

MEMORANDUM

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

FROM: Brendan Mehaffy, Chairperson

SUBJECT: **Resolution #2017-62** Buyer's Agent's Fee for BENLIC In-House Real Estate Sales

DATE: December 21, 2017

DISCUSSION:

BENLIC has begun to list, market, and dispose of property with the use of in-house staff. Currently, all sales have been through the BENLIC Note & Mortgage Program. This allows BENLIC to have a hands-on approach when walking offerors through the purchase process, and explain questions surrounding the organization and its mission.

Historically, BENLIC has relied upon third-party realtors for all property sales. The BENLIC Brokerage Agreement uses a typical six-percent (6%) sales commission for brokers upon closing. Utilizing an in-house sales staff member, BENLIC is able to limit realtor commissions as BENLIC staff do not receive any compensation for real property sales.

BENLIC realizes that local agents representing potential offerors are of value to the organization and can aid in fulfilling its mission to return property back to productive use. Therefore, in lieu of a commission, BENLIC wishes to provide a \$500 "fee" to any buyer's agent participating in a BENLIC in-house real estate sale. This fee would be exclusive only for in-house sales equal or greater than \$10,000 in value.

ACTION:

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

RESOLVED, that the BENLIC Board of Directors authorizes BENLIC to pay at closing a \$500.00 "finders fee" to licensed real estate agents acting on behalf of buyers of BENLIC real property listed in-house where the net proceeds to BENLIC are equal or greater than \$10,000.