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COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

June 18, 2021

Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

Re: Commercial Real Estate Brokerage Services for the Erie County Home

Dear Honorable Members:

Erie County Department of Public Works (ECDPW) has issued a request for proposals to provide commercial real estate brokerage services for purposes of listing and marketing the Erie County Home property. CBRE-Buffalo was the sole respondent. This resolution requests authorization for the County Executive to enter into a contract with CBRE-Buffalo for brokerage services specifically related to the Erie County Home.

Should your Honorable Body require further information, I encourage you to contact William E. Geary, Jr., Commissioner of the Department of Public Works. Thank you for your consideration on this matter.

Sincerely yours,

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/cw
Enclosure

cc: William E. Geary, Jr., Commissioner, Department of Public Woks

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Public Works
Re: Commercial Real Estate Brokerage Services for the Erie County Home
Date: June 18, 2021

SUMMARY

This resolution requests authorization for the County Executive to enter into a contract for commercial real estate brokerage services with CBRE-Buffalo to market and sell the Erie County Home (EC Home), including the buildings and underlying property.

In 2019, the Erie County Department of Public Works (ECDPW) posted a “for sale” sign on the property to see if it would generate any interest. Some leads were generated, but without a proper broker and the onset of the pandemic, the County was unable to pursue any leads. A contract with CBRE-Buffalo, will allow the County to move forward with the possibility of selling the property and returning it to the tax rolls.

Additionally, one complicating factor is that Erie County Sewerage Management District No. 4 has a pumping station located at the EC Home site. This resolution will also allow the County to split the EC Home parcel in order to retain the portion of the property where the pumping station is situated. Attached to the resolution is a copy of the survey.

FISCAL IMPLICATIONS

CBRE-Buffalo’s proposed fee based is 6% of the total purchase price but in no event less than \$65,000 if sold. Once sold, the property will begin to generate tax revenue for not only the County but also the Town of Alden.

The proceeds of the sale will fund the brokerage fee with the Division of Budget and Management creating a revenue budget and GL 516020 – Professional Services budget within the Department of Public Works, Funds Center 12220, Fund 110 and making all necessary adjustments.

REASONS FOR RECOMMENDATION

The EC Home has been vacant since 2005. On or about February 9, 2016, Erie County Medical Center Corporation (ECMCC) transferred ownership of the EC Home and the underlying property back to the County, as per the terms of a prior agreement. Currently, the County is unable to generate any property tax revenue from the property. Despite its vacant state, the property still requires the County to expend resources on maintenance.

BACKGROUND INFORMATION

The EC Home closed in 2005 and since that time has sat vacant and unused. The underlying land and surrounding buildings were transferred to the County and ECMCC in February of 2016. The County no longer has a use of the buildings and/or property and would like to actively

market the property to be sold. Entering into an agreement with CBRE-Buffalo will allow the County to better understand its options for the property moving forward.

CONSEQUENCES OF NEGATIVE ACTION

The EC Home will continue to sit vacant and fail to generate any property taxes.

STEPS FOLLOWING APPROVAL

The County will enter into a contract with CBRE-Buffalo and begin to market the EC Home property for sale and a return to the tax rolls.

A RESOLUTION SUBMITTED BY:
DEPARTMENT OF PUBLIC WORKS

RE: Commercial Real Estate Brokerage Services for the Erie County Home

WHEREAS, the Erie County Home (EC Home) closed in 2005 and has sat vacant since that time; and

WHEREAS, in February of 2016, ownership of the EC Home reverted back to Erie County from the Erie County Medical Center Corporation; and

WHEREAS, there is a desire to sell the 650,000 square foot building, as well as the surrounding buildings and underlying property; and

WHEREAS, the Department of Public Works has taken steps over the last several years to remove all connections to the property so that a sale would be possible; and

WHEREAS, Erie County Sewerage Management District No. 4 has a pumping station located on the EC Home site that will need to be retained in the event of a sale; and

WHEREAS, the County is desirous of retaining ownership of the portion of the parcel wherein the pumping station is located before the property is marketed, as well as an easement for sewer purposes; and

WHEREAS, on October 30, 2019, the Department of Public Works issued a request for proposal to provide commercial real estate brokerage services; and

WHEREAS, the County has negotiated a fee with CBRE-Buffalo based on 6% of the total sale price, but in no event less than \$65,000 when the property is sold; and

WHEREAS, CBRE-Buffalo was the sole respondent to the RFP and is one of the only brokerage companies in Erie County that has experience selling a property with as many complexities as the EC Home; and

WHEREAS, CBRE-Buffalo, an affiliate office of CBRE, Inc. offers a full range of commercial real estate services.

