

# BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

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## MEMORANDUM

**TO:** Board of Directors, Buffalo Erie Niagara Land Improvement Corporation

**FROM:** Maria R. Whyte, Chairperson

**SUBJECT:** **Resolution #2014-18** Disposition of 39 Fowler Ave

**DATE:** October 17, 2014

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### DISCUSSION:

BENLIC acquired as part of its 2013 Pilot Project the property of 39 Fowler Ave in the Village of Kenmore by placing a bid for the back taxes in the amount of \$61,057.89 at the County's auction, In Rem 161 on October 2, 2013. A deed for the property was recorded with Erie County Clerk on November 11, 2013 and since then BENLIC has held clear title to the property. BENLIC issued two Request for Proposals for this property; one for rehabilitation of the structure to a near-complete level, the other later Request for Proposal being for rehabilitation of the structure to a level sufficient enough to allow a prospective buyer to obtain a mortgage on the property. The cost for the first and more complete proposal being precipitous, BENLIC determined that a second Request for Proposal for improvements on the structure would be more appropriate and lucrative to contractors and prospective homebuyers. Unfortunately, after complete cleanout of the structure and premises, and walk-through of the property by BENLIC staff and the Erie County Housing Inspector, response to the second Request for Proposal was non-existent – as not a single contractor who participated in the walk-thru nor a single contractor who was contacted and informed about an existing Request submitted a bid for the work. Approximately 25 contractors were contacted by BENLIC for this second Request. Following discussion in the September meeting of the BENLIC Board of Directors, sale of the property in “as-is” condition was reasoned to be a possible course of action; likewise, demolition of the structure was reasoned to be a possible course of action as well. Following this discussion, the Executive Director of BENLIC placed a BENLIC “For Sale” sign upon the premises and listed the property as available for sale on the Corporation's website to gauge the response of the market for the property in its condition. As per the Property Disposition Guidelines of the Corporation, the property was appraised – as is required before any disposition – by an independent appraiser. The appraised price as determined on October 4<sup>th</sup>, 2014 is \$30,000. BENLIC Executive Director Jocelyn Gordon was contacted by a person interested in acquiring the property, after discussion, said person submitted an offer and included a complete Property Purchaser Application and the required materials stated in that application as well as a formal contract of purchase. Without prompt, the person resubmitted an offer, his current offer for the property of 39 Fowler is \$15,000 with intent to live in the property and to rehabilitate it appropriately.

Pursuant to the Property Disposition Guidelines, the Corporation may dispose of real property by negotiation when:

“(3) **The disposal of the property is within the mission, purpose or governing statute of the Corporation:** the Corporation may dispose of any real property by negotiation pursuant to PAL § 2897(6)(c)(v) and PAL2897(7)(ii) when the purpose of the transfer is within the purpose, mission or governing statute (NFPCL) of the Corporation.”

And “(5.1) **Disposal of Property for less than fair market value:** The Corporation may dispose of real property for less than fair market value when:

(B) Pursuant to PAL § 2897(7)(ii) the purpose of the disposal is within the purpose, mission, or governing statute of the Corporation.”

ACTION:

The Board of Directors is hereby requested to approve the following resolution:

RESOLVED that BENLIC authorizes the disposition of the property of 39 Fowler Ave, Tonawanda in the amount of \$15,000, follows the proper procedure for disposal of real property by negotiation as described in the Property Disposition Guidelines of the Corporation section 4.2(c)(2) as well as under section 5.1(b); and be it further

RESOLVED, that as a term of the disposition, the buyer shall be required to bring the property compliant with municipal codes and regulations within 18 months from the date of the transfer of title of the property; and be it further

RESOLVED, that the Executive Director and BENLIC legal counsel are authorized to execute documents and take any necessary actions to close on the sale of the property of 39 Fowler Ave, Tonawanda to Mr. William Krier