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County hears a pitch for regional land bank

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By NICOLE ANTONUCCI
 Recorder News Staff

FONDA -- The Montgomery County Legislature has voiced its support of an initiative to create a regional land bank that would address blighted properties in six counties.

At Monday's county Education and Government Committee meeting, legislators listened to a presentation by representatives of the Keep Mohawk Valley Beautiful Committee of the Mohawk Valley Economic Development District. The group is investigating the possibility of a six-county land bank that could cover Fulton, Herkimer, Montgomery, Oneida, Otsego and Schoharie counties.

"Our goal is to take vacant and dilapidated property constantly on the auction list and get them back on the tax rolls. [Whether] by deconstruction, demolition or whatever other method, we want to beautify buildings in every village and town in the county through the land bank," Stephen Smith, executive director of the Mohawk Valley Economic Development District, said.

He added that the idea was formed last February, when Keep Mohawk Valley Beautiful was expanded from two counties to six. Since then there have been three forums and surveys given out to find interest.

"Montgomery County is the first county where we are taking the next step in putting an application to start the process of forming a regional land bank," Smith said.

A land bank is a government-created nonprofit corporation that has special powers above typical foreclosing entities that enables it to convert vacant, abandoned and tax-delinquent properties into productive space.

There are approximately 270,510 vacant housing units in the state and 34 percent of those units were built before 1940, which makes it more difficult for the properties to be turned over.

The role of the land banks is to acquire title to problem properties, eliminate liability and transfer the properties to new, responsible owners in a transparent manner that results in outcomes consistent with community-based plans.

"Rather than put the properties up for auction, the properties go into this land bank," Tolga Morawski, founder of the Mohawk Collective, said. "The land bank becomes the owner and it is their mission to market these buildings and generate their own revenue."

There are currently 11 land banks in the state but Bob Albrecht, chairman of Keep Mohawk Valley Beautiful board of directors, said most of these are in urban areas like Albany, Schenectady, Syracuse or Troy.

"What we are trying to do is take care of the smaller municipalities in the counties," Albrecht said. "What we need is a resolution from the counties endorsing the concept of a six-county land bank."

To provide a better understanding of how a land bank would operate, Morawski provided examples of projects

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Nicole Antonucci/Recorder staff Stephen Smith of the Mohawk Valley Economic Development District speaks to the Montgomery County Legislature Monday about a six-county landbank being formed to address blight during the Education and Government Committee meeting.



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undertaken by the Mohawk Collective, formerly Historic Fort Plain, which focuses on historic buildings and keeping them from getting demolished.

One project included an old church in Fort Plain that went up for auction in 2011 and sold for \$508. The collective later bought the property for \$30,000.

Morawski said when they got the property, there was a hole in the floor, pigeon droppings everywhere, dead animals, collapsing floors, burst pipes. The first step was to get an engineer to assess the building and figure out the costs, which is the same step a land bank takes.

When they realized that structurally the building was sound, they ended up rehabilitating it. It cost \$50,000 in capital, 2,000 volunteer hours, and now holds concerts and other community events, he said.

"This was a success story," Morawski said.

District 2 Legislator Thomas Quackenbush agreed and said the person who purchased the building at auction intended to demolish it piece by piece.

"Not only was that building saved but if the land bank was in existence the project would have been done already," he said, pointing out problems with the tax auction. "What happens to these at tax auction and who gets these properties?"

Morawski said there are a lot of things wrong with the tax foreclosure process. At the time the church was sold for \$508 at auction, the county was owed \$12,000 in back taxes, he said. In addition, the property was assessed at \$67,000.

"To me as a taxpayer, that was my first realization that there is something wrong at the county level because that \$12,000 should have been paid back," Morawski said. "Why is the county selling something worth \$67,000, is owed \$12,000 and its being sold for \$508? The hurry is usually because of liability. They don't want to be responsible for something going wrong."

Another project includes a former store a landlord had walked away from. It was assessed at \$45,000 but the collective bought it for \$1,000. There was a hole in the floor and the roof, black mold, and particle board on the floor to cover the holes from the leaks in the roof, he said.

"It was in rough shape. So we did what was called a deconstruction where we took the building apart piece by piece and sold the pieces," Morawski said. "We had 110,000 pounds, or 55 tons, of limestone from the foundation. As of right now we sold 80 percent of that for \$300 a pound. That alone paid for most of the demolition costs."

The lot has since been cleared and Morawski said he totaled \$15,000 in salvage and spent \$8,000 in capital.

"We are going to break even on this," he said. "If someone were to tell you that you could not only demolish it but pay for it, have \$8,000 left over, you would probably think I was crazy."

The trick, he said, is to use community resources, pointing to a photo of a hole where the foundation was. It has since been filled with leftover dirt from ditching projects the Department of Public Works did this year.

"This is how we can make this stuff work without having the extra costs," Morawski said.

The lot will eventually house a park which will be paid for through a \$10,000 grant obtained through the help of the town of Minden and another \$5,000 grant currently in the works.

The third project is the West Hill School in Canajoharie, which was sold at tax auction for \$8,950 and then abandoned. It is currently being marketed to get a buyer for a potential brewery or boutique hotel. Morawski said to rehab the building would cost \$1.2 million so instead they fixed the major problem areas, such as the hole in the roof and replaced the windows to make it more attractive.

Quackenbush said what is being done at West Hill School could have been prevented.

"You see a lot of these older schools closing for new buildings. That school was occupied not all that long ago, maybe 10 years ago," he said. "At some point if the school districts knew they were going to get out of this, the land bank could have went in and saved it before it got too bad."

District 4 Legislator Ryan Weitz said there are examples in every county where buildings go through owner after owner and suffer the same fate.

"Things like these horror stories you just mentioned highlight the problem with the foreclosure process, which turns them over to landlords that don't have a vested interest. Then we end up with vacant lots with no revenues," he said.

Weitz said he supports the regional approach because it would help define the area as a region with collective goals.

"We don't have an Albany or Schenectady but we can take these small communities and make the difference in addressing the blight," he said. "I would be more than happy to sponsor a resolution."

District 7 Legislator Barbara Wheeler said she would also sponsor a resolution, which will go before the Physical Services Committee for approval at tonight's meeting, scheduled for 5 p.m.

District 1 Legislator Martin Kelly said it was a different and interesting approach to dealing with buildings on the foreclosure list year after year.

"It is definitely something we should look into," he said. "A regional approach could prove to be more productive."

County Executive Matthew Ossenfort sat in the audience during the meeting but he too said he is in support of the idea.

"The idea of having a first rural land bank is exciting," he said. "Land banks have typically been focused around urban settings. Having a rural land bank gives us the opportunity to look at old farmhouses and other properties that aren't in an urban setting. I am in full support of trying to make this happen."

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