



EC LEG NOV 21 '17 PM 5:45

COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

November 21, 2017

The Honorable
Erie County Legislature
92 Franklin Street
Buffalo, New York 14202

RE: Buffalo Erie Niagara Land Improvement Corporation pre-emptive bid powers and subsequent repayment agreement with Erie County.

Honorable Members:

Please find attached a resolution and accompanying memorandum authorizing the Director of Real Property Tax Services to enter into agreements with the Buffalo Erie Niagara Land Improvement Corporation for the purpose of outlining its obligations.

Should your honorable body require further information, I encourage you to contact the Department of Real Property Tax Services. Thank you for your consideration on this matter.

Sincerely,

Mark C. Poloncarz, Esq.
Erie County Executive

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Real Property Tax Services
Re: Buffalo Erie Niagara Land Improvement Corporation pre-emptive bid powers and subsequent repayment agreement with Erie County.
Date: November 21, 2017

SUMMARY

The Buffalo Erie Niagara Land Improvement Corporation exercised its pre-emptive bid powers at the 2017 City of Buffalo In Rem tax sale. Therefore, agreements between the County and the Buffalo Erie Niagara Land Improvement Corporation (BENLIC) are necessary to outline the obligations of BENLIC and the expected repayment, if any, of the County taxes which were the basis for the judgment.

FISCAL IMPLICATIONS

Positive as BENLIC acquires property, assigns to City of Buffalo, and all or a portion of County taxes are paid.

REASONS FOR RECOMMENDATION

It is the mission of BENLIC 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/or tax-delinquent properties.

BACKGROUND INFORMATION

Section 1616(i) of the New York Not-for-Profit Corporation Law provides that New York Land banks, including BENLIC, may tender a pre-emptive bid at In Rem tax sales in an amount equal to the total amount of all municipal claims and liens which were the basis for the judgment and in the event of such tender by a land bank, the property shall be deemed sold to the land bank regardless of any bids by any other third parties

CONSEQUENCES OF NEGATIVE ACTION

The Director of Real Property Tax Services, will not be able to enter into an agreement with BENLIC which outline its obligations and the expected repayment, if any, of the County taxes which were the basis for the tax certificates.

STEPS FOLLOWING APPROVAL

The Director of Real Property Tax Services, will enter into an agreement with BENLIC which outline the obligations of BENLIC and the expected repayment, if any, of the County taxes which were the basis for the tax certificates. Following the foreclosure, BENLIC will acquire title pursuant to Article 16 of the New York Not-for-Profit Corporation Law. After which BENLIC will cause to rehabilitate and/or sell the property pursuant to its property disposition guidelines. BENLIC shall reimburse the County such amounts in accordance with agreement consistent with the Property Tax and Maintenance/Foreclosure Cost Recapture Policy for City of Buffalo In Rem tax sale.

A RESOLUTION SUBMITTED BY:
REAL PROPERTY TAX SERVICES

RE: **Buffalo Erie Niagara Land Improvement Corporation Pre-emptive bid powers and subsequent repayment agreement with Erie County.**

WHEREAS, it is the mission of the Buffalo Erie Niagara Land Improvement Corporation (BENLIC) 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/or tax-delinquent properties; and

WHEREAS, section 1616(i) of the New York Not-for-Profit Corporation Law provides that New York Land banks, including BENLIC, may tender a pre-emptive bid at In Rem tax sales in an amount equal to the total amount of all municipal claims and liens which were the basis for the judgment and in the event of such tender by the land bank, the property shall be deemed sold to the land bank regardless of any bids by any other third parties; and

WHEREAS, the bid of the land bank shall be paid as to its form, substance, and timing according to such agreement as is mutually acceptable to the plaintiff and the land bank wherein the obligation of the land bank to perform in accordance with such agreement shall be deemed to be in full satisfaction of the municipal claim which was the basis for the judgment.

WHEREAS, BENLIC has exercised its pre-emptive bid powers at the City of Buffalo In Rem tax sale; and

WHEREAS, agreements between the County and BENLIC are necessary to outline the obligations of BENLIC and the expected repayment, if any, of the County taxes which were the basis for the judgment; and

NOW, THEREFORE, BE IT

RESOLVED, that the County, through its Director of Real Property Tax Services, is hereby authorized to enter into agreements with the BENLIC which outline the obligations of BENLIC and the expected repayment, if any, of the County taxes which were the basis for the judgment consistent with the Property Tax and Maintenance/Foreclosure Cost Recapture Policy for the 2017 City of Buffalo In Rem Auction; and be it further

RESOLVED, that to the extent that such agreement results in the repayment of County taxes in the amount less than the amount of County taxes which were the basis for the judgment, pursuant to Section 12-1.0 of the Erie County Tax Act the Director of Real Property Tax Services is hereby authorized to cancel such past due real property taxes

RESOLVED, that certified copies of this resolution be forwarded to the County Executive, The Office of Erie County Comptroller, County Attorney, Director of Real Property Tax Services and the Buffalo Erie Niagara Land Improvement Corporation.