the Common Council of the City of Lackawanna and signed by the Mayor; and
- (d) the Agreement is approved by Ordinance of the Common Council of the City of Lackawanna and signed by the Mayor; and

(e) the creation of the Buffalo Erie Niagara Land Improvement Corporation is approved by the Empire State Development Corporation in accordance with Section 1603(g) of the Land Bank Act.

Section 1.04. "Fiscal Year" means the fiscal year of the Land Bank, which shall begin on January 1st of each year and end on the following December 31st.

Section 1.05. "Land Bank Act" means Article 16 of the New York Not-for-Profit Corporation Law and as it may be hereafter amended or replaced, subject to the provisions of Section 11.11 of this Agreement.

Section 1.06. "Land Bank" means the type c not-for-profit corporation established pursuant to and in accordance with the provisions of this Agreement and known as the Buffalo Erie Niagara Land Improvement Corporation.

Section 1.07. "Party" or "Parties" means either individually or collectively, as applicable, the County of Erie, City of Buffalo, City of Lackawanna and/or the City of Tonawanda.

Section 1.08. "Person" means an individual, authority, limited liability company, partnership, firm, corporation, organization, association, joint venture, trust, governmental entity, or other legal entity.

Section 1.09. "Quorum" means a majority of the members of the Board, not including vacancies.

Section 1.10. "Real Property" means all lands and the buildings thereon, all things permanently attached to land or to the buildings thereon, and any interest existing in, issuing out of, or dependent upon land or the buildings thereon.

Section 1.11. "Tax Delinquent Property" means real property encumbered by an outstanding tax lien for a delinquent tax as defined in Section 1102 of the New York Real Property Tax Law, the Erie County Tax Act, or such other general, special or local laws as may be applicable to the property tax enforcement procedures of the Parties.

Section 1.12. "State" means the state of New York.

ARTICLE II PURPOSE

Section 2.01. Purpose. The purpose of this Agreement is to create the Buffalo Erie Niagara Land Improvement Corporation to help address the Parties' problems regarding vacant and abandoned property in a coordinated manner and to further foster the development of such property and promote economic growth through the return of vacant, abandoned, and tax- delinquent properties to productive use.

Section 2.02. Powers and Functions. The Buffalo Erie Niagara Land Improvement Corporation shall have all of those powers, duties, functions, and responsibilities authorized pursuant to the Land Bank Act.

ARTICLE III CREATION OF LAND BANK

Section 3.01. Creation and Legal Status of Land Bank. The Land Bank is established pursuant to the Land Bank Act as a type c not-for-profit corporation to be known as the "Buffalo Erie Niagara Land Improvement Corporation".

Section 3.02. By-Laws, and Policies and Procedures. The Board shall adopt by-laws consistent with the provisions of this Agreement and the Land Bank Act within forty-five (45) days of the Effective Date. The Board shall adopt policies and procedures consistent with the provisions of this Agreement and the Land Bank Act within ninety (90) days of the Effective Date.

Section 3.03. Principal Office. The principal office of the Land Bank shall be determined by the Board but shall always be in a location within the geographical boundaries of Erie County.

Section 3.04. Title to Land Bank Assets. All Real Property held in fee by the Land Bank shall be held in its own name.

Section 3.05. Tax-Exempt Status. The Parties intend the activities of the Land Bank to be governmental functions carried out by an instrumentality or political subdivision of the State as described in section 115 of Title 26 of the United States Internal Revenue Code, or any corresponding provisions of any future tax code. The Real Property of the Land Bank and all of the Land Bank's income and operations shall be exempt from all taxation by the State of New York or any of its political subdivisions.

Section 3.06. Extinguishment of Taxes and Assessments. Upon the request of the Land Bank and for the purposes of fostering the goals and objectives of the Land Bank, any Party, at its option and in its discretion and subject to any necessary legal approvals, may extinguish any Real Property Taxes or special assessments levied by that Party against Real Property owned by the Land Bank.

Section 3.07. Compliance with Law. The Land Bank shall comply with all federal, State, and local laws, ordinances, rules, regulations, and orders applicable to this Agreement.

Section 3.08. Relationship of Parties. The Parties agree that the County shall not be responsible, in whole or in part, for the acts of the employees, agents, and servants of Buffalo, Lackawanna or Tonawanda, whether acting separately or in conjunction with the implementation of this Agreement, and that Buffalo, Lackawanna or Tonawanda shall not be responsible, in whole or in part, for the acts of the employees, agents, and servants of the County, whether acting separately or in conjunction with the implementation of this Agreement. The Parties shall only be bound and obligated under this Agreement as expressly agreed to by each Party. The Land Bank shall not obligate Buffalo, Lackawanna or Tonawanda or the County nor shall any obligation of the Land Bank constitute an obligation of Buffalo, Lackawanna or Tonawanda or the County.

Section 3.09. No Third-Party Beneficiaries. Except as otherwise specifically provided, this Agreement does not create, is not intended to create in any non-Party, by implication or otherwise, any direct or indirect benefit, obligation, duty, promise, right to be indemnified (such as contractually, legally, equitably, or by implication), right to be subrogated to any Party's rights under this Agreement, and/or any other right or benefit.

Section 3.10. Additional Parties to Agreement. At any time, subsequent to the Effective Date, the County of Niagara or an additional foreclosing governmental unit located in whole or in part within Erie or Niagara County may become a Party to this Agreement by completing the following requirements:

- (a) approval of the Board as it exists before the addition of the applicable foreclosing governmental unit and execution by the Board chairperson of a signature page annexed hereto;
- (b) approval from Erie County, the City of Buffalo, the City of Lackawanna, and the City of Tonawanda, and other foreclosing governmental units that are signatories to this Agreement before the addition of the additional foreclosing governmental unit;
- (c) adoption of local law, ordinance, or resolution as appropriate to the applicable foreclosing governmental unit; and
- (d) execution by an authorized representative of the applicable foreclosing governmental unit of a signature page annexed hereto.

ARTICLE IV

BOARD, EXECUTIVE DIRECTOR AND STAFF

Section 4.01. Board Composition. The Land Bank shall be governed by a Board of Directors as described in the Certificate of Incorporation. Each member shall serve without compensation. Each member shall continue to serve until the appointment and qualification of his or her successor. Vacancies in the Board occurring otherwise than by expiration of term shall be filled for the unexpired term.

Section 4.02. Initial Members. The first term of the first Board members shall commence on the date of the first Board meeting. The initial Members of the Board of the Land Bank shall be:

1. Brendan R. Mehaffy, Executive Director of Strategic Planning
City of Buffalo
920 City Hall
Buffalo, New York 14202
2. Timothy A. Ball, Corporation Counsel
City of Buffalo
1100 City Hall
Buffalo, NY 14202
3. James Comerford, Jr., Commissioner of Permit and Inspection Services
City of Buffalo
324 City Hall
Buffalo, NY 14202
4. Janet Penksa, Commissioner of Administration, Finance, Policy and Urban Affairs
City of Buffalo
203 City Hall
Buffalo, NY 14202
5. David P. Comerford, General Manager, Buffalo Sewer Authority
City of Buffalo

1038 City Hall
Buffalo, NY 14202

6. Marie R. Whyte, Commissioner of Department of Environment and Planning
Erie County
Edward A. Rath Building
95 Franklin Street, 10th Floor
Buffalo, New York 14202
7. Joseph L. Maciejewski, Director, Department of Real Property Tax Services
Erie County
Edward A. Rath Building
95 Franklin Street, 1st floor, Room 100
Buffalo, New York 14202
8. Michael A. Siragusa, Erie County Attorney
Edward A. Rath Building
Department of Law
95 Franklin Street, Suite 1634
Buffalo, New York 14202
9. Frank E. Krakowski, City Assessor
Lackawanna City Hall
City of Lackawanna
714 Ridge Road
Lackawanna, New York 14218
10. Joseph M. Hogenkamp City Treasurer
City of Tonawanda
City of Tonawanda
200 Niagara Street
Tonawanda, New York 14150
11. Christina Orsi
Empire State Development -
Western New York Regional Director
95 Perry Street Suite 500
Buffalo, New York 14202

The qualifications, manner of appointment, and terms of members of the Board of Directors, after the initial terms, shall be as follows:

1. The Executive Director of Strategic Planning of the City of Buffalo;
2. The Corporation Counsel of the City of Buffalo;
3. The Commissioner of Permit and Inspection Services of the City of Buffalo
4. Commissioner of Administration, Finance, Policy and Urban Affairs for the City of Buffalo;
5. General Manager, Buffalo Sewer Authority;
6. Commissioner of Erie County Department of Environment and Planning;
7. Director, Erie County Department of Real Property Tax Services;
8. The Erie County Attorney (Erie County Department of Law);
9. The City Assessor of the City of Lackawanna;
10. The City Treasurer of the City of Tonawanda
11. Western New York Regional Director, Empire State Development Corporation

Section 4.03 Term of Office. Members of the Board of Directors shall serve by virtue of office and they shall serve so long as he or she shall hold the office.

