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Ingham Land Bank expands repertoire

School for the Blind deal could be first of trend

The Ingham County Land Bank is completing its first deal for commercial property - a building on the former campus of the School for the Blind in north Lansing.

This could be a sign of things to come, if the agency can keep the numbers looking good. And, on this first deal, County Treasurer Eric Schertzing, who operates the Land Bank, says the numbers are essentially a break-even proposition.

The former superintendent's house has been redubbed "Old Town Manor" by its new owners, Rizzi Designs. Rizzi's occupancy, which will end a long vacancy, is possible because the Land Bank purchased the building from the Lansing Housing Commission in 2008. This sale gave the commission needed capital. And it gave the Land Bank an entry to the commercial world.

A \$150,000 renovation is bringing an unused property back on to the tax rolls. And a neighborhood that might not get all the attention it deserves is getting a boost.

The Land Bank (<http://inghamlandbank.org/>) did its first project only three years ago. Its focus has been on acquiring houses in tax default, doing upgrades and finding buyers to put the houses back on tax rolls. At times, though, the Land Bank goes with demolition as the best result for a dilapidated property.

In a well-oiled world, you wouldn't need this agency to act as an intermediary in the real estate market. But as houses with back tax bills have stacked up in Michigan communities, the free market hasn't proven resilient enough to handle the situation.

Now the Land Bank has completed its first dip of the toe into the commercial property world, and it has at least one more major deal on its plate - the former Deluxe Inn site downtown.

In September, the Land Bank bought the site for \$400,000. The likely plan is to demolish the dilapidated motel, clearing the way for a new structure, possibly combining retail and commercial space on the ground floor with housing aimed at Cooley Law School students above.

These deals are a bit of a different animal. Taking an abandoned home and putting a family in it, even if the deal imposed something of a public cost, is easy to defend. When commercial property is involved, the public's antennae will be tuned to any claims of inappropriate advantage.

That's not an argument to stop, but only to be careful in the selection of properties to acquire and turn around.

An LSJ editorial