

News Alert

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Democratic Legislators Force GOP to Table \$3 Million No Bid Lease Agreement

Troy—Democratic Legislators pressed for answers to unresolved questions about a proposed lease renewal for the Raddock Building which houses various public assistance programs administered by the Rensselaer County Department of Social Services. The Democrats concerns centered on three issues.

- First, why were no bids put out to ensure that the proposed 5-year \$3 million lease renewal with Albany Management is the best option for the County facility?
- Second, what is the condition of the building where over 100 county employees work where hundreds of clients visit each day?
- And finally, can the contract's confusing, inconsistent financial provisions be fully and satisfactorily explained?

Why were no bids put out?

Minority Leader Ginny O'Brien remarked, "It is our duty as County Legislators to provide oversight, to question expenditures and look for ways to save taxpayer dollars. We in the Democratic Minority cannot set the agenda, but we can raise a flag and ask important questions. In this instance, why were there no bids put out to find out about alternative spaces to lease? Where is the 'due diligence' we expect when hundreds of thousands of dollars are being spent?"

"The bidding process is a standard practice of good government that protects taxpayers and is recommended by the NYS Comptroller's office," said Legislator Flora Fasoldt. "The fact that we're providing a five-year lease without having looked at any other options demonstrates a lack of planning and 'business as usual' by the Republican Majority."

Democrats took issue with Republican Legislator Martin Reid, Chair of the Social Services Committee and a realtor himself, who is of the opinion that it would be a waste of time for realtors to present bids to the County. He contends there are no comparable buildings available in Troy. However, when the Democrats consulted with area commercial realtors they were assured that there would be a number of property owners in Troy interested in a contract of this size.

What's the condition of the building?

Once they showed an interest in the lease renewal issue, Democrats started hearing about complaints from employees related to leaks, poor grounds maintenance, inadequate ventilation and air-conditioning, and overall shabby conditions. The Legislators toured the Raddock Building on Tuesday to assess conditions for themselves. Their consensus was that, particularly considering a rent of almost \$13/sq. ft. with utilities and tax increases on top of that, conditions were sub-standard.

During debate at Tuesday's Legislative session Reid (R-District #4), Chair of the Social Services committee, seemed to view the building as sub-standard himself. He remarked that the Raddock Building is "Class C" commercial real estate. He further stated that, in his opinion, owners of Class A real estate would not be interested in leasing space to "those people," referring to the clients at Social Services.

"I was appalled by Martin's comments," said Legislator Flora Fasoldt. "His attitudes show a total lack of compassion and how out of touch he is with the financial realities of life for so many people in Rensselaer County. During our building tour we heard about the growing number of people appearing for relief, including many who were earning \$35/hour just a short time ago. We're seeing really tough times and as elected officials we owe all our residents respect and whatever help we can offer."

How do we know what the rent will be?

Additional questions stemmed from the figures given in the resolution. As written, the financial aspects of the agreement are confusing and unsupported by the back-up information provided for the Legislators to review before voting. While there is a proposition that rent will be calculated based on the CPI (Consumer Price Index) with a cap of 5%, there is no base figure given and no way to calculate it.

"We had major concerns about the contract when we saw the "Year 1" figure of \$525,000. Given the information we had at that time, we calculated the 2009 rent for the Raddock Building at \$17.50/sq. ft. That was way out of line with going rates in Troy and appeared to represent an increase of over \$100,000 from the current rent, so we started asking more questions," explained Minority Leader Ginny O'Brien.

During the week after committee meetings the Democrats lodged numerous requests for additional information from department heads. They were told that permission had to be gotten from the County Executive's office before their questions would be answered. The requested information, which is public information and would, by law, be available to any citizen asking for it, was forthcoming only after an email request was sent to Kathy Jimino and two of her administrative assistants, the procedure stipulated for the Minority office to receive information they need from County department heads.

At Tuesday's session Legislator Brian Zweig explained the Minority's concerns with the Majority sponsored resolution and requested further clarification. Chairman Neil Kelleher called on Social Services Commissioner John Beaudoin to respond to questions about the proposed annual rent. When his answers failed to satisfactorily resolve those questions, the motion to table the resolution was made and seconded by Republican legislators and was carried by the Minority vote.

"If we really want to cut the cost of government, we need to change our way of doing business, said Legislator Peter Grimm. "It's our job to look at the way taxpayer dollars are spent. We can't go on rubberstamping \$5 million contracts. It's time for questions. It's time for change."