Section 4.04. Qualifications. All members of the Board of the Land Bank shall be residents of the County of Erie, except such member who serves as an officer of a foreclosing governmental unit located outside of Erie County shall be residents of the County in which the foreclosing governmental unit is located.

Section 4.05. Removal. The Board shall establish rules and requirements relative to the attendance and participation of members in its meetings, regular or special. Such rules and regulations may prescribe a procedure whereby, should any member fail to comply with such

rules and regulations, such member may be disqualified and removed automatically from office by no less than a majority vote of the remaining members of the Board, and that member's position shall be vacant as of the first day of the next calendar month. Any person removed under the provisions of this paragraph shall be ineligible for reappointment to the Board, unless such reappointment is confirmed unanimously by the Board.

Section 4.06. Vacancies. A vacancy among the members of the Board appointed under section 4.01, whether caused by the death, resignation, or removal of a Board member, shall be filled in the same manner as the original appointment for the balance of the unexpired term. Such vacancy shall be filled as soon as practicable.

Section 4.07. Meetings. The Board shall conduct its first meeting no later than thirty

(30) calendar days after the Effective Date. The Board shall meet at least annually and hold such other meetings at the place, date, and time as the Board shall determine.

Section 4.08. Records of Meetings. The Board shall maintain a written record of each meeting. All meetings of the Board shall comply with the provisions of Section 1612(a) of the Land Bank Act and be subject to the New York Open Meetings Law and the New York Freedom of Information Law.

Section 4.09. Quorum and Voting. Presence for both quorum and voting at a Board meeting may include electronic communication by which such member of the Board is both seen and heard by the members of the Board and any members of the public at the meeting. All actions of the Board shall be approved by the

affirmative vote of a majority of the members of the Board present and voting; provided, however, no action of the Board shall be authorized on the following matters unless approved by a majority of the total Board membership:

- (a) Adoption of by-laws and other rules and regulations for conduct of the Land Bank's business;
- (b) Hiring or firing of any employee or contractor of the Land Bank. This function may, by a majority vote of the total Board membership, be delegated to a specific officer or committee of the Land Bank, under such terms and condition, and to the extent, that the Board may specify;
- (c) The incurring of debt;
- (d) Adoption or amendment of the annual budget; and
- (e) Acquisition, sale, lease, encumbrance, or alienation of real property, improvements, or personal property.

Section 4.10. Board Responsibilities. The Board shall have all powers necessary to carry out and effectuate the purposes and provisions of this Agreement and the Land Bank Act, including all of those powers set forth in Section 1607 of the Land Bank Act.

Section 4.11. Fiduciary Duty. The members of the Board are under a fiduciary duty to conduct the activities and affairs of the Land Bank in the best interests of the Land Bank including the safekeeping and use of all Land Bank monies and assets. The members of the Board shall discharge their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

Section 4.12. Compensation. The members of the Board shall serve without compensation. The Board may reimburse any member for expenses actually incurred in the performance of duties on behalf of the Land Bank.

Section 4.13. Executive Director. The Board may select and retain an executive director. An executive director selected and retained by the Board shall administer the Land Bank in accordance with the operating budget adopted by the Board, general policy guidelines established by the Board, other applicable governmental procedures and policies, and this Agreement. The executive director shall be responsible for the day-to-day operations of the Land Bank, the control, management, and oversight of the Land Bank's functions, and supervision of all Land Bank employees. All terms and conditions of the executive director's length of service shall be specified in a written contract between the executive director and the Land Bank. The executive director shall serve at the pleasure of the Board. The Board may delegate to the executive director any powers or duties it considers proper, subject to the constraints of Land Bank Act, and under such terms, conditions and extent that the Board may specify.

Section 4.14. Employees. The Land Bank may employ or otherwise contract for the services of any staff deemed necessary to carry out the duties and responsibilities of the Land Bank. Such staff may be employed

as employees of the Land Bank, or the services of such staff may be retained pursuant to contracts with any Party or other public or private entities.

Section 4.15. Conflicts of Interest. Subject to the provisions of section 1614 of the Land Bank Act, no Member of the Board, or employee of the Land Bank shall acquire any interest, direct or indirect, in Real Property of the Land Bank, in any Real Property to be acquired by the Land Bank, or in any Real Property to be acquired from the Land Bank. No Member of the Board, or employee of the Land Bank shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by the Land Bank. The Board shall establish policies and procedures requiring the disclosure of relationships that may give rise to a conflict of interest and may adopt ethical guidelines for Members of the Board and employees of the Land Bank. The Board shall require that any member of the Board with a direct or indirect interest in any matter before the Board disclose the member's interest to the Board before the Board takes any action on the matter.

ARTICLE V POWERS OF LAND BANK •

Section 5.01. General Powers Under Land Bank Act. The Land Bank shall have all those powers necessary to carry out and effectuate the purposes and provisions of the Land Bank Act including, but not limited to, all those powers specified under Section 1607 of the Land Bank Act, and all those other powers granted to Land Banks pursuant to the Land Bank Act or other statutory authority.

Section 5.02. Purchase of Tax Liens. The Land Bank may acquire liens relative to Tax Delinquent Property in accordance with Section 1616 of the Land Bank Act.

Section 5.03. Execution of Legal Documents Relating to Real Property. The terms of any contract or agreement concerning the sale, lease license, easement, encumbrance, or other alienation of any interest in Real Property, or improvements thereto, or personal property of the Land Bank, shall be approved by the Board. All contracts of the Land Bank shall be executed in the name of the Land Bank.

Section 5.04. Civil Action to Protect Land Bank Real Property. The Land Bank may institute a civil action to prevent, restrain, or enjoin the waste of or unlawful removal of any Real Property held by the Land Bank. The Land Bank may also institute any civil action to protect, clear title to, determine the rights of parties to, remove liens from, or that are otherwise related to the Real Property of the Land Bank.

Section 5.05. Transfer of Interests in Real Property by Land Bank. On terms and conditions, in a manner, and for an amount of consideration the Land Bank considers proper, fair, and reasonable, including for no monetary consideration, the Land Bank may convey, sell, transfer, exchange, lease as lessor, or otherwise dispose of Real Property or rights or interests in Real Property in which the Land Bank holds a legal interest to any public or private Person subject to the Public Authorities Law, and any other statutory requirements.

Section 5.06. Structure of Conveyances. Transactions shall be structured in a manner that permits the Land Bank to enforce contractual agreements, real covenants, and the provisions of any subordinate financing held by the Land Bank pertaining to development and use of the Real Property.

Section 5.07. Disposition of Proceeds. Any proceeds from the sale or transfer of Real Property by the Land Bank shall be retained, expended, or transferred by the Land Bank as determined by the Board in the best interests of the Land Bank and in accordance with the Land Bank Act.

ARTICLE VI RESTRICTIONS ON POWERS

Section 6.01. Eminent Domain Prohibited. The Land Bank shall neither possess nor exercise the power of eminent domain.

Section 6.04. Limitation on Political Activities. The Land Bank shall not spend any public funds on political activities. Subject to the foregoing, this section is not intended to prohibit the Land Bank from engaging in activities authorized by applicable law.

Section 6.05. No Waiver of Governmental Immunity. The Parties agree that no provision of the Agreement is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity provided under any applicable law.

Section 6.06. Non-Discrimination. The Land Bank shall comply with all applicable laws prohibiting discrimination.

Section 6.07. Building and Housing Codes. The Land Bank shall maintain all Real Property held by the Land Bank in accordance with applicable State laws and local codes.

ARTICLE VII

POLICIES FOR ACQUISITION, USE AND DISPOSITION OF PROPERTY

Section 7.01. Compliance with Land Bank Act. In its acquisition and disposition of property, the Land Bank shall be subject to the Land Bank Act.

Section 7.02. Compliance with Municipal Building Codes, Zoning Laws, and Land Use Controls. The Land Bank shall be subject to all applicable city, town and village building codes, zoning laws and land use controls in its use and disposition of real property owned by the Land Bank. The Mayor and the Executive Director of Strategic Planning for the City of Buffalo shall be responsible for confirming that any proposed land banking activity within the City of Buffalo is in accordance with said codes, zoning laws, and land use controls of the City of Buffalo and shall provide written confirmation of such accordance prior to any land banking activity taking place within the City of Buffalo.

Section 7.03. Consultation with Municipalities. The Land Bank shall actively consult with Erie County and the cities, towns and villages of Erie County in respect to the selection of properties to be acquired and policies, plans and procedures to the disposition of such properties.

Section 7.04. Consent of Cities. Recognizing that the Cities of Buffalo, Lackawanna and Tonawanda, as well as the County, possess their own tax liens on real property within their respective territories, the Land Bank will not foreclose on County tax liens or more generally exercise the powers granted by the Land Bank Act for acquisition of property at tax foreclosure sale within foreclosing governmental unit over the written objection of the Mayor of such City.

