

Rome Sentinel

Oneida County asked to join regional land bank effort

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A group trying to start a regional land bank is seeking the Oneida County government's endorsement of the proposal.

The concept of a six-county land bank in and around the Mohawk Valley to help return vacant and abandoned properties to productive use was highlighted for the Democratic and Republican caucuses Wednesday prior to the Board of Legislators' monthly meeting.

"Essentially, this is a tool that can be used to fight blight," said Sean P. Jordan, executive director of the Mohawk Valley Economic Development Council. If created, the land bank would work with the counties and other entities with the power of foreclosure — in this case the cities of Rome, Utica and Johnstown — to rehabilitate problem properties and, ideally, get them back on the tax rolls.

The New York State Land Bank Act of 2011 created 10 land banks. Now, Jordan said the state is again offering seed money for the creation of additional land banks and his group is preparing an application that covers cover Fulton, Herkimer, Montgomery, Oneida, Otsego and Schoharie counties. The start-up funds come from settlements the state has reached with financial institutions.

To support the application's credibility, Jordan is trying to line up resolutions of support from all six counties in the region, as well the three cities in these counties that have the power to foreclose on tax-delinquent properties. Oneida and Fulton counties have not signed on yet, he said. As for the three cities, Jordan said Rome and Utica are on board although Johnstown is not so far.

The more counties, the more entities on board, the higher the chance of success because then the state would see that there's interest from the region, he explained. No financial commitment is being sought or expected of the six counties or three cities, said Jordan.

The application is due May 16 at Empire State Development in order for the potentially new land bank to be considered for the next round of grants.

"It is in the best interest of the state of New York and the city of Rome to help confront the problems caused by vacant, abandoned and tax-delinquent properties through the creation of the land banks in a coordinated manner to foster the development of that property by returning property to productive use in order to strengthen the economy, improve the quality of life and improve the financial condition of the municipalities," states the resolution adopted by the Rome Common Council in July.

Member counties and the three cities, at their discretion, would transfer a property to the land bank at no cost, absorbing whatever delinquent taxes are owed on it, in exchange for the land bank investing in renovation or other actions to make the property marketable, according to Jordan. Such actions can

include demolition or deconstructing to salvage as much of the material for reuse as possible. The land bank would then try to sell the property and the property would go back on the tax rolls.

After a property is sold by a land bank, it receives 50 percent of the property taxes for five years, thereby creating a revenue stream for the land bank.

“This is the self-sustaining mechanism in this concept,” said Jordan.

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.

“We can’t find one,” replied Jordan when asked by a legislator about any downsides of a land bank.

Most of the land banks in the state are in urban areas like Albany, Buffalo or Syracuse. The new regional land bank would focus on the smaller municipalities in the six counties. The Mohawk Valley one would be the third-largest in population.

Legislator Edward P. Welsh, R-19, Utica, said a land bank one more avenue for dealing with blighted or distressed properties.

“It’s another tool in the toolbox,” he said.

Oneida County Executive Anthony J. Picente Jr. said afterward that neither Rome nor Utica expressed interest in joining a county land bank when the issue was broached several years ago. The county currently holds auctions several times a year to sell foreclosed properties “as is.”

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