
Authorities Budget Office
Review of Activities and Expenditures
Columbia County Capital Resource Corporation
October 23, 2013



Local development corporations (LDCs) are not-for-profit corporations incorporated pursuant to Section 1411 of Not for Profit Corporation Law. The general statutory purpose of an LDC is to reduce unemployment, promote and maintain employment opportunities, aid communities attract new industry or to encourage the development or retention of existing industries, and lessen the burdens of government and act in the public interest. In furtherance of these public purposes, an LDC has the power to construct and rehabilitate industrial or manufacturing facilities to be used by others; provide grants and loans; borrow money; issue debt; and acquire, sell or lease real property below market value. Any county, city, town or village in New York State, alone or in combination, may cause the incorporation of a LDC by public officers or private individuals.

Section 2(2)b of Public Authorities Law defines local authorities to include not for profit corporations affiliated with, sponsored by, or created by a county, city, town or village government. By law, the operations, practices and reports of these LDCs are subject to the review and analysis of the ABO. The ABO is undertaking a series of reviews of selected LDCs across the state to develop a better understanding of the public purposes for which each LDC was formed, and to provide insight into how these corporations function, how each relates to the local government for whose benefit it was created, and the types of activities on which the LDC expends public funds.

These reviews are intended to focus on the following analytical issues:

- The specific mission of the LDC and the purpose(s) for which it was formed.
- The LDC's corporate governance structure, including its relation to the municipal government and other local authorities.
- The sources of LDC funding.
- The programs, services and public objectives supported by LDC funding.
- Activities of the LDC, if any, that may be inconsistent with or tangential to its core mission.

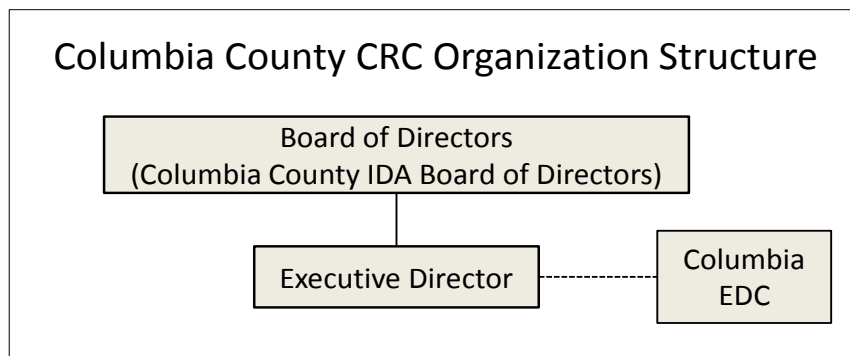
This report reviewed the extent to which the activities and expenditures of the Columbia County Capital Resource Corporation (CCRC) are consistent with and advance the public purpose for which it was formed.

Mission of the Columbia County Capital Resource Corporation

The Columbia County Capital Resource Corporation (CCRC) was created by Columbia County in 2009 under Section 1411 of Not for Profit Corporation Law. As articulated in its Certificate of Incorporation, the sole mission of CCRC is to issue tax exempt debt to finance not-for-profit civic facility projects that are not eligible for funding through the county's industrial development agency.

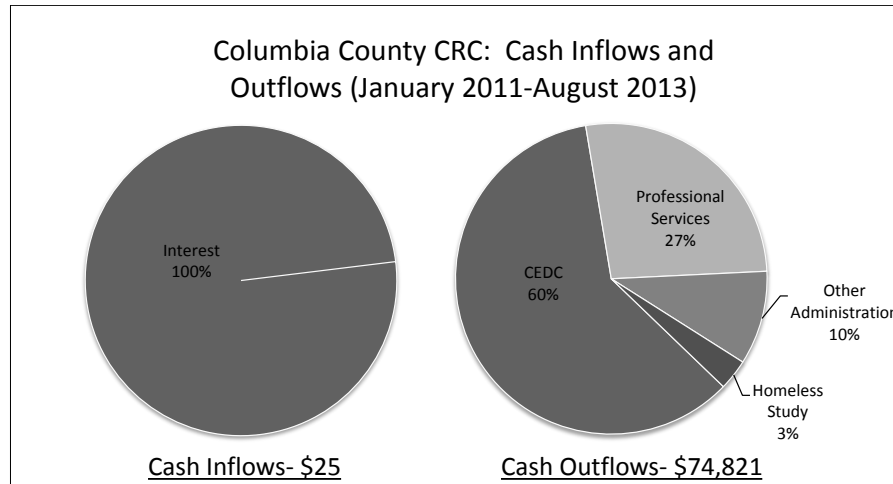
CCRC Corporate Governance Structure

CCRC's corporate governance structure is identical to the Columbia County Industrial Development Agency's (IDA). Both boards are comprised of the same seven individuals, who serve at the pleasure of the County Board of Supervisors. CCRC's executive director position is held by the County Commissioner for Planning/Economic Development, who also serves as the Executive Director of the IDA and the Columbia Economic Development Corporation (CEDC). Both CCRC and the IDA are administered by CEDC staff. For the period January 2011 through August 2013, total payments to CEDC for CCRC administrative services were \$45,000.



CCRC Revenues and Expenses

CCRC derives its revenues from the fees it charges to finance projects and the interest earned on those fees. Project fees collected since its formation in 2009 total approximately \$150,000. For the period January 2011 through August 2013, the CCRC's total revenues consisted solely of \$25 in interest. Total outlays over this period were more than \$74,800. This included \$45,000 for its contract with CEDC, \$20,100 for professional services, \$7,300 for other administrative costs and \$2,400 for a grant awarded to Columbia County.



CCRC Mission Driven Activities

CCRC issued tax exempt debt to finance two projects: one undertaken by Columbia Memorial Hospital, and the second by Camphill Ghent, a senior citizen care facility. Both projects were financed in 2010. These are the only projects currently financed by the CRC.

Other CCRC Activities

Other than its two debt issuances, the CCRC has engaged in little activity. The one commitment it did make was to provide Columbia County with a \$2,400 grant to partially fund a study. This study was to determine if there was need to construct additional homeless housing and if the CCRC could serve as the financing agency for the project. The awarding of this grant would appear to be outside the limited scope of the CCRC's mission since it did not involve the issuance of tax exempt debt for a specific project.

Conclusion

CCRC's purpose as a local development corporation is to finance certain civic facility projects, and by so doing promote community and economic development in the County. Based on the expenditures reviewed for this report, the majority of the CCRC's expenses are for maintaining the existence of the organization even though it has not engaged in any new economic development projects. The grant to Columbia County appears to be secondary to the CCRC's core mission. The future of the CCRC is contingent on its ability to finance additional projects not eligible for other public financing.