Section 7.05. Requests for Foreclosure. Any town or village in Erie County may request that (a) the County transfer to the Land Bank the County's tax lien on any tax delinquent real property within such town's or

village's territory and (b) the Land Bank foreclose on such lien, provided that the Land Bank may require as a precondition to such foreclosure that the requesting town or village agree to submit a bid for the property at the foreclosure sale. The Land Bank may accept a deed in lieu of foreclosure on such property; and it may convey the property to the requesting town or village in exchange for payment of the amount of the lien, including interest, costs and penalties.

Section 7.06. Redevelopment Plans. Subject to Sections 7.02 and 7.03 above, and after consultation with the specific municipalities affected, the Board of Directors may adopt redevelopment plans for properties held or to be disposed of by the Land Bank within the respective territories of such municipalities.

Section 7.07. Identification of Funds. Prior to Board action by the Land Bank to acquire property or any property interest, the Land Bank Executive Director shall produce for board review information identifying the funds of the Land Bank or any other funding source that will cover for the carrying and disposition costs associated with the property or property interested proposed for acquisition.

ARTICLE VIII

BOOKS. RECORDS.AND FINANCES

Section 8.01. Land Bank Records. The Land Bank shall keep and maintain at the principal office of the Land Bank all documents and records of the Land Bank. All records of the Land Bank subject to any claimed privilege shall be made available to either Party, including the Erie County Comptroller. The records and documents shall be maintained until the termination of this Agreement and shall be delivered to any successor entity.

Section 8.02. Financial Statements and Reports. The Land Bank shall cause to be prepared, at the Land Bank's expense, audited financial statements (balance sheet, statement of revenue and expense, statement of cash flows, and changes in fund balance) on an annual basis. Such financial statements shall be prepared in accordance with generally accepted accounting principles and accompanied by a written opinion of an independent certified public accounting firm. The Land Bank shall be subject to audit by the office of the state comptroller in accordance with Section 1603(h) of the Land Bank Act.

Section 8.03. Annual Budget. The executive director, or other individual designated by the Board, shall prepare annually a budget for the Land Bank. The Board shall review and approve a budget for the Land Bank immediately preceding each Fiscal Year.

Section 8.04. Deposits and Investments. The Land Bank shall deposit and invest funds of the Land Bank, not otherwise employed in carrying out the purposes of the Land Bank, in accordance with an investment policy established by the Board consistent with laws and regulations regarding investment of Land Bank funds.

Section 8.05. Disbursements. Disbursements of funds shall be in accordance with guidelines established by the Board.

Section 8.06. Performance Objectives. Each Fiscal Year, the executive director, or other individual designated by the Board, shall prepare, for review and approval by the Board, objectives for the Land Bank's performance.

Section 8.07. Real Property Inventory Records. The Land Bank shall inventory all Real property owned, held, or disposed of by the Land Bank. The inventory shall be maintained as a public record and shall be available in accordance with Sections 1608(h) and (i), and Sections 1609(b) of the Land Bank Act.

ARTICLE IX FUNDING AND EXPENDITURES

Section 9.01. Budget Contributions. While under no obligation, the Parties may contribute to the annual Land Bank budget in such manner as approved by the Party or Parties.

Section 9.02. Issuance of Bonds. The Land bank may issue, sell, and deliver bonds in accordance with the provisions of Section 1611 of the Land Bank Act.

Section 9.02. Tax Allocation. Upon the adoption of a resolution by the County Legislature and I or the adoption of an ordinance by the Common Council of a City which is a party hereto, either party, or both parties collectively may provide for Fifty (50) percent of that Party's real property taxes collected on any specific parcel of real property identified in such resolution or ordinance (or both) to be remitted to the Land Bank for a period of five (5) years in accordance with the provisions of Section 1610(c) of the land Bank Act.

Section 9.03. Management of Funds. The Land Bank, shall designate a fiscal agent of the Land Bank to manage sales proceeds, monetary contributions made by the Parties', and other Land Bank funds. Standard accounting procedures shall be used in the management of Land Bank accounts.

Section 9.04. Authorized Expenditures. The Land Bank shall in its sole discretion and within its budget expend such funds as necessary to carry out the powers, duties, functions, and responsibilities of a land bank under the Land Bank Act consistent with this Agreement, and State law.

ARTICLE X DURATION OF AGREEMENT

Section 10.01. Duration. This Agreement shall commence on the Effective date and shall remain in full force and effect for a period of five years. This Agreement shall thereafter be automatically renewed for successive five-year periods until withdrawal of one of the parties in accordance with section 10.02 or dissolution of the Land Bank in accordance with the provisions of Section 10.03.

Section 10.02. Withdrawal by Party. Either Party may withdraw from this Agreement upon six (6) months' notice to the other Party, and to the Land Bank. The withdrawing Party shall have no rights to funds or other assets of the Land Bank. If at the time of withdrawal, the requirements of the Land Bank Act provide that some Real Property of the Land Bank be liquidated, any sums received from the sale of such properties shall

remain the funds of the Land Bank. Upon the withdrawal of any Party to this Agreement, the provisions of this Agreement shall remain in force for any remaining Parties to the Agreement.

Section 10.03. Dissolution. The Land Bank may only be dissolved pursuant to the requirements of Section 1613 of the Land Bank Act.

ARTICLE XI MISCELLANEOUS

Section 11.01. Notices. Any and all correspondence or notices required, permitted, or provided for under this Agreement to be delivered to any Party shall be sent to that Party via certified mail, return receipt requested, and by regular US mail. All correspondence shall be considered delivered to a Party as of the date that such notice is deposited with sufficient postage with the United States Postal Service. All such written notices, including any notice of withdrawal under Article IX, shall be sent to the Parties the addresses below, or any subsequent address provided by either Party:

To: Erie County

To: City of Buffalo

Office of the County Executive Attn: County Executive
Edward A. Rath County Office Building
95 Franklin Street, 16th Floor
Buffalo, New York 14202

With a copy to:
County Attorney
Erie County Department of Law
95 Franklin Street, Suite 1634
Buffalo, New York 14202

Office of the Mayor Attn: Mayor
201 City Hall
Buffalo, New York 14202

With a copy to:
Corporation Counsel
1100 City Hall
Buffalo, New York 14202

City of Buffalo Office of City Clerk
1308 City Hall
Buffalo, New York 14202

To: City of Lackawanna

To: City of Tonawanda

Office of the Mayor Attn: Mayor
714 Ridge Road
Lackawanna, New York 14218

Office of the Mayor Attn: Mayor
200 Niagara Street Tonawanda, New York 14150

With a copy to:
Lackawanna City Attorney
714 Ridge Road
Lackawanna, New York, 14218

With a copy to:
Tonawanda City Attorney
200 Niagara Street
Tonawanda, New York 14150

Section 11.02. Entire Agreement. This Agreement sets forth the entire Agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter of this Agreement. It is further understood and agreed that the terms and conditions of this Agreement are contractual and are not a mere recital and that there are no other contracts, understandings, or representations between the Parties in any way related to the subject matter of this Agreement, except as expressly stated in this Agreement.

Section 11.03. Interpretation of Agreement. The Parties intend that this Agreement shall be construed liberally to effectuate the intent and purposes of this Agreement and the legislative intent and purposes of the Land Bank Act as complete and independent authorization for the performance of each and every act and thing authorized by this Agreement and the Land Bank Act. All powers granted to the Land Bank under this Agreement and the Land Bank Act shall be broadly interpreted to effectuate the intent and purposes and not as a limitation of powers.

Section 11.04. Severability of Provisions. If any provision of this Agreement, or its application to any Person, Party, or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to other Persons, Parties, or circumstances is not affected but will be enforced to the extent permitted by law.

Section 11.05. Governing Law. This Agreement is made and entered into in the State of New York and shall in all respects be interpreted, enforced, and governed under the laws of the State of New York without regard to the doctrines of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its plain and fair meaning, and not construed strictly for or against any Party.

Section 11.06. Captions and Headings. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning or to be interpreted as part of this Agreement.

Section 11.07. Terminology. All terms and words used in this Agreement, regardless of the number or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

Section 11.08. Cross-References. References in this Agreement to any article include all sections, subsections, and paragraphs in the article, unless specifically noted otherwise. References in this Agreement to any section include all subsections and paragraphs in the section.

Section 11.09. Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation, or implementation of the terms, covenants, or conditions of this Agreement, the matter under dispute, unless resolved between the Parties, shall be submitted to the courts of Erie County.

Section 11.10. Amendments to Agreement. This Agreement may be amended or an alternative form of this Agreement adopted only upon written amendment approved by all Parties.

Section 11.11. Amendments to Land Bank Act. The Land Bank shall have any powers authorized pursuant to any amendments, replacements, or substitutions to the Land Bank Act, unless the Agreement is amended by the Parties to provide otherwise.

Section 11.12. Certificate of Incorporation. The Certificate of Incorporation of the BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION are attached to this

Agreement as Exhibit "A" and incorporated herein by reference.