NOW, THEREFORE, BE IT

RESOLVED, that the Erie County Executive is hereby authorized to enter into a contract with CBRE-Buffalo for commercial real estate brokerage services based on 6% of the total sale price, but not less than \$65,000 in the event the property is sold; and be it further

RESOLVED, that the fee will be funded by the proceeds of the sale; and be it further

RESOLVED, that the Division of Budget and Management is hereby authorized to create a revenue budget and GL Account 516020 – Professional Services budget within the Department of Public Works, Funds Center 12220, Fund 110 and to make all necessary adjustments once the sale occurs and payment is due; and be it further

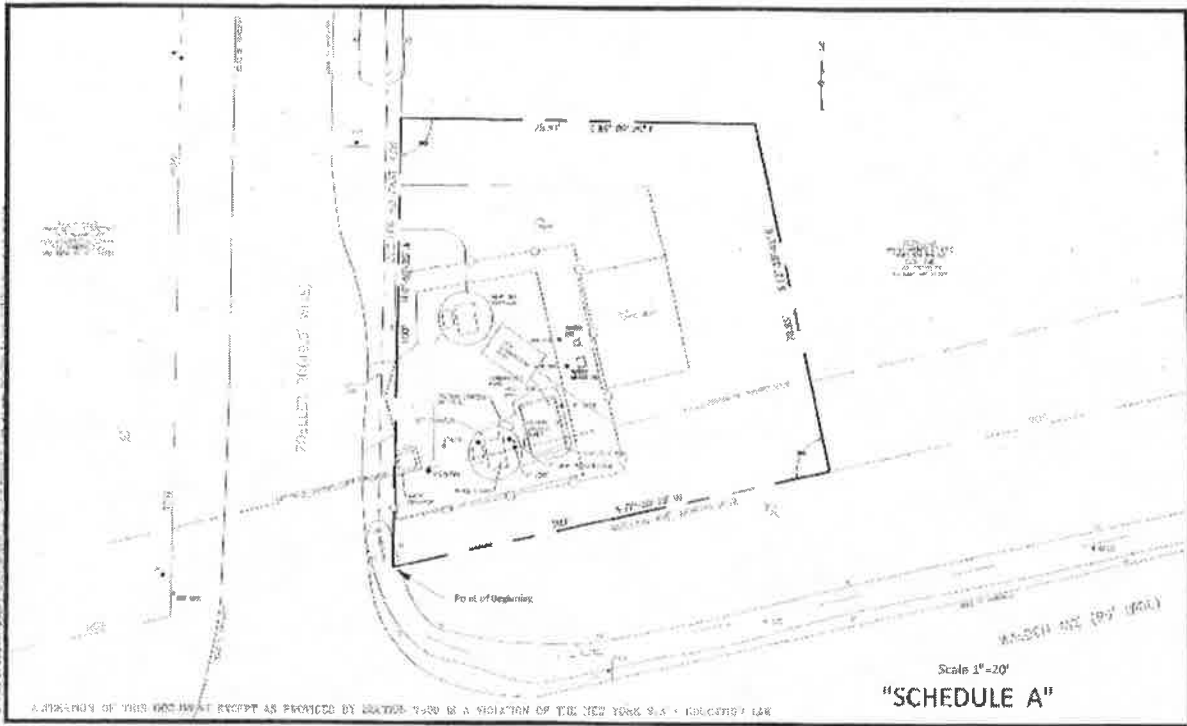
RESOLVED, that the Erie County Executive is authorized and directed to execute a deed whereby the Erie County Sewerage Management District No. 4 pumping station located on the EC Home site be separated from the EC Home property as described herein and on the survey attached hereto as Schedule A:

All that tract or parcel of land, situate in the Town of Alden, County of Erie, and State of New York, being part of Lot 45, Township 11, Range 5 of the Holland Land Company's Survey more particularly described as follows: Beginning at a Point on the northerly Right of Way (ROW) of Walden Ave (99' Wide) where it intersects the east ROW of Zoeller Road (49.5' Wide); Thence N 0° -50' -35" E along said east ROW of said Zoeller Road a distance of 100 feet to a point; Thence S 89° -09' -25" E a distance of 78.83 feet to a point; Thence S 12° -39' -41" E a distance of 78.83 to the northerly ROW of said Walden Ave; Thence S 77° -20' -19" W along said north ROW of Walden Ave a distance of 100 feet to the point of beginning and as shown on a map attached hereto labeled "Schedule A" containing an area of 0.18=-/ acres more or less.

Grantor, also grants to Grantee a 30 foot to 50 foot wide Permanent Easement for the operation and maintenance of an existing sanitary sewer along the north side of Walden Ave as shown on attached "Schedule B"; and be it further

RESOLVED, that certified copies of this resolution shall be forwarded to the Erie County Executive, the Commissioner of Public Works, the County Attorney, and the Director of the Division of Budget and Management.

SCHEDULES A SURVEY



SCHEDULE B

