

Dorothy Woo

Tyler Cassell Paul Graziano Richard Hellenbrecht David Kulick Barbara Larkin Audrey Lucas Harbachan Singh **Edwin Westley**

President Emeritus Sean Walsh Albert Greenblatt **Robert Harris**

November 23, 2009

Kathy Masi

RE: Public Authorities legislation

To the editor:

Queens Civic Congress, an umbrella organization for more than 110 community and neighborhood based groups representing tenants, co-op and condo owners and homeowners living in every part of Queens, welcomes the agreement in Albany on legislation that introduces much needed oversight and sunlight into the administration of public authorities that operate in New York State.

The legislation agreed to by Government David Paterson and state lawmakers last Wednesday, delivers sound and necessary reforms to these authorities and brings some transparency and accountability to the MTA, the NYC Industrial Development Agency, the State Dormitory Authority, the New York State Thruway Authority, the New York City Economic Development Corporation and other agencies that borrow and spend billions, sell assets and pretty much operate under the public radar.

These quasi-independent agencies continue to operate – and have done so for decades – free of any meaningful oversight from elected officials or the legislature.

Projects like Atlantic Yards, which the MTA made possible by selling development rights to public property far below market value, actually demonstrated the need for this important and much-required reform. That's why Queens Civic Congress urged the Governor this summer to sign such legislation.

Queens Civic Congress congratulates the Governor, the State Senate and State Assembly for getting this reform done.

Sincerely,

Corey Bearak President

Find Queens Civic Congress Members on the next page or on the web at: http://queensciviccongress.org/organization/members.php.

The Governor's <u>news release</u> announcing the agreement and a news <u>article</u> noting the Assembly's passage follow on the third page.

Queens Civic Congress Members

Addisleigh Park Civic Organization
Association of Old Forest Hills
Auburndale Improvement Association ◆ Bayside Civic Database ◆ Bayside Clear-Spring Council ◆ Bayside Hills Civic Association ◆ Bayswater Civic Association • Bay Terrace Community Alliance, Inc. • Bay Terrace Cooperative Section 1 • Bellaire-BellVill Civic Association + Belle Harbor Property Owners Association + Bellerose Commonwealth Civic Association + Bellerose Hillside Civic Association + Bell Park Manor Terrace Community Council + Bowne Park Civic Association + Briarwood Community Association • Broadway-Flushing Homeowners Association • Cambria Heights Civic Association • Civic Association of Utopia Estates + C.O.M.E.T. (Communities of Maspeth-Elmhurst Together) + Concerned Citizens of Laurelton + Cornucopia Society + Creedmoor Civic Association + Deerfield Area Association + Doug-Bay Manor Civic Association + Douglas Manor Association + Douglaston Civic Association + Dutch Kills Civic Association of Long Island City + East Elmhurst Corona Civic Association + East Flushing Civic Association + Federated Block Associations of Laurelton + Federation of Civic Associations of Southeast Queens + Floral Park Community Council Flushing Heights Civic Association
 Flushing on the Hill Taxpayers Association
 Forest Hills Chamber of Commerce ♦ Forest Hills Crescents Association ♦ Forest Hills-Van Court Association ♦ Fresh Meadows Homeowners Association • Georgetown Mews • Glendale Civic Association of Queens • Glen Oaks Village Owners, Inc. • Greater Astoria Historical Society

Greater Whitestone Taxpayers Civic Association

Harding Heights Civic Association ◆ Hillcrest Estates Civic Association ◆ Hilltop Village Co-Op #1 ◆ Hilltop Village Co-Op #2 ◆ Hilltop Village Co-Op #3 ♦ Hilltop Village Co-Op #4 ♦ Hollis 11423 Block Association ♦ Hollis Hills Civic Association ♦ Holliswood Civic Association + Hollis Park Gardens Association + Holly Civic Association + Hyde Park Gardens Cooperative + Jackson Heights Beautification Group + Jamaica Estates Association + Jamaica Hill Community Association

Juniper Park Civic Association

Kew Gardens Civic Association

Kew Gardens Hills Homeowners Association • Kew Gardens Improvement Association • Kissena Park Civic Association • Little Neck Bay Civic Association + Little Neck Pines + Long Island City Alliance + Malba Civic Association + Meadowlark Gardens Owners

Middle Village Property Owners Association

Mitchell Linden Civic Association

Neponsit Property Owners Association ♦ Newtown Civic Association ♦ Newtown Historical Society ♦ North Bellerose Civic Association ♦ North Flushing Civic Association ♦ North Hills Estates Civic Association ♦ Northwest Clearview Homeowners Association

Norwood Neighborhood Association

Oakland Terrace/ Gardens Community Council

Off Broadway Homeowners Association + Our Neighborhood Improvement Association + Our Neighbors Civic Association of Ozone Park, Inc. + Parkway Village Historical Society + Queensboro Hill Neighborhood Association + Queens Colony Civic Association ◆ Queens Community Civic Corp. ◆ Queens Village Civic Association ◆ Ramblersville-Hawtree Civic Association • Richmond Hill Historical Society • Ridgewood Property Owners and Civic Association • Association ◆ Southeast Queens Concerned Neighbors ◆ South Ozone Park West Association Civic ◆ Gardens/Harrison Place Homeowners

Surrey Estates Civic Association

Union Turnpike Merchants Association United Forties Civic Association ◆ United Mutual Veterans Housing, Inc. ◆ Waldheim Neighborhood Association ◆ Wayanda Civic Association • West Cunningham Park Civic Association • Westmoreland Association • Woodside Community Council

Assembly Backs Stricter Oversight for State



Authorities

Nathaniel Brooks for The New York Times. Gov. David A. Paterson, shown at a bill signing on Wednesday, said of public authorities, "Today we're turning the lights on."