Section 11.13. Effective Date. This Agreement shall become effective as of the Effective Date as that term is defined in Section 1.03. of this Agreement.

BY-LAWS OF
BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

ARTICLE I – PURPOSES AND POWERS

The purposes of the Corporation shall be as set forth in the Certificate of Incorporation. The Corporation shall have all of the powers and shall be subject to all of the duties provided by the Land Bank Act (Article 16 of the Not-for-Profit Corporation Law) and all other applicable laws and to the terms and conditions of any applicable Intergovernmental Cooperative Agreement.

ARTICLE II – OFFICES

The principal office of the Corporation shall be at the Brisbane Building, 403 Main St, Buffalo, New York 14203.

ARTICLE III – MEMBERS

Section 1. Members.

The Members of the Corporation shall be the County Executive of Erie County and the Mayor of the City of Buffalo.

Section 2. Meetings of Members.

Meetings of the Members may be called as provided in the Not-for-Profit Corporation Law or upon agreement by the Members.

Section 3. Quorum and Action by Members.

Except as otherwise expressly provided by these By-Laws in respect to the appointment of Directors, both Members must be present in person or by proxy to constitute a quorum for the transaction of any business, and the affirmative vote of both Members, in person, by proxy, or by written consent, shall be required to take any action under this chapter. Action may be taken by the Members without a meeting on written consent, setting forth the action so taken, signed by all of the members entitled to vote thereon. Each such consent shall be filed with the Clerk of the Erie County Legislature and the Clerks of the Cities of Buffalo, Lackawanna and Tonawanda, as well as with the minutes of the Corporation.

Section 4. Proxies.

Each member entitled to vote at a meeting of Members or to the express consent or dissent without a meeting may authorize another person or persons to act for him by proxy.

ARTICLE IV – DIRECTORS Section 1. Management of the Corporation.

The Corporation shall be managed by the Board of Directors, which shall consist of an odd number of not less than five or more than eleven directors. [§1603(a)(2)]

Section 2. No Compensation, Reimbursement for Expenses.

Board members shall serve without compensation. The Board may reimburse any member for expenses actually incurred in the performance of duties on behalf of the Corporation. [§1605(g)]

Section 3. Appointment of Directors.

The Board of Directors shall be constituted of eleven directors, as follows:

1. The Commissioner of Administration and Finance, Policy and Urban Affairs for the City of Buffalo
2. The Executive Director of Strategic Planning of the City of Buffalo
3. The Commissioner of Permit and Inspection Services of the City of Buffalo
4. The Corporation Counsel of the City of Buffalo
5. The General Manager of the Buffalo Sewer Authority
6. The Commissioner of Environment and Planning of the County of Erie
7. The Director of Real Property Services of the County of Erie
8. The County Attorney of Erie County
9. The City Assessor of the City of Lackawanna
10. The City Treasurer of the City of Tonawanda
11. The Western New York Regional Director of the Empire State Development Corporation

Section 4. Service by Public Officers and Employees as Directors.

Any public officer shall be eligible to serve as a Director and the acceptance of the appointment shall neither terminate nor impair such public office. Any municipal employee or appointed officer shall be eligible to serve as a Director. [§1605(c)]

Section 5. Removal of Directors.

The Board shall establish rules and requirements relative to the attendance and participation of members in its meetings, regular or special. Such rules and regulations may prescribe a procedure whereby, should any member fail to comply with such rules and regulations, such member may be disqualified and removed automatically from office by no less than a majority vote of the remaining members of the Board, and that member's position shall be vacant as of the first day of the next calendar month. Any person removed under

the provisions of this paragraph shall be ineligible for reappointment to the Board, unless such reappointment is confirmed unanimously by the Board. [§1605(e)]

Section 6. Vacancies.

A vacancy on the Board shall be filled in the same manner as the original appointment. [§1605(f)]

Section 7. Action of the Board.

(a) A majority of the members of the Board, not including vacancies, shall constitute a quorum for the conduct of business. All actions of the Board shall be approved by the affirmative vote of a majority of the members of that Board present and voting; provided, however, no action of the Board shall be authorized on the following matters unless approved by a majority of the total Board membership:

- (1) adoption of by-laws and other rules and regulations for conduct of the Corporation's business;
- (2) hiring or firing of any employee or contractor of the Corporation. This function may, by majority vote of the total Board membership, be delegated to a specified officer or committee of the Corporation, under such terms and conditions, and to the extent, that the Board may specify;
- (3) the incurring of debt;
- (4) adoption or amendment of the annual budget; and
- (5) acquisition, sale, lease, encumbrance, or alienation of real property, improvements, or personal property.

[§1605(i)]

(b) Any one or more members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. [§708(c)]

(c) Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consent thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee. [§708(b)]

Section 8. Meetings.

The Board shall meet in regular session according to a schedule adopted by the Board, and also shall meet in special session as conveyed by the Chairman or upon written notice signed by a majority of the Members. [§1605(h)]

Section 9. Compliance with Open Meetings Law and Freedom of Information Law. The Board and the Corporation shall comply with the provisions of the New York Open Meetings Law and the New York Freedom of Information Law.

ARTICLE V – OFFICERS AND STAFF

Section 1. Officers.

The members of the Board of Directors shall select annually from among themselves a Chairman, a Vice-Chairman, a Treasurer, and such other officers as the Board may determine, and shall establish their duties as may be regulated by rules adopted by the

Board. [§1605(c)]

Section 2. Administrative Organization.

The Board may organize and reorganize the executive, administrative, clerical, and other departments of the Corporation and to fix the duties, powers, and compensation of all employees, agents, and consultants of the Corporation. [§1605(g)]

Section 3. Counsel and Staff.

The County Attorney shall serve as Counsel to the Corporation and may assign deputies or assistants to advise and represent the Corporation. The Corporation may employ a secretary, an executive director, and such technical experts, and such other agents and employees, permanent or temporary, as it may require, and may determine the qualifications and fix the compensation and benefits of such persons. The Corporation may also enter into contracts and agreements with municipalities for staffing services to be provided to the Corporation by municipalities or agencies or departments thereof, or for the Corporation to provide such staffing services to municipalities or agencies or departments thereof. [§1606]

Section 4. Signing of Checks.

The Executive Director is authorized to issue and sign checks or otherwise authorize electronic payments to pay corporate obligations up to \$5,000.00 incurred in the ordinary course of business. The Executive Director, Chair, Vice Chairman and Treasurer are authorized to issue and sign (two (2) signatures required) checks to pay corporate obligations of \$5,000.00 or greater. The Board of Directors may adopt such resolutions as may be appropriate to authorize one or more officers or the Executive Director to sign, without requiring any other signature, payroll checks and to authorize the officers to open checking accounts and to issue and sign checks without reference in such resolutions to the purposes of such accounts and checks.

ARTICLE VI

POLICIES FOR ACQUISITION, USE AND DISPOSITION OF PROPERTY

Section 1. Compliance with Land Bank Act.

In its acquisition and disposition of property, the Corporation shall be subject to Article 16 of the Not-for-Profit Corporation Law (the Land Bank Act).

Section 2. Compliance with Municipal Building Codes, Zoning Laws, and Land Use Controls and Intergovernmental Agreements.

The Corporation shall be subject to all applicable city, town and village building codes, zoning laws and land use controls in its use and disposition of real property owned by the Corporation, and to the terms and conditions of any applicable Intergovernmental Cooperative Agreement. The Mayor and the Executive Director of Strategic Planning for the City of Buffalo shall be responsible for confirming that any proposed land banking activity within the City of Buffalo is in accordance with said codes, zoning laws, and land use controls of the City of Buffalo and shall provide written confirmation of such accordance prior to any land banking activity taking place.

Section 3. Consultation with Municipalities.

The Corporation shall actively consult with Erie County and the cities, towns and villages of Erie County in respect to the selection of properties to be acquired and policies, plans and procedures to the disposition of such properties.

Section 4. Consent of Cities.

Recognizing that the Cities of Buffalo, Lackawanna and Tonawanda, as well as the County, possess their own tax liens on real property within their respective territories, the Corporation will not foreclosure on County tax liens or more generally exercise the powers granted by the Land Bank Act for acquisition of property at tax foreclosure sale within a City over the written objection of the Mayor of such City.

Section 5. Requests for Foreclosure.

Any town or village in Erie County may request that (a) the County transfer to the Corporation the County's tax lien on any tax delinquent real property within such town's or village's territory and (b) the Corporation foreclose on such lien, provided that the Corporation may require as a precondition to such foreclosure that the requesting town or village agree to submit a bid for the property at the foreclosure sale. The Corporation may accept a deed in lieu of foreclosure on such property; and it may convey the property to the requesting town or village in exchange for payment of the amount of the lien, including interest, costs and penalties.

Section 6. Redevelopment Plans.

