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**Authority Budget Office  
Review Report  
Port Chester Community Development  
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 Port Chester Community Development Agency (CDA) 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 CDA is delinquent with its reports. We also reviewed its structure and operations to determine whether the CDA acts in other ways to promote accountability and transparency in the absence of filing its reports.

**Background of Agency**

The CDA was authorized in 1964 pursuant to Title 37 of Article 15-B of General Municipal Law. The CDA Board was to be comprised of the Mayor and the six members of the Board of Trustees. However, Village officials stated that the CDA is not active and has not had any activity in over ten years. The CDA Board does not meet and the CDA does not have any debt, property, employees or bank accounts. Village officials indicated that the CDA was originally established to designate specific areas for urban renewal and to promote a specific redevelopment project in the Village in the 1970s. However, the redevelopment project did not begin until the late 1990s, and was then handled by the Village and its Industrial Development Agency (IDA), with no action taken by or on behalf of the CDA.

## **Failure to Submit Reports**

We met with the Village Attorney, the Village Treasurer and outside counsel to the Village IDA. They indicated that the CDA did not submit reports to the ABO because the Village considered the CDA to be inactive. Further, these officials did not notify the ABO of the CDA's inactive status despite numerous discussions and correspondence with ABO staff. As a result of our review, the Village Attorney provided the ABO with a proposed resolution of the Village Board of Trustees to declare the CDA inactive. Village officials believe it would not be cost effective to maintain the CDA and comply with the statutory requirements of the Act. We believe that it is appropriate for the CDA to be dissolved, due to its inactivity over the years.

Section 553(1)(b)(2) of General Municipal Law states that a community development agency is perpetual in duration, except if after ten years the agency does not have any outstanding debt or other obligations of its own or on its behalf, then the corporate existence of such agency shall terminate and it shall be deemed to be dissolved. While this provision may apply to the CDA, the Village could provide no documentation to that effect. Accordingly, the Village Board of Trustees passed a resolution at its September 8 to take all appropriate steps necessary to dissolve the CDA if the CDA is not already dissolved pursuant to Section 553 of General Municipal Law. For reporting and compliance purposes, the ABO considers the Village of Port Chester CDA to be defunct.