



STATE OF NEW YORK
Authorities Budget Office

P O Box 2076
Albany, NY 12220-0076
WWW.ABO.STATE.NY.US

e-mail address:
info@abo.state.ny.us

Local:518-474-1932
Toll Free: 1-800-560-1770

For Release: December 22, 2011

Contact: Authorities Budget Office
(518) 474-1932
1-800-560-1770

Authorities Budget Office Issues Report on Economic Development Authorities in Schenectady County

The New York State Authorities Budget Office (ABO) today issued a report on the seven local economic development authorities serving Schenectady County. The report focused on whether all of these authorities were needed in the County. The seven authorities consist of the Schenectady County Metroplex Development Authority, the Schenectady County IDA, the City of Schenectady IDA, the Town of Rotterdam IDA, the Schenectady Local Development Corporation, the Schenectady County Community Business Center, and the Schenectady County Community Resource Corporation.

While the ABO found that Schenectady County has achieved some recent economic development success, it also concluded that seven different authorities were not necessary. Instead, the residents of Schenectady County could have been equally and more cost-effectively served by fewer authorities, since these authorities have similar missions and provide similar financial assistance to projects. The report stated that it is just as probable that the County would have realized the same level of success with a more streamlined economic development structure that relied on fewer and less redundant organizations.

Authority officials described the seven authority structure as a unified economic development team, but the ABO found no evidence that authorities have adopted a coordinated project application and review process, use a common application for financial assistance, or that relevant project and financial assistance information is shared among all of the authorities involved. The ABO also found that these authorities neither adopted nor annually reviewed and updated a comprehensive economic development plan, nor has Metroplex developed a five-year capital projects plan, as required by its enabling legislation

The report provides examples of economic development funds not being used efficiently, including three of the authorities providing more than \$600,000 to the Community Business Center to meet its operating costs. Metroplex was also charging the County and City IDA's \$2,000 per month to provide administrative services and staffing support, although contracts with those IDAs limited charges to \$1,000 and \$750 per month respectively.

Finally, the ABO noted that the Rotterdam IDA has continued to operate although, pursuant to Section 882 of General Municipal Law, its corporate existence was terminated in 2010 when the IDA retired all of its outstanding bonds and notes. The ABO cautioned that the IDA's continued operation could place

the board of directors, Town of Rotterdam officials, and any businesses receiving financial assistance from the Rotterdam IDA at risk.

A copy of the report may be obtained at: www.abo.state.ny.us.