Subject to Sections 2 and 3 above, and after consultation with the specific municipalities affected, the Board of Directors may adopt redevelopment plans for properties held or to be disposed of by the Corporation within the respective territories of such municipalities.

ARTICLE VII – INDEMNIFICATION

The Corporation shall indemnify any person made, or threatened to be made, a party to

an action or proceeding by reason of the fact that such person or his testator or intestate is or was a director or officer of the Corporation, or (to the extent not indemnified thereby) served any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise at the request of the Corporation in the capacity of officer or director in the case of actions in the right of the Corporation and in any capacity in the case of all other actions, against judgments, fines, amounts paid in settlement, and reasonable expenses, including

attorneys' fees, in the manner and to the full extent allowed by the Not-for-Profit Corporation Law, provided that no such indemnification shall be required with respect to any settlement or other non-adjudicated disposition of any threatened or pending action or proceeding unless the Corporation has given its prior consent to such settlement or other disposition. The Corporation is authorized to the full extent allowed by the Not-for-Profit Corporation Law to purchase and maintain insurance to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors and officers under the provisions of the Not-for-Profit Corporation Law, to indemnify directors and officers in instances in which they may be indemnified by the Corporation under the provisions of the Not-for-Profit Corporation Law, and to indemnify the directors and officers in instances in which they may not otherwise be indemnified under the provisions of the Not-for Profit Corporation Law. [§§722, 723]

ARTICLE VIII – FISCAL YEAR

The fiscal year of the Corporation shall start January 1 and expire December 31.

ARTICLE IX – CONSTRUCTION

If there be any conflict between the provisions of the Certificate of Incorporation and these By-Laws, the provisions of the Certificate of Incorporation shall govern. Except for Article VI, §4, nothing in these By-Laws shall be construed to limit the powers or duties conferred upon the Corporation by the Land Bank Act (Article 16 of the New York Not-for Profit Corporation Law) or any other applicable provision of law.

ARTICLE X – AMENDMENT

These By-Laws may be amended by the affirmative vote of at least a majority of the entire Board of Directors.

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

Code of Ethics and Conflict of Interest Policy

This Code of Ethics shall apply to all directors, officers and employees of the Corporation. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Corporation's directors and employees and to preserve public confidence in the Corporation's mission.

Responsibility of Directors and Employees

1. Directors, officers and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
2. Directors, officers and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
3. Directors, officers and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Corporation.
4. Directors, officers and employees shall not use or attempt to use their official position with the Corporation to secure unwarranted privileges for themselves, members of their family or others, including employment with the Corporation or contracts for materials or services with the Corporation.
5. Directors, officers and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
6. Directors, officers and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.
7. Directors, officers and employees shall manage all matters within the scope of the Corporation's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the Corporation without bias and shall support the Corporation's mission to the fullest.
8. Directors, officers and employees shall not use Corporation property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their

official duties in a manner inconsistent with State or local law or policy and the Corporation's mission and goals.

9. Directors, officers and employees are prohibited from appearing or practicing before the Corporation for two (2) years following employment with the Corporation, consistent with the provisions of Public Officers Law.

10. No director, officer or employee of the Corporation shall acquire any interest, direct or indirect, in real property of the Corporation, in any real property to be acquired by the Corporation or in any real property to be acquired from the Corporation. No director, officer or employee of the Corporation shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by the Corporation. The board may adopt supplemental rules and regulations addressing potential conflicts of interest and ethical guidelines for directors, officers and employees. [LBA § 1614]

11. Each director, officer or employee who is a municipal officer or employee shall promptly make written disclosure of his or her position in the Corporation to his or her municipal supervisor and governing body in accordance with Section 803 of the General Municipal Law.

12. Each director shall, upon appointment, sign an acknowledgment of fiduciary duty in the form promulgated by the New York State Authorities Budget Office.

13. Each director, officer, and key employee as indicated by the Chairman shall annually file with the Chairman a statement disclosing real estate in Erie County in which he or she or a member of his or her household or a close relative (not including relatives more remote than first cousins) has a financial interest, and any other interest requiring transactional disclosure and recusal under paragraph 14 below.

14. Transactional disclosure and recusal. A Corporation officer or employee shall not use his or her official position or office, or take or fail to take any action, in a manner which he or she knows or has reason to know may result in a personal financial benefit for any of the following persons:

- (a) the Corporation officer or employee;
- (b) his or her outside employer or business;
- (c) a member of his or household;
- (d) a customer or client;
- (e) a close relative (not including relatives more remote than first cousins);
- (f) a person from whom the officer or employee has received election campaign contributions of more than \$1000 in the aggregate during the past twelve months.

A director, officer or employee shall promptly recuse himself or herself from acting on a matter before the municipality when acting on the matter, or failing to act on the matter, may financially benefit any of the persons listed above.

Whenever a director, officer or employee is required to recuse himself or herself under this code of ethics, he or she

- (i) shall promptly inform his or her superior, if any,
- (ii) shall promptly file with the Chairman a signed statement disclosing the nature and extent of the prohibited action or, if a director shall state that information upon the minutes of the board, and
- (iii) shall immediately refrain from participating further in the matter.

15. Exclusions. A director, officer or employee of the Corporation who is a municipal officer or employee shall not be deemed to have a prohibited interest or be required to recuse him or herself from any transaction by reason of any interest of his or her municipality in a contract or transaction with the Corporation. Nor shall recusal be required as a result of an action specifically authorized by statute, rule, or regulation of the State of New York or of the United States or a ministerial act.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors, officers and employees upon commencement of employment or appointment and shall be reviewed annually by the Audit Committee.

The board may designate an Ethics Officer, who shall report to the board and shall have the following duties:

- Counsel in confidence Corporation directors, officers and employees who seek advice about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the Executive Director or the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

Penalties

In addition to any penalty contained in any other provision of law, a Corporation director, officer or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Employees, officers and directors are required to report possible unethical behavior by a director, officer or employee of the Corporation to the Ethics Officer. Employees, officers and directors may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Corporation.

Voidability of Contracts and Transactions

No contract or other transaction between the Corporation and any other entity shall be void or voidable by reason of any conflict of interest or breach of this Code of Ethics except as provided by Section 715 of the Not-for-profit Corporation Law.

APPENDIX F – FINANCIAL PLAN

PARIS
Public Authorities Reporting Information System

Budget Report for Buffalo Erie Niagara Land Improvement Corporation
Fiscal Year Ending: 12/31/2021

Run Date: 11/02/2020
Status: CERTIFIED
Certified Date: 11/02/2020

<u>Budget & Financial Plan</u>		<u>Budgeted Revenues, Expenditures, And Changes in Current Net Assets</u>					
		Last Year (Actual) 2019	Current Year (Estimated) 2020	Next Year (Adopted) 2021	Proposed 2022	Proposed 2023	Proposed 2024
REVENUE & FINANCIAL SOURCES							
Operating Revenues							
	Charges For Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rentals & Financing Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Operating Revenues	\$1,771,905.00	\$1,554,556.00	\$2,300,000.00	\$1,500,000.00	\$1,500,000.00	\$1,750,000.00
Non-Operating Revenues							
	Investment Earnings	\$11,750.00	\$21,200.00	\$2,000.00	\$3,750.00	\$0,750.00	\$10,000.00
	State Subsidies / Grants	\$002,153.00	\$002,084.00	\$050,000.00	\$0.00	\$0.00	\$0.00
	Federal Subsidies / Grants	\$0.00	\$77,432.00	\$0.00	\$0.00	\$0.00	\$0.00
	Municipal Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Authority Subsidies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Non-Operating Revenues	\$100,815.00	\$4,103.00	\$20,000.00	\$20,000.00	\$20,000.00	\$0.00
	Proceeds From The Issuance Of Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Revenues & Financing Sources	\$2,885,832.00	\$2,620,095.00	\$2,972,000.00	\$1,523,750.00	\$1,526,750.00	\$1,780,000.00
EXPENDITURES							
Operating Expenditures							
	Salaries And Wages	\$281,505.00	\$253,000.00	\$285,000.00	\$203,550.00	\$302,357.00	\$311,427.00
	Other Employee Benefits	\$24,807.00	\$03,084.00	\$77,000.00	\$70,280.00	\$81,020.00	\$84,048.00
	Professional Services Contracts	\$40,383.00	\$34,700.00	\$00,000.00	\$01,800.00	\$03,054.00	\$05,504.00
	Supplies And Materials	\$47,527.00	\$51,042.00	\$03,350.00	\$05,251.00	\$07,208.00	\$00,224.00
	Other Operating Expenditures	\$1,077,772.00	\$1,785,300.00	\$2,030,000.00	\$1,030,000.00	\$1,030,000.00	\$1,280,000.00
Non-Operating Expenditures							
	Payment Of Principal On Bonds And Financing Arrangements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Interest And Other Financing Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Capital Asset Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Grants And Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Non-Operating Expenditures	\$10,180.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Expenditures	\$2,100,243.00	\$2,219,081.00	\$2,515,350.00	\$1,529,881.00	\$1,544,848.00	\$1,810,283.00
	Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Excess (Deficiency) Of Revenues And Capital Contributions Over Expenditures	\$785,389.00	\$401,034.00	\$456,650.00	(\$8,131.00)	(\$18,098.00)	(\$50,283.00)

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

ANNUAL PROPERTY REPORT – FY 2020

PBA § 2896 3. a. Each public authority shall publish, not less frequently than annually, a report listing all real property of the public authority. Such report shall include a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the public authority and the name of the purchaser for all such property sold by the public authority during such period.

