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**Authority Budget Office  
Review Report  
White Plains Urban Renewal Agency  
September 21, 2009**

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The Authority Budget Office (ABO) is authorized by Section 27 of Chapter 766 of the Laws of 2005 (The Public Authorities Accountability Act) to review and analyze the operations, practices and reports of public authorities, and to assess compliance with various provisions of Public Authorities Law and other relevant State statutes. This includes rendering conclusions and opinions regarding the performance of public authorities and to assist these authorities improve management practices and the procedures by which their activities and financial practices are disclosed to the public.

The Authority Budget Office (ABO) is conducting a series of compliance reviews of public authorities that have not filed required reports with the State for 2007 and 2008. The White Plains Urban Renewal Agency (URA) was chosen for this review because it has not filed its Budget, Annual, Audit, Procurement, or Investment Reports.

The purpose of this review was to determine why the URA is delinquent with its reports. We also reviewed its structure and operations to determine whether the URA acts in other ways to promote accountability and transparency in the absence of filing its reports.

### **Background of Agency**

The URA was authorized by Title 14, Article 15-B of General Municipal Law. The URA is comprised of a five member board including the Mayor and four other members appointed by the Mayor. As a public benefit corporation, the URA is a governmental agency separate and distinct from the City. We found, however, that the URA operates as an extension of City government and is treated as a component unit of the City. The City's Commissioner and Deputy Commissioner of Planning, Commissioner of Finance and the Corporation Counsel manage and administer the URA's programs. The City provides office space and supplies to the URA, and deposits URA funds in the City's accounts, since the URA does not have a separate bank account. As of June 30, 2009 the URA had over \$195,000 in available funds, and had received approximately \$86,000 in revenue for the year. The URA has an annual operating budget of approximately \$70,000 which is used to reimburse the City for staff salaries and other costs, and to pay County refuse and sewer district fees on all of the properties it owns.

The URA is an active participant in the City's redevelopment projects. It has prepared six urban renewal plans encompassing various projects throughout the City that are aligned with the goals of the City's Comprehensive Plan. The URA received federal and State grants to fund major downtown revitalization projects as part of the plans, and these grant funds are earmarked for projects as approved by the URA Board. The URA uses these funds to acquire property associated with these projects, with the expectation of recovering its costs when the property is sold. The URA currently owns ten properties, three of which are parking lots that generate revenue. The URA issued \$4 million in bonds to acquire four of its other properties. This debt is backed by the City. The URA intends to retire the debt by the end of 2009 using proceeds from the sale of the properties.

### **Failure to Submit Reports**

We met with the City's Commissioner of Planning, who also serves as the Executive Director of the URA. Although the ABO had previously notified the Executive Director that the URA was subject to the Public Authorities Accountability Act, continued to provide regular notice that the URA was required to file statutorily required reports, and notified the URA that its reports were delinquent, the Executive Director claimed that she was unaware of the reporting requirements of the Act, and believed that the URA had satisfied its reporting obligations to the State by including the URA's financial information in the City's annual report to the Office of the State Comptroller. The Commissioner indicated that the URA's reports will be submitted in the Public Authorities Reporting Information System (PARIS), beginning with the June 30, 2009 reporting year. We note that the URA enrolled in PARIS subsequent to our review and is in the process of entering data in PARIS as of the date of this report.

### **Accountability and Transparency Actions**

We found that the URA appears to have appropriate procedures in place for the administration of its urban renewal plans. The URA has adopted by-laws and the meetings of the URA Board are open to the public, with meeting notices published and minutes recorded. Further, the URA engages in a public comment period for each of its urban renewal plans, and utilizes the public input to develop, adjust and carry out these plans. The Board adopts annual budgets for each of its projects as well as for URA operations, and reviews quarterly financial reports regarding the progress of ongoing urban renewal projects.

However, we found that the URA needs to improve the accountability and transparency of its operations as a public authority. The URA would be more accountable and transparent if it used its public web site to make information on its operations and finances readily available to the public. Since our review the URA has taken steps towards increasing transparency by posting detailed

information about its ongoing urban renewal plans, operating budget and most recent Board meeting agendas and minutes on its public web site.

The URA holds title to three parking lots which are maintained and operated by the City. The URA receives approximately \$38,000 in annual revenue from these lots. We found however, that the URA has written agreements documenting this financial arrangement for only two of the three lots, and both of these are outdated. The agreements were established over 15 years ago and were with the White Plains Parking Authority, which has been dissolved since 2004. As a result of our review, the URA indicated that it will prepare new lease agreements for all three parking lots.

The URA also owns the land beneath the White Plains City Center municipal parking garage. The URA does not earn any revenues from the operations of the garage but is required to pay the County refuse and sewer district fees for this property. We believe that the URA should enter a formal agreement with the parking garage tenants to at least recover these fees.

Of more significance, at the time of our review the URA had 12 employees on its payroll, none of whom are assigned to work for the URA. Staff positions are approved by the URA Board which allows the City to avoid civil service hiring policies and procedures. These employees all work for the City's Planning Department, administering the City's Community Development Block Grants and low-income housing assistance (Section 8) funds. The City transfers a portion of the grant funds to the URA payroll account which is administered by the City.

We are concerned that this staffing arrangement is inconsistent with a legal opinion issued in 1978 by the Office of the State Comptroller (78-294-A). This opinion held that employees of an urban renewal agency may not be utilized to perform work for municipal departments, even if those services are reimbursed by the municipality. Based on the ABO's understanding, this opinion would prohibit URA staff from performing work related to the City's community development and Section 8 programs. The URA indicated that this matter has been referred to the City's Corporation Counsel to assess the appropriateness of this arrangement, in light of the State Comptroller's opinion.