

MEMORANDUM

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

FROM: Brendan Mehaffy, Chairperson

SUBJECT: **Resolution #2018-66** Disposition of 9398 Orange, Town of Evans

DATE: October 11, 2018

DISCUSSION:

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 9389 Orange Street, Town of Evans via the 2016 Erie County In-Rem Foreclosure Auction. BENLIC listed the property for sale in July 2018 at a price of \$15,000. This property was selected for BENLIC in-house sales. BENLIC staff held property showings, collected offers, and fielded property inquiries as opposed to third-party realtors.



BENLIC staff has reviewed all offers on the property including respective Property Purchase Applications. Stabilization improvements were made to the property – new electrical service. Property is being sold under BENLIC’s “Note & Mortgage” program. Therefore, there are no income limit requirements for potential buyers. The purpose of the proposed disposition is congruent with BENLIC’s mission to return property to productive use.

Pursuant to the Property Disposition Guidelines of BENLIC, section 4.2(A), the Corporation may dispose of real property by negotiation. The following offers have been received:

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

BENLIC Investment	Estimated Cost of Repairs	Lien Value
\$21,090.00	\$64,850.00	\$50,000.00
Offeror	Offer Price	Offer Details
MWE LLC. (Renovate and Resale)	\$15,000.00 – Cash Offer	\$90,000.00 Available Funds Proposed Investment of \$40,000 Licensed Contractor. Will Perform Work
Iliyan Iliev (Renovate and Resale)	\$13,300.00 – Cash Offer	\$80,000.00 Available Funds Proposed Investment of \$40,000.00 Electrical Engineer – Will Perform Work

BENLIC Real Estate Subcommittee Members have reviewed all offers and support a disposition by BENLIC Board of Director vote to MWE LLC with second priority to Iliyan Iliev.

ACTION:

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

RESOLVED that the BENLIC Board of Directors authorizes the disposition of the property of 9389 Orange Street, Town of Evans, NY (SBL#250.07-2-37) in the amount of \$15,000 by an Agreement of Sale of Real Property with first priority to offeror, MWE LLC., and in so doing follows the proper procedure for disposal of real property by negotiation as described in the Property Disposition Guidelines of the Corporation; and be it further,

RESOLVED, that in the event that BENLIC and MWE.LLC. are unable to complete the sale of the property, the BENLIC Board of Directors authorizes the disposition of the property of 9389 Orange Street, Town of Evans, NY (SBL#250.07-2-37) in the amount of \$13,300 by an Agreement of Sale with second priority to offeror Iliyan Iliev, without further Board approval, and in doing so follows the proper procedure for disposal of real property negotiation as described in the Property Disposition Guidelines of the Corporation; and be it further,

RESOLVED: that the disposition of the property include a Note and Mortgage held by BENLIC to ensure the development of the property in an amount equal to 77% of the work cost estimate prepared by BENLIC, \$50,000; 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 sale of the above-referenced property.