Acquired 2020

- 1.) 385 Marilla Street, Buffalo, NY 14220
SBL#: 133.70-2-10
Property Class Code: 210
- 2.) 102 Humason Avenue, Buffalo, NY 14211
SBL#: 101.35-5-31
Property Class Code: 210
- 3.) 109 Humason Avenue, Buffalo, NY 14211
SBL#: 101.35-6-6
Property Class Code: 210
- 4.) 22 Bogardus Street, Buffalo, NY 14206
SBL#: 112.49-1-58
Property Class Code: 210
- 5.) 172 Garner Avenue, Buffalo, NY 14213
SBL#: 88.75-2-30
Property Class Code: 210
- 6.) 146 Royal Avenue, Buffalo, NY 14207
SBL#: 77.49-6-41
Property Class Code: 220

Disposed 2020

- 1.) 166 Straley Avenue, Cheektowaga NY 14211
SBL#: 102.37-2-13
Property Class Code: 311
Date Disposed: 1/10/2020
Purchaser: Diana Parnitzke
Price Received: \$500.00

- 2.) 66 Burch Avenue, West Seneca NY 14210
SBL#: 133.35-1-33
Property Class Code: 210
Date Disposed: 2/5/2020
Purchaser: Elizabeth A. Komoroske
Price Received: \$125,000.00
- 3.) 315 Kennedy Avenue, Evans NY 14006
SBL#: 250.10-3-20.1
Property Class Code: 210
Date Disposed: 2/10/2020
Purchaser: Jon C. Driscoll
Price Received: \$10,000.00
- 4.) 36 Longnecker Street, Buffalo NY 14206
SBL#: 112.57-2-19.111
Property Class Code: 210
Date Disposed: 3/2/2020
Purchaser: Jennifer and Alexis Quinones
Price Received: \$153,700.00 \$145,000.00 Net
- 5.) 34 Longnecker Street, Buffalo NY 14206
SBL#: 133.35-1-33
Property Class Code: 210
Date Disposed: 3/2/2020
Purchaser: Rachael O'Sullivan
Price Received: \$135,000.00
- 6.) 95 Pinehurst Avenue, Cheektowaga NY 14225
SBL#: 91.19-3-43
Property Class Code: 311
Date Disposed: 3/3/2020
Purchaser: Habitat for Humanity Buffalo
Price Received: \$3,000.00
- 7.) 0 Carol Drive, Cheektowaga NY 14225
SBL#: 90.68-5-3.1
Property Class Code: 311
Date Disposed: 3/3/2020
Purchaser: Habitat for Humanity Buffalo
Price Received: \$3,000.00
- 8.) 51 East End Avenue, Cheektowaga NY 14225
SBL#: 90.84-1-18
Property Class Code: 311
Date Disposed: 3/3/2020
Purchaser: Habitat for Humanity Buffalo
Price Received: \$3,000.00

- 9.) 449 Dawn Avenue, Evans NY 14006
SBL#: 250.15-2-42.1
Property Class Code: 210
Date Disposed: 3/19/2020
Purchaser: Home Sweet Homez LLC.
Price Received: \$22,500.00
- 10.) 0 B Street, Depew NY 14043
SBL#: 103.76-2-17
Property Class Code: 311
Date Disposed: 4/20/2020
Purchaser: Mark Kolkiewicz
Price Received: \$6,500.00
- 11.) 77/75 East End Avenue, Cheektowaga NY 14210
SBL#: 90.84-1-26/90.84-1-25
Property Class Code: 210/311
Date Disposed: 4/23/2020
Purchaser: Gary Johnson
Price Received: \$89,000.00
- 12.) 140 Toelsin Road, Cheektowaga NY 14225
SBL#: 91.18-7-13
Property Class Code: 210
Date Disposed: 4/30/2020
Purchaser: Katherine Kishbaugh
Price Received: \$118,000.00
- 13.) 2868 Main Street, Buffalo NY 14214
SBL#: 79.69-3-9
Property Class Code: 311
Date Disposed: 5/15/2020
Purchaser: Nicolas Giambra
Price Received: \$150,000.00
- 14.) 31 Pearl Street, Lancaster NY 14086
SBL#: 104.15-9-11
Property Class Code: 311
Date Disposed: 7/28/2020
Purchaser: Sandra Rusniek
Price Received: \$1,100.00
- 15.) 28 Hinchey Avenue, Lancaster NY 14086
SBL#: 104.11-5-14
Property Class Code: 210
Date Disposed: 8/12/2020
Purchaser: Divert Properties LLC.
Price Received: \$20,100.00

- 16.) 29 High Street, Angola NY 14006
SBL#: 235.15-5-19
Property Class Code: 210
Date Disposed: 8/19/2020
Purchaser: Mark Mazur and Clair Montroy
Price Received: \$20,000.00
- 17.) 16 Strawn Avenue, Sloan NY 14206
SBL#: 113.53-1-17
Property Class Code: 210
Date Disposed: 9/3/2020
Purchaser: Kyle Kolletz
Price Received: \$25,813.00
- 18.) 97 Reo Avenue, Cheektowaga NY 14211
SBL#: 102.45-5-31
Property Class Code: 210
Date Disposed: 9/14/2020
Purchaser: George and Nangie Alexander
Price Received: \$155,500.00
- 19.) 0 Kennedy Avenue, Evans NY 14006
SBL#: 250.12-8-15
Property Class Code: 311
Date Disposed: 9/17/2020
Purchaser: David Gardner
Price Received: \$1,000.00
- 20.) 531A Herr Avenue, Evans NY 14210
SBL#: 250.08-5-41.1
Property Class Code: 210
Date Disposed: 9/24/2020
Purchaser: David and Linda Lathrop
Price Received: \$21,000.00
- 21.) 34 Wanakah Heights, Hamburg NY 14075
SBL#: 250.10-3-20.1
Property Class Code: 210
Date Disposed: 12/10/2020
Purchaser: Ashlee Newcomb
Price Received: \$110,000.00
- 22.) 2 Redwood Drive, Evans NY 14225
SBL#: 91.14-10-13
Property Class Code: 210
Date Disposed: 12/12/2020
Purchaser: D'Juan Washington
Price Received: \$118,000.00

APPENDIX H – PROCUREMENT REPORT FY 2020

* Vendor Name	* Procurement Description	* Type of Procurement	* Award Process	Award Date
Aurora Window Systems and Contracting	Rehabilitation Project	Design and Construction/M: Authority Contract - Con		5/21/2020
Buocilli Renovations, LLC	Renovation Project - 53 John Brian	Design and Construction/M: Authority Contract - Con		10/15/2020
Buocilli Renovations, LLC	Renovation Project - 117 Dupont	Design and Construction/M: Authority Contract - Con		10/15/2020
Build Macacluso, Inc.	New Construction - 91 Fuller	Design and Construction/M: Authority Contract - Con		1/30/2020
Drescher and Malecki, LLP	Annual independent Audit	Financial Services	Authority Contract - Non	1/21/2020
Lee's Enterprise WNY, LLC	Asbestos Abatement - 109 Humason	Design and Construction/M: Authority Contract - Con		11/11/2020
Lee's Environmental Services, Inc.	Asbestos Abatement - 224 S Huxley	Design and Construction/M: Authority Contract - Con		11/19/2020
Lee's Environmental Services, Inc.	Asbestos Abatement - 35 Hedwig	Design and Construction/M: Authority Contract - Con		5/28/2020
MS Analytical	Asbestos Monitoring - 178 Mapleview	Design and Construction/M: Non Contract Procurement/Purchase Order		
MS Analytical	Asbestos Monitoring - 33 West	Design and Construction/M: Non Contract Procurement/Purchase Order		
ONYX Global Group	Renovation Project - 149 Crowley	Design and Construction/M: Authority Contract - Con		12/23/2019
ONYX Global Group	Renovation Project - 159 Crowley	Design and Construction/M: Authority Contract - Con		12/23/2019
Regional Environmental Demolition	Asbestos Abatement - 117 Dupont	Design and Construction/M: Authority Contract - Con		11/3/2020
Residential Construction Services	Renovation Project - 33 West	Design and Construction/M: Authority Contract - Con		8/16/2019
Residential Construction Services	Renovation Project - 178 Mapleview	Design and Construction/M: Authority Contract - Con		1/2/2019
SEG Construction	Renovation Project - 74 Halstead	Design and Construction/M: Authority Contract - Con		3/3/2020
SEG Construction	Renovation Project - 1576 E. Delavan	Design and Construction/M: Authority Contract - Con		10/15/2020
SEG Construction	Renovation Project - 1574 E. Delavan	Design and Construction/M: Authority Contract - Con		10/15/2020
Priority Abatement and Remediation	Asbestos Abatement - 385 Marilla	Design and Construction/M: Authority Contract - Con		11/23/2020
Priority Abatement and Remediation	Asbestos Abatement - 146 Royal	Design and Construction/M: Authority Contract - Con		11/23/2020
Buocilli Renovations, LLC	Renovation Project - Demo - 53 John Brian	Design and Construction/M: Authority Contract - Con		7/21/2020
Buocilli Renovations, LLC	Renovation Project - Roof - 117 Dupont	Design and Construction/M: Authority Contract - Con		6/10/2020

