

TIMBER | MEMORANDUM OF SUPPORT

S.2727A (Skoufis) / A.3715A (Paulin)

Local Development Corporation Transparency

Purpose: This legislation amends the not-for-profit corporation law and the public authorities law to expand the definition of “local authority” to include Local Development Corporations (LDCs) and require that they comply with Open Meeting and Freedom of Information laws.

Background: Under §1411 of New York State not-for-profit corporation law, local governments are permitted to establish LDCs for the purposes of improving local commerce, addressing unemployment, encouraging job preparedness, and “lessening the burdens of government.”¹ Because they have both a broad mandate and the ability to purchase and lease land, borrow money, and issue negotiable bonds and notes, LDCs are powerful tools. Without accountability measures, there exists the potential that they may finance projects that are not necessarily in the public interest. In 2011, the Office of the State Comptroller issued a report advocating for transparency reforms to New York State’s LDC laws following a troubling pattern of abuse and opacity, a portion of which were enacted.²

Troy’s Local Development Corporation was established in 1987.³ It is only one of many organizations of its kind in Troy: the vast jungle of related entities includes the Troy Industrial Development Authority,⁴ the Troy Capital Resource Corporation,⁵ the Troy Community Land Bank Corporation,⁶ the Troy Housing Authority,⁷ the Troy Rehabilitation and Improvement Program,⁸ the Downtown Troy Business Improvement District,⁹ the Rensselaer County Capital Resource Corporation,¹⁰ and the Rensselaer County Industrial Development Agency.¹¹ With so many of these entities in the mix, it is very difficult for even Troy’s most engaged residents to keep tabs on who does what. This is further complicated by their membership: 3 of the 5 names appearing on the Troy LDC letterhead are city officials who also serve several of the aforementioned entities. Adding to the chaos: Troy LDC agendas and minutes are only readily available from 2021 to 2023, and videos are only available for portions of 2020 and 2021.¹²

Justification: Given its composition and the contents of its minutes, it is clear that the Troy LDC could not even theoretically operate independently of the City or its sprawling constellation of affiliated not-for-profits, some of which *are* subject to open meeting requirements and FOIL compliance. Applying those same rules to the Troy LDC would be one very small step toward building a civic culture that is accessible to all Trojans. **For this reason, TIMBER strongly supports this legislation.**

¹ <https://www.nysenate.gov/legislation/laws/NPC/1411>

² <https://www.osc.state.ny.us/files/local-government/publications/pdf/lcreport.pdf>

³ https://www.abo.ny.gov/annualreports/MissionStatements/LDC/Troy_LDC_Mission_Statement.pdf

⁴ <https://www.abo.ny.gov/annualreports/MissionStatements/IDA/TIDAMissionStatementandMeasurementReport2019.pdf>

⁵ <https://www.abo.ny.gov/annualreports/PARISAnnualReports/FYE2021/Local-LDC/ARCityofTroyCapitalResourceCorporation2021.pdf>

⁶ <https://www.abo.ny.gov/annualreports/PARISAnnualReports/FYE2021/Local-LDC/ARTroyCommunityLandBankCorporation2021.pdf>

⁷ <https://troyhousing.org/about/>

⁸ <https://archives.hud.gov/reports/foia/highscore/2008/hcp.pdf>

⁹ <https://www.downtowntroy.org/board-of-directors>

¹⁰ <https://www.abo.ny.gov/annualreports/PARISBudgetReports/FYE2021/LDC/BRRensselaerCountyCapitalResourceCorporation2021.pdf>

¹¹ <https://www.abo.ny.gov/annualreports/MissionStatements/IDA/RensselaerCountyIDA.pdf>

¹² <https://www.youtube.com/@troylocaldevelopmentcorpor8025/videos>



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