

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

MEMORANDUM

TO: Board of Directors, Buffalo Erie Niagara Land Improvement Corporation
FROM: Brendan Mehaffy, Chairperson
SUBJECT: **Resolution #2017-55** Selection and Acquisition of Properties – City of Buffalo Pre-emptive Bid Properties 2017
DATE: November 17, 2017

DISCUSSION:

BENLIC adopted Resolution #2017-49 authorizing the use of its pre-emptive bid power to acquire properties at the City of Buffalo In Rem Auction 2017. At the close of the auction, 35 properties were acquired via pre-emptive bid. Pursuant to the BENLIC-Buffalo Pre-Emptive Bid Assignment Agreement 2017, adopted via Resolution #2017-45, BENLIC may select to not assign its bid on up to ten percent of the total number of properties and may take title to those properties. As 35 properties were pre-emptively bid, BENLIC may acquire three properties.

Prior to the commencement of the auction, two Buffalo not-for-profits wrote to BENLIC expressing interest in acquiring distressed residential properties from BENLIC following its use of its pre-emptive bid. Bailey-Green and Buffalo Habitat for Humanity wrote BENLIC that they would be interested in acquiring residential properties for about \$5,500 - \$8,000 per property and committed to improving the properties for qualified homebuyers. The BENLIC Real Estate Committee reviewed these requests and recommended that BENLIC endeavor to work with these not-for-profits based on their prior successes elsewhere in Buffalo.

Bailey Green and Habitat for Humanity reviewed the 35 properties pre-emptively bid and each identified a property thought to be fit for acquisition and their programs. Both properties have subsequently been identified as vacant by BENLIC staff. Habitat for Humanity identified 73 Manitoba St., in the Seneca Babcock Community. Bailey Green identified 2246 Bailey, less than one block north of Harmac Medical Products – a major partner in the Bailey Green initiative.

BENLIC staff subsequently reviewed the balance of the 35 properties for a property candidate that best fit BENLIC criteria – vacant, distressed, possess a “bad tooth” quality on the block, smaller scale. One such vacant property was identified in the City’s Midtown zone – 22 Coe Pl. The property is close to Main Street and the Arts Space Lofts and is across the street from a substantial recent home rehab by Belmont at 19 Coe; a responsible development of this property would result in an improvement to an important block.

ADDRESS	S-B-L	USE
73 Manitoba	123.22-2-7	Dispose to Habitat for Humanity Buffalo for approx. \$7,500 - \$8,000. Property rehabbed by Habitat.
2246 Bailey	101.33-8-6	Dispose to Bailey Green/ Habitat for Humanity for approx. \$7,500. Property rehabbed for Site for Buffalo Peacekeepers.

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22 Coe	100.63-2-32	BENLIC maintain, possibly improve, possibly market to responsible buyer under Note and Mortgage Program.
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ACTION:

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

RESOLVED that BENLIC exercises its option pursuant to the BENLIC-Buffalo Pre-Emptive Bid Assignment Agreement 2017 to not assign and take title to up to 10% of properties, constituting the three above referenced properties, and be it further;

RESOLVED, that BENLIC's Executive Director Jocelyn Gordon shall provide the City of Buffalo written notice of the properties selected; and be it further

RESOLVED, that the remaining properties shall be assigned to the City of Buffalo and be it further;

RESOLVED, that Executive Director Jocelyn Gordon and BENLIC legal counsel are authorized to take any and all necessary actions and execute the necessary documents to close on the acquired properties and ensure that BENLIC holds clear title to the properties.