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
PROCUREMENT POLICY

A. Introduction.

1. Applicability - This Procurement Policy (“Policy”) shall apply to the Buffalo Erie Niagara Land Improvement Corporation (“the Corporation”).
2. Scope - To adopt procurement policies which will apply to the procurement of goods and services paid for by the Corporation for its own use and account.
3. Purpose - The primary objectives of this Policy are to assure the prudent and economical use of public monies in the best interests of the Corporation, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

B. Procedures.

1. The Corporation may, in its discretion, assign contracts for supervision and coordination to the successful bidder or proposer for any subdivision of work. Contracts awarded by the Corporation shall contain such other terms and conditions as the Corporation may deem desirable.
2. Solicitation Procedures for the Purchase of Commodities, Equipment, Goods or Construction, Demolition, Renovation and Reconstruction Services.

- a. Up to \$5,000 per instance – a contract may be awarded and executed in the discretion of the Chairperson or Executive Director of the Corporation or authorized designee.
 - b. Greater than \$5,000 to \$10,000 per instance – Upon receipt of documented written/ fax/ email quotations from at least three (3) vendors, a contract may be awarded and executed in the discretion of the Executive Director, or, in the absence of the Executive Director, the Chair of the Land Bank, or in her/his absence, the authorized designee of the Chair.
 - c. Greater than \$10,000 to \$25,000 per instance – Bid award to the lowest bidder who, in the opinion of the Executive Director, or, in the absence of the Executive Director, the Chair of the Land Bank, or in her/his absence, the authorized designee of the Chair, is qualified to perform the work required and who is responsible and reliable.
 - d. Greater than \$25,000 per instance – Bid award to the lowest bidder who, in the opinion of the Corporation and approved by the Board, is qualified to perform the work required and who is responsible and reliable.
3. Exceptions. Alternative proposals or quotations shall not be required for procurements made through or with respect to:
- a. New York State, Erie County or participating Municipality Contracts – when the Corporation is able to procure commodities, equipment, goods or services through New York State, Erie County Participating Municipality contracts, it is unnecessary to obtain quotations or bids;
 - b. Emergency Procurements – an emergency exists if the delay caused by soliciting quotes would endanger health, welfare, property or development opportunity. Approval of the Chairperson or Executive Director of the Corporation is necessary, which shall be documented and shall also include a description or the facts giving rise to the emergency;
 - c. Sole Source Procurements – A “sole source” means a situation where (i) there is only one possible source from which to produce goods and/or services available in the marketplace, (ii) no other goods and/or services provide substantially equivalent or similar benefits, and (iii) considering the benefits, the cost to the Corporation is reasonable;
 - d. Utilities and Affiliate Transactions – The purchase of utilities and inter-affiliate transactions are excepted from alternative proposal/quotation requirements;
 - e. Unavailability of three (3) vendors who are able or willing to provide a quote.
4. Basis for the Award of Contracts.

Contracts will be awarded to the lowest responsible dollar offeror who meets the specifications therefor, except in circumstances that the Corporation determines justify an award to other than the lowest responsible dollar offeror. The Corporation may reject any or all bids or waive any informality in a bid if it believes that the public interest will be promoted thereby. The Corporation may reject any bid, if, in its judgment, the business and technical organization, plant, resources, financial standing, or experience of the bidder justifies such rejection in view of the work to be performed. [NY N-PCL 1617]. In making any such determination, the Corporation shall consider relevant factors including, without limitation:

- a. Delivery requirements

- b. Quality requirements
 - c. Quantity requirements
 - d. Past vendor performance and/or experience
 - e. The unavailability of three or more vendors who are able or willing to quote on a procurement.
 - f. It may be in the best interests of the Corporation to consider only one vendor who has previous expertise with respect to a particular procurement.
 - g. Any procurement excepted from the alternative proposal/quotation requirements as set forth herein, and the procurement of professional services as set forth in this policy.
5. Documentation
- a. A record of all solicitations for alternative proposals or quotations, the response (if applicable), and any determinations pursuant thereto shall be maintained in the procurement file.
 - b. For each procurement by the Corporation, the Chairperson or Executive Director of the Corporation or authorized designee shall set forth in writing the category of procurement that is being made and what method of procurement is specified.
 - c. Whenever an award is made to other than the lowest responsible dollar offeror the reasons for doing so shall be set forth in writing and maintained in the procurement file.
 - d. Whenever the specified number of quotations cannot or will not be secured, the reasons for this shall be indicated in writing and maintained in the procurement file.

C. Erie County Businesses and Minority & Women Owned Enterprises.

It is the preference of the Corporation to provide opportunities for the purchase of goods and services from (i) business enterprises located in Erie County and (ii) certified minority and/or women-owned business enterprises. To that end, the Corporation will utilize available lists of MBE/WBE firms certified by Erie County and Buffalo Joint Certification Committee and/or the State of New York and will solicit quotes and proposals from such businesses by notifying them of opportunities to submit proposals and quotes for goods and services.

D. Effect on Other Procurement Requirements.

Where the procurement of a specific good or service is to be accomplished using funds other than the funds of the Corporation and such funding sources specify different or more restrictive procurement requirements than are provided for in this Policy, the procurement requirements of the funding source will supersede the requirements of this Policy.

E. Professional Services.

Contracts for professional services involve the application of specialized expertise, the use of professional judgment, or a high degree of creativity. Professional services include services which require special education and/or training, license to practice or are creative in nature. Examples include but are not limited to lawyers, accountants, and engineers. Furthermore, professional service contracts often involve a relationship of personal trust and confidence.

In the selection of a provider of Professional Services up to \$10,000 per instance, the discretion of the Chairperson or Executive Director of the Corporation or authorized designee.

In the selection of a provider of Professional Services which exceed \$10,000 the Corporation shall issue a request for proposals. The Corporation may exercise its discretion and apply its judgment with respect to any aspect of the RFP, the evaluation of proposals, and the negotiations and award of any contract. The Corporation may enter into an agreement for only portions (or not to enter into an agreement for any) of the services contemplated by the proposals with one or more of the proposers. The Corporation may select the proposal that best satisfies the interests of the Corporation and not necessarily on the basis of price or any other single factor. The Corporation reserves the right to weigh its evaluation criteria in any manner it deems appropriate.

F. Procurement of Insurance.

Procurement of Insurance Brokerage services is subject to this Policy as a professional service. Notwithstanding the foregoing actual insurance policies procured are not subject to requirements of this Policy.

G. Unintentional Failure to Comply.

The unintentional failure to comply with the provisions of this policy shall not be grounds to void action taken or give rise to a cause of action against the Corporation or any officer thereof.

H. General Requirements.

- a. Regardless of the value of the Procurement Contract, any Procurement Contract involving services to be rendered over a period exceeding one year must be approved by resolution of the Board.
- b. The form of every Procurement Contract shall be approved by the Corporation's counsel prior to execution.
- c. Procurement Contracts which require contractors to perform services on premises owned or controlled by the Corporation shall require proof of Worker's Compensation and proof of liability insurance naming the Corporation as additional insured and shall provide that the contractor indemnifies the Corporation for the negligent acts and omissions of the contractor's employees. When appropriate and at the discretion of the Board, these contracts may further require the contractor to provide proof of environmental pollution insurance.

Explanation and Amendments Made to Procurement Policy in 2020:

In 2020, the BENLIC Board of Directors increased the threshold for the Executive Director to approve bids for the Purchase of Commodities, Equipment, Goods or Construction, Demolition, Renovation and Reconstruction Services from \$10,000 to \$25,000. In the day-to-day operation of BENLIC business,

stabilization of properties, particularly contractors for roofing, would take a long time when it was required to bring anything over \$10,000 to the Board for approval. This increase allows BENLIC staff to more quickly preserve properties for future renovation.

INVESTMENT GUIDELINES

Section 1 - Scope

Section 2925 of the Public Authorities Law requires the Buffalo Erie Niagara Land Improvement Corporation (the “Corporation”) to adopt by resolution comprehensive investment guidelines which detail its operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of funds of the Corporation.

