

MONTGOMERY COUNTY STAYS IN LAND BANK

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By JASON SUBIK
Staff Writer

The Montgomery County Legislature voted 8-0 on Tuesday to renew the county's membership in the Greater Mohawk Valley Land Bank through 2022.

Legislature Chairman Joe Isabel, District 8, abstained from voting on the resolution.

None of the legislators spoke about the resolution when it was passed.

The GMVLB was formed in 2016, part of an increase in the number of land banks in New York state that stemmed from a 2011 law that allowed local governments with the power to foreclose on property to form the nonprofit land banks in order to tap into millions of dollars in settlement money obtained by the New York State Attorney General's office.

Land banks obtain distressed, foreclosed properties and attempt to rehabilitate them and get them back onto tax rolls.

The city of Amsterdam belongs to the Capital Region Land Bank, but the rest of Montgomery County has belonged to the GMVLB since 2016.

The renewal resolution was discussed briefly during the June 16 meeting of the county's Economic Development and Planning committee, chaired by District 9 Legislator Robert Purtell.

Purtell provided legislators with a report from the GMVLB's Project Manager John Mazzarella III, summarizing the land bank's activities in Montgomery County over its three-year existence.

The report listed these accomplishments:

- \$375,000 in total property demolitions when the entity completes its last demo project by the end of the summer.
 - \$246,196 spent on property rehabilitations and stabilizations, including hazmat surveys, land surveys and renovations as of June 11.
 - 46 percent of the land bank projects in the county have "reached the disposition stage and are either not in GMVLB inventory, sold [with] sale pending, listed for sale, have offers in review, or have disposition plans in review."
- The report also listed the sale of two formerly distressed properties the bank helped to rehab:

- 21 Lydius St., Fort Plain, which has some stabilization work still to be done, and title work delayed by the coronavirus pandemic.

"Buyer committed to invest between \$80,000 to \$100,000 within the next 12 months," reads the report.

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PHOTO GALLERY

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• Canal Street lot, Fort Plain — subdivision completed and sale of four adjacent parcels to three neighbors completed February/March 2020.

During the June 16 committee meeting, District 3 Legislator John Thayer expressed concerns about how well the GMVLB has communicated with the county about its activities.

“Are we going to get a little better reporting from the land bank, as time goes by?” Thayer asked.

Purtell said he’s spoken with GMVLB Executive Director Tolga Morawski, GMVLB board member Karl Gustafson, who represents Montgomery County, and Mazzarella and they told him they would improve their reporting of information to the county.

Purtell said membership in the land bank saved the county money on demolitions.

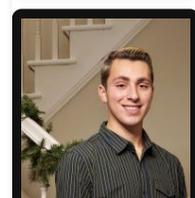
“The benefit to Montgomery County for staying in the land bank is that we’re stabilizing properties with an organization that we know, and we’re avoiding [so far \$375,000] worth of demolition and environmental remediation costs,” he said. “The demolitions properties are the worst of the worst. The ones where somebody might pay \$500 for them at a foreclosure auction, never do anything with, not pay any taxes, and then we get it back two years later. Then we’re running in circles.”

Officials said some of the completed GMVLB demolitions of properties that have not sold yet include: 11 Ann St., Fultonville; 110 Charleston St., Sprakers; and 15 E. Grand St., Palatine Bridge.

The three-year intermunicipal agreement that formed the GMVLB expired in 2019. Its original members included the counties of Herkimer, Montgomery, Otsego and Schoharie and the cities of Utica and Rome.

However, the Herkimer County Legislature pulled its county out of the land bank on June 10. The GMVLB has its headquarters at 500 East Main St. in Little Falls.

The resolution to renew Montgomery County’s membership also included several amendments to the GMVLB’s intermunicipal agreement, including ending its requirement board members for the entity reside within the county they represent, and an amendment allowing the land bank to create limited liability corporations for the purpose of holding ownership of properties with



significant environmental contamination. Purtell said LLCs will help shield the rest of the GMVLB's property portfolio from any of the legal risk of owning properties requiring significant environmental cleanup. "If they run across a contaminated site, they want to be able to run that through a separate LLC to have kind of a corporate veil so the environmental liability of the property doesn't contaminate, if you will, the rest of the processes [of the land bank]," Purtell said.

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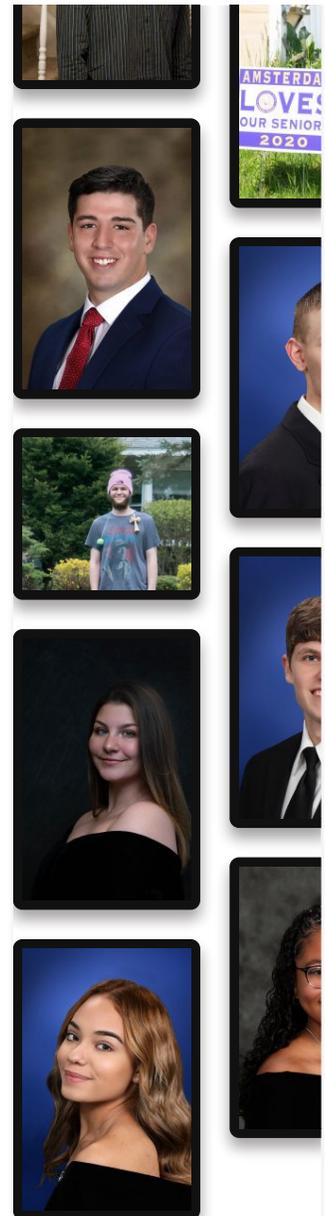
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