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Cash in on land bank

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Fulton County might be missing the boat when it comes to the establishment of a Mohawk Valley Regional Land Bank.

A land bank is a non-profit entity that obtains possession of undesirable foreclosed properties and then rehabilitates them with the ultimate goal of putting them back on the tax rolls. Property taxes from the properties rehabilitated by the proposed Mohawk Valley Regional Land Bank would be split 50/50 between the property's taxing jurisdictions and the land bank for five years after the property returns to the tax rolls.

The Fulton County Board of Supervisors chose not to put a resolution endorsing the regional land bank on its May board meeting. Supervisors said they need more information about the idea and expressed some concerns about being part of a land bank where Oneida County would have three seats on the board of directors - one each for the county and the cities of Utica and Rome.

We hope Fulton County Chairman of the Board of Supervisors Charles Potter and the other supervisors read our most recent Sunday business section feature, titled "Land Banking," which explained how this proposed regional land bank would work. In summary, Mohawk Valley Economic Development District Executive Director Sean Jordan wants all nine of the county and local governments with property foreclosure powers within the six counties of the Mohawk Valley to join together and form one land bank, which would have the third largest population of all land banks in New York state.

New York state has been promoting the creation of land banks since 2011. These entities will be given access to portions of the large settlements New York state has acquired from the big banks involved in the 2008 foreclosure crisis. Jordan says his Mohawk Valley Regional Land Bank proposal could be in line for as much as \$3 million in funding from the settlements. That's private-sector money that could help our area.

Our analysis of the land bank proposal leaves us believing there is little worry that Fulton County would be joining an entity where Oneida County would have too much control over the process. Fulton County would have two permanent votes on the board of directors of this land bank - because the city of Johnstown has foreclosure power and has already endorsed the land bank - and Montgomery County, Herkimer County, Otsego County, Schoharie County and Hamilton County would all get one guaranteed vote, although two other floating votes would be allocated, so there would be years in which some of them would get two votes.

Fulton County has little, if anything, to fear from this regional land bank, because participation in the bank does not require the county to grant it any of its foreclosed properties. Fulton County can decide to contribute foreclosures to the land bank, as the Board of Supervisors sees fit on a case-by-case basis, and county officials can ask the land bank what its plans for the property would be before granting it over to them.

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The regional land bank offers the county more options for what to do with its most difficult foreclosures. Fulton County in the past has sometimes elected not to foreclose on certain industrial properties for fear of acquiring the very costly brownfield rehabilitation liability that would come from owning them. The land bank would offer a potential solution to that problem.

We suggest the Fulton County Board of Supervisors put the issue of endorsing the regional land bank on the agenda for its June meeting, and we hope the board decides to support the bank.

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