



# *Monroe County Legislature*

**RICHARD A. BEEBE**

LEGISLATOR - DISTRICT 6

**RICHARD A. BEEBE**  
LEGISLATOR - DISTRICT 6  
172 DORSEY ROAD  
ROCHESTER, NEW YORK 14616  
OFFICE: (585) 753-1940  
HOME: (585) 319-4827  
E-MAIL: dickbeebe@hotmail.com

September 22, 2011

To the Honorable  
Monroe County Legislature  
407 County Office Building  
39 West Main Street  
Rochester, New York 14614

## **Re: Reining In Local Development Corporations (LDCs) in Monroe County**

Honorable Legislators:

Local Development Corporations (LDCs) are a creation of local government which allows government to play a more flexible role in public-private partnerships. Along with this flexibility, however, LDCs can be used to carry out traditionally governmental roles without appropriate public oversight and accountability. The use of LDCs removes government business from legislative scrutiny and typically from 'good government' protections such as the Open Meetings Law, the Freedom of Information Law (FOIL), and competitive bidding requirements. These laws were put into place to protect the public interest and to guarantee government accountability and efficiency. When government business continues to be removed from public purview and the oversight of this Honorable Body, democracy suffers and the potential for serious abuse increases.

The following LDCs are among those established by past and present Monroe County Administrations: Monroe Safety & Security Systems Local Development Corporation, Monroe Newpower Corporation, Main and Clinton Local Development Corporation, Upstate Telecommunications Corporation, Monroe Tobacco Asset Securitization Corporation, Greater Rochester Outdoor Sports Facility Corporation, Civic Center Monroe County Local Development Corporation, Monroe Community Sports Centre Corporation, Monroe County Sports Development Corporation, Monroe County Industrial Development Corporation, Monroe County Development Corporation and Community Capital of Monroe County, Inc.

As long as local government continues this trend of unaccountability through "government by LDC", it is the right and responsibility of the Legislature, on behalf of the taxpayers, to enact stringent oversight regulations regarding LDCs. Although some LDCs do acknowledge they are subject to the requirements of the Open Meetings and FOIL Laws, their subcontractors have no such obligation. This leads to a further distancing of government operations from meaningful oversight. For example, the Upstate Telecommunications Corporation (UTC) LDC recently issued a Request for Proposals for Website Management services, but the response is to be sent to UTC's contractor, Navitech Services Corp. Navitech is not subject to the same transparency and accountability measures as UTC, which means virtually all of these operations, including the awarding of the Website Management RFP, are out of public view.



Therefore, we propose that this Honorable Body enact a local law amending the Monroe County Charter to include a new provision, entitled "Legislative Oversight of Local Development Corporations."

The oversight functions which are incorporated in the proposed local law may preexist for selected LDCs however this proposal updates and broadens County Law, strengthening a uniform set of standards for these types of entities.


**The specific legislative actions required are:**

1. Schedule and hold a public hearing on the proposed local law.
2. Enact local law amending the Monroe County Charter, as attached.

This proposed local law will have no impact on the revenues and/or expenditures of the 2011 Monroe County Budget.

We recommend that this matter be referred to the appropriate committee(s) for favorable action by Your Honorable Body.

Respectfully Submitted,



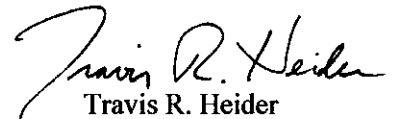
Richard A. Beebe  
Legislator – District 6



Carrie M. Andrews  
Assistant Minority Leader



Calvin Lee, Jr.  
Assistant Minority Leader



Travis R. Heider  
Legislator – District 14



Vincent Esposito  
Legislator - District 16



Glenn J. Gamble  
Legislator – District 22



Paul E. Haney  
Legislator – District 23




Joshua Bauroth  
Legislator – District 24



C. Stephen Eckel  
Legislator – District 26



Willie Joe Lightfoot  
Legislator – District 27



Cynthia W. Kaleh  
Legislator – District 28



Saul A. Maneiro  
Legislator – District 29

By Legislators \_\_\_\_\_ and \_\_\_\_\_

Intro. No. \_\_\_\_\_

LOCAL LAW NO. \_\_\_\_\_ OF 2011

**A LOCAL LAW ENTITLED "LEGISLATIVE OVERSIGHT OF LOCAL DEVELOPMENT CORPORATIONS."**

BE IT ENACTED BY THE LEGISLATURE OF THE COUNTY OF MONROE, as follows:

Section 1. Section §C2-6(C)(15) is added to the Monroe County Charter:

**§ C2-6(C)(15) Legislative Oversight of Local Development Corporations**

The Monroe County Legislature will exercise the following oversight functions over all local development corporations, which are hereby defined as a "Local Authority," as defined in the Public Authorities Accountability Act, created for the benefit of the County of Monroe:

a. To confirm the appointments of all members to the boards of directors of local development corporations established for the benefit of Monroe County, New York.

b. To hold two voting positions on the boards of directors of all local development corporations established in Monroe County, New York. One such position shall be filled by a nominee of the majority leader of the Legislature and the other shall be filled by a nominee of the minority leader of the Legislature.

c. To approve the annual budgets of all local development corporations established in Monroe County, New York prior to the start of their fiscal years.

d. To require that quarterly financial reports and annual audited financial statements of all local development corporations established in Monroe County, New York be submitted to and filed with the Clerk of the Legislature. The annual audit reports shall be filed within 181 days of the end of the LDC's fiscal year.

e. To require that all local development corporations shall be subject to the Public Authorities Accountability Act, the Freedom of Information Law, the Open Meetings Law and competitive bidding statutes as adopted and periodically amended

competitive bidding statutes as adopted and periodically amended by the State Legislature since they constitute a "local authority" performing a public function.

f. To require that all contracts between Monroe County and an LDC do not exceed a term of five (5) years. Any renewal contract shall be subject to approval by a majority vote of the Monroe County Legislature.

g. To require the public notice of any proposed transfer of County-owned real property to an LDC include a description of the property to be sold or leased, the price or benefit received by the local government for the asset being transferred, the estimated fair market value of the asset, and a statement of the intended use of the property by the LDC. Such statement shall be filed with Clerk of the Legislature prior to the transfer of property.

h. Any amendments to any contact between Monroe County and an LDC must be approved by a majority vote of the Monroe County Legislature.

File No. 11-0\_\_\_\_\_.LL

ADOPTION: Date:\_\_\_\_\_ Vote: \_\_\_\_\_

ACTION BY THE COUNTY EXECUTIVE

APPROVED: \_\_\_\_\_ VETOED: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

EFFECTIVE DATE OF LOCAL LAW: \_\_\_\_\_

Added Language is underlined

Deleted Language is ~~stricken~~