ALBANY — The state's vast, often-impenetrable public authorities will get stricter oversight than ever under a measure that the State Assembly approved on Wednesday.

The measure would require greater disclosure at the approximately 700 state authorities, which, despite their enormous role in government, have been relatively free to operate without the scrutiny that other state agencies receive.

The Senate is expected to pass the measure as early as Thursday, and Gov. <u>David A. Paterson</u> has pledged to sign it.

<u>State authorities</u> — which range in size from the <u>Metropolitan Transportation Authority</u>, with an \$11 billion annual budget, to small ones like the Binghamton Parking Authority — would have to reveal more detailed financial plans and allow the state comptroller to audit any contract of more than \$1 million that is awarded noncompetitively.

Under the measure, certain large authorities, like the <u>Long Island Power Authority</u> and the <u>Thruway Authority</u>, could not appoint leaders without Senate consent. The new rules would also restrict the sale of land at below-market values, a practice intended to spur development that has been abused by authorities over the years.

The legislation makes efforts to rein in the debt that state authorities and their subsidiaries have taken on — around \$150 billion is outstanding — by requiring them to produce guidelines to better manage how they borrow.

"This is a massive reform of a system that was in many ways corrupt, inefficient and dangerous," said Assemblyman <u>Richard L. Brodsky</u>, a Democrat from Westchester County who led efforts in the Legislature to impose more control over the authorities. "These were Soviet-style bureaucracies doing the right thing some of the time, but rife with corruption and off on their own, outside the control of democratic institutions," he said. "Those days are over."

The changes approved on Wednesday came after months of negotiations that resulted in the easing of some provisions of a bill the Legislature approved in July.

Mr. Paterson and Mayor <u>Michael R. Bloomberg</u> had objected to many of that bill's measures, which they said were too broad. For example, the governor was concerned about a provision that would have required the state comptroller to review all contracts that authorities awarded worth more than \$1 million.

The mayor was concerned that the original bill prohibited all below-market land sales by the authorities, a practice he has used to try to encourage big developments throughout the city. The revised legislation would prohibit such land sales if they did not adhere to the authorities' legally defined objectives.

But both Mr. Paterson and Mr. Bloomberg said they felt the final bill was a good compromise.

"These authorities have operated largely in the dark," Mr. Paterson said at a news conference at the Capitol announcing the agreement of the Legislature, the governor's office and the mayor's office. "Today we're turning the lights on."

The deal prompted Mr. Bloomberg to do something he rarely does: praise Albany lawmakers. "Our state representatives in Albany deserve a lot of credit for dramatically improving a public authorities reform bill that, as initially drafted, would have done more harm than good," he said. Government watchdog groups and other advocates for more transparency in Albany expressed vindication.

"Hallelujah!" read a statement issued by <u>Gene Russianoff</u>, the public transportation advocate.

http://www.ny.gov/governor/press/press_1118092.html FOR IMMEDIATE RELEASE: November 18, 2009

GOVERNOR PATERSON AND LEGISLATIVE LEADERS ANNOUNCE AGREEMENT ON PUBLIC AUTHORITIES REFORM LEGISLATION

Governor's Program Bill Establishes Independent Budget Office to Improve Oversight; Sets Higher Standard for Authorities' Operational Transparency

Agreement Protects Authorities' Ability to Promote Economic Development

Governor David A. Paterson and Legislative Leaders today announced an agreement on legislation to reform New York's public authorities. The measures include the creation of an independent Authorities Budget Office with expanded regulatory responsibilities and subpoena power to improve the oversight of authority operations. The New York State Comptroller will also be empowered to review certain noncompetitively procured contracts for more than \$1 million. The reforms, while raising transparency standards, will maintain the authorities' ability to promote economic development. "For too long, public authorities have operated in the dark, under little or no public scrutiny. Today, we turn the lights on," Governor Paterson said. "The reforms will ensure that authorities have an independent auditor to examine how they operate and that they best serve the interest of the public. While achieving greater oversight, we also preserve and even enhance the authorities' critical powers to promote economic development throughout the State. The people of New York deserve to know that their government is operating transparently and effectively. I thank my partners in government for working to finalize these significant reforms."

The reform legislation will:

- Establish the creation of an independent Authorities Budget Office to oversee authority operations;
- Allow for Comptroller review of certain noncompetitively procured contracts for more than \$1 million;
- Mandate enhanced financial reporting, mission statements and measurement reports by public authorities, so that the State and the public know what authorities are doing, as well as their financial condition;
- Strengthen the rules governing the disposal of property by public authorities to prevent the give-away of public property to private developers;
- Strengthen the rules governing contact between lobbyists and employees of public authorities;
- Regulate the formation of subsidiary corporations and the issuance of debt by subsidiaries in order to place limits on the amount of debt issued by those corporations;
- Require board members of a public authority to perform their duties in good faith, in the best interest of the authority, its mission and the public in order to ensure that public authorities act responsibly; and
- Create a Whistleblower Access and Assistance Program to protect those individuals who report wrongdoing.

A number of cases of misconduct at public authorities that occurred earlier in the decade made it clear that many of these entities were operating without adequate accountability mechanisms. A public outcry led to the passage of the Public Authority Accountability Act, which Governor Paterson helped push through as Senate Minority Leader in 2005. Soon after passage, though, the Commission on Public Authority Reform found that the 2005 law, while a good foundation for greater oversight, did not go far enough. Many of the Commission's suggestions were included in the Governor's program bill and in those that passed the Senate and Assembly earlier this year.

Ira Millstein, who led the Commission on Public Authority Reform, said: "I congratulate the Governor and the Legislature for having agreed to this historic legislation, which will benefit the citizens of the State of New York. I do so on behalf of all those who have worked so hard over the years to bring this legislation into being."