This investment and deposit policy (“Investment Policy”) is adopted by the Corporation pursuant to the foregoing provisions of the Public Authorities Law and General Municipal Law and shall apply to all moneys and other financial resources available for investment on the Corporation’s own behalf or, where applicable, on behalf of any other entity or individual.

This Investment Policy shall be applicable to the Buffalo Erie Niagara Land Improvement Corporation and such other affiliates as may hereafter be established by the Corporation and which are determined to be subject to the requirements of Section 2925 of the Public Authorities Law (a “Corporation Affiliate”) (hereinafter collectively referred to as the “Corporation”) upon approval by the respective Boards of each corporation. Unless otherwise indicated, all references to the “Corporation” herein shall also include the Corporation Affiliates.

Section 2 - Governing Principles

A. Investment Objectives.

The primary objectives of the Corporation’s investment policy are, in order of priority, as follows: (i) to conform with all applicable federal, state and local laws and legal requirements; (ii) to adequately safeguard principal; (iii) to provide sufficient liquidity to meet all operating requirements of the Corporation; and (iv) to obtain a reasonable rate of return.

B. Diversification.

The policy of the Corporation is to diversify by investment instrument, by maturity and where practicable by financial institution.

C. Internal Controls.

1. All funds received by an officer or employee of the Corporation shall be promptly deposited with the depositories designated by the Corporation (pursuant to Section 3.A of this Investment Policy) for the receipt of such funds.

2. The Treasurer of the Corporation shall maintain or cause to be maintained a proper record of all books, notes, securities or other evidence of indebtedness held by the Corporation for investment and deposit purposes. Such record shall identify the security, the fund for which it is held, the place where kept, the date of sale or other disposition, and the amount received from such sale or other disposition.

3. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly and are managed in compliance with applicable laws and regulations.

D. Authorized Financial Institutions and Dealers.

The Corporation shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments that may be outstanding with each financial institution or dealer. All financial institutions with which the Corporation conducts business must be creditworthy as determined by criteria established by the Treasurer of the Corporation. All banks with which the Corporation does business shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers.

E. Purchase of Investments.

The Corporation may contract for the purchase of investments directly, including through a repurchase agreement, from an authorized trading partner. All purchased obligations, unless registered or inscribed in the name of the Corporation, shall be purchased through, delivered to, and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Corporation by the bank or trust company shall be held pursuant to a written custodial agreement as described in Section 4.C.2 of this Policy.

F. Repurchase Agreements.

The Corporation may enter into repurchase agreements subject to the following restrictions:

1. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
2. Trading partners are limited to commercial banks or trust companies authorized to do business in New York State and primary reporting dealers.
3. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
4. No substitution of securities will be allowed.
5. Obligations purchased pursuant to a repurchase agreement shall be held by a custodian other than the trading partner, pursuant to a written custodial agreement that complies the terms of Section 4.C.2 of this Policy.

Section 3 - Investments

A. General Policy.

It is the general policy of the Corporation that funds not required for immediate expenditure shall be invested as described in Section 3.B below. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

B. Permitted Investments.

The Fiscal Agent, Treasurer and/or Executive Director are authorized to invest funds not required for immediate expenditure in the following investments:

1. Special time deposit accounts in, or certificates of deposit issued by any commercial bank or trust company that is located in and authorized to do business in New York State, provided that such deposit account or certificate of deposit is secured in the same manner as provided in Section 4.B. of this Investment Policy and is payable within such time as the proceeds shall be needed to meet expenditures for which the funds were obtained;
2. Obligations of the United States of America;
3. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
4. Obligations of the State of New York; and
5. Such other obligations as may be permitted by law.

All investments as provided in Sections B.2 through B.5. of this Section shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase.

Section 4 - Deposits

A. Designation of Depositories.

The Corporation shall, by resolution, designate one or more commercial banks or trust companies for the deposit of Corporation funds received by the Corporation. Such resolution shall specify the maximum amount that may be kept on deposit at any time with each bank or trust company. Such designations and amounts may be changed at any time by further resolution of the Corporation.

B. Collateralization of Deposits.

All deposits of the Corporation (including certificates of deposit and special time deposits) in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured as follows:

1. By a pledge of “eligible securities” with an aggregate “market value” as defined by Section 10 of the General Municipal Law, at least equal to the aggregate amount of deposits. A list of eligible securities is attached hereto as Schedule A.

2. By an irrevocable letter of credit issued by a qualified bank (other than the bank with which the money is being deposited or invested) in favor of the Corporation for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable minimum risk-based capital requirements.

3. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety bond shall be subject to Corporation Board approval.

C. Safekeeping and Collateralization.

Eligible securities used for collateralizing deposits shall be held by the depository and/or third-party bank or trust company subject to security and custodial agreements as described below.

1. *Security Agreement Requirements.* The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the depository or its custodial bank.

2. *Custodial Agreement Requirements.* The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The custodial agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The custodial agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities and may include such other terms as the Corporation Board deems necessary.

Section 5 - Monitoring and Reporting Obligations

The following monitoring and reporting procedures shall be applicable in connection with the deposit and investment of funds subject to this Investment Policy:

A. Monthly Monitoring.

Each cash and investment account statement will be reviewed and reconciled by the Corporation's Treasurer on a monthly basis. The Treasurer will review each account reconciliation for accuracy and will investigate any unusual items noted.

B. Monitoring and Reporting.

Pursuant to Section 2925(5) of the Public Authorities Law, the Treasurer of the Corporation shall present a report at each meeting of the Corporation Board of Directors which will include the following information: (i) the cash and investment balances of the Corporation; (ii) identification of any new investments since the last report; (iii) information concerning the selection of investment bankers, brokers, agents dealers or auditors since the last report; and (iv) the names of the financial institutions holding Corporation deposits.

C. Annual Monitoring and Reporting.

1. On an annual basis, the Corporation will obtain an independent audit of its financial statements, which shall include an audit of its cash and investments and the Corporation's compliance with this Investment Policy. The results of the independent audit shall be made available to the Corporation Board at the time of its annual review of this Investment Policy.

2. Pursuant to Section 2925(6) of the Public Authorities Law, Corporation staff shall, on an annual basis, prepare and submit for Corporation Board approval an investment report which shall include this Investment Policy, amendments to the Investment Policy since the last investment report, an explanation of the Investment Policy and any amendments, the results of the annual independent audit, the investment income record of the Corporation and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Corporation since the last investment report. The investment report will be distributed to those individuals identified in Section 2925(7)(b) of the Public Authorities Law. The Corporation shall make available to the public copies of its investment report upon reasonable request therefor.

Section 6 - Annual Review

This Investment Policy shall be reviewed and approved by the Corporation Board of Directors on an annual basis.

Section 7- Repeal of Prior Investment Guidelines

None

Section 8 - Savings Clause

Nothing contained in Section 2925 of the Public Authorities Law shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into by the Corporation in violation of, or without compliance with the provisions of Section 2925 of the Public Authorities Law.

SCHEDULE A

ELIGIBLE SECURITIES

Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.

Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.

Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.

Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.

Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.

Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.

Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.

Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested), rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of no longer than sixty days from the date they are pledged.

Zero Coupon obligations of the United States government marketed as "Treasury STRIPS".

AMENDMENTS TO INVESTMENT POLICY FY 2020:

NONE

EXPLANATION OF THE INVESTMENT GUIDELINES:

Adopted pursuant to PAL § 2925

These guidelines restrict investment of the Corporation's funds to deposits in federally insured banks. The Corporation has not made any amendments to its investment policy.

RESULTS OF THE INDEPENDENT ANNUAL AUDIT:

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

Schedule of Corporation Investments

Year Ended December 31, 2020

Annual Investment Report - §2925(6) of Public Authorities Law of the State of New York requires that each public authority must annually prepare an investment report which shall include (a) investment guidelines, (b) amendments to such guidelines since the last investment report, (c) an explanation of the investment guidelines and amendments, (d) results of the annual independent audit, € the investment income record of the corporation, and (f) a list of the total fees, commissions or other charges paid to each investment banker, broker, dealer and adviser rendering investment associated services to the Corporation since the last investment report.

a. Investment guidelines—The Corporation's investment policies are governed by State statutes. All investments are maintained in bank deposit accounts which are federally insured. The Corporation's deposits are held at quality institutions.

b. Amendments to guidelines—None

c. Explanation of guidelines and investments—These guidelines restrict investment of the Corporation’s funds to deposits in federally insured banks. The Corporation has not made any amendments to its investment policy.

d. Results of the annual independent audit—The independent auditors have issued an unmodified opinion on the Corporation’s financial statements for the year ended December 31, 2020.

e. Investment income record—Investment income for the year ended December 31, 2020 consisted of:

Interest income	<u>\$ 20,472</u>
Total	<u><u>\$ 20,472</u></u>

f. List of the total fees, commissions or other charges paid to each investment banker, broker, dealer and adviser rendering investment associated services to the Corporation since the last investment report—No such fees or commissions were paid during the year ended December 31, 2020.