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- What's To Do
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Johnstown supports land bank

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JOHNSTOWN - The Common Council on Monday night formally supported the Mohawk Valley Economic Development District's six-county land bank plan, which includes Fulton County.

The city's action at City Hall follows the Gloversville Common Council's similar support last week for the land bank.

Under the proposal, Fulton, Montgomery, Herkimer, Oneida, Otsego and Schoharie counties would seek state money for the land bank, which buys foreclosed properties and makes them available for sale to developers or builders.

Article Photos



The Leader-Herald/Michael Anich

The MVEDD doesn't need municipal support, but encourages it. Johnstown officials endorsed the plan but say they are still learning about it.

"I think we need to have some discussions about it," said 3rd Ward Councilwoman Helen Martin. "It's a lot to absorb."

Each land bank would have its own board, and the city of Johnstown would have its own board representative.

The Johnstown council's endorsement resolution said the state Land Bank Act, Article 16 of the New York Not-For-Profit Corporation Law, permits local governments to enter into an intergovernmental agreement to establish land banks.

"There is a continuing need to strengthen and revitalize the economy of the state of New York and the city of Johnstown," the resolution says.

The resolution adds it is in the "best interest" of the state and city to "confront the problems caused by vacant, abandoned and tax-

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delinquent properties through the creation of land banks in a coordinated manner."

Gloversville 3rd Ward Councilman Vincent DeSantis, also a representative of the Gloversville Housing and Neighborhood Improvement Corp., and Tolga Morawski of Keep Mohawk Valley Beautiful, which runs under the MVEDD, spoke to the council Monday night.

"We're really talking about projects that keep going through foreclosure," Morawski said.

He said land bank money would be available for commercial properties, such as the old Beech-Nut property in Canajoharie.

Morawski called a land bank a regional "tool" accessible to communities.

The MVEDD is expected to hear from the state by June about its land bank application. If approved, the MVEDD could receive around about \$150,000 by the summer to hire workers and prepare the plan.

DeSantis said the land bank money is not taxpayer money, but settlement money from banks through the 2009 foreclosure crisis.

Morawski said the district at a minimum is expected to receive \$1 million to \$2 million by the third quarter, although the figure may go as high as \$4 million.

DeSantis said land banks are a good way to "key into" state funding to rehabilitate property.

"It's something that can be taken advantage of by any municipality in the county, if it's approved," he said.

DeSantis said the land bank would avert certain unwanted property auction situations.

"When it goes to auction, you're kind of tied to whoever is the highest bidder," he said.

Fulton County has not voted to support the land bank. The county Board of Supervisors' Economic Development Committee approved it, but the board's Finance Committee rejected it.

Board of Supervisors Chairman Charles Potter said Finance Committee members were concerned other counties would make decisions for Fulton County. He said the county wants more details.

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