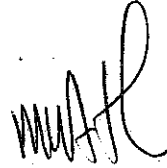


# CITY OF NEW ROCHELLE

## MEMORANDUM

September 3, 2010

TO: Honorable Mayor and City Council  
THRU: Charles B. Strome, III , City Manager  
FROM: Mike Freimuth, Commissioner of Development  
RE: Update: IDA Audit



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As requested by the City Council following its briefing at its July 13, 2010 meeting, this memo is an update on actions taken by the New Rochelle Industrial Development Agency (NRIDA) in light of the N.Y. Office of State Comptroller (OSC) Monitoring and Project Approval Audit of the IDA.

The audit contained nine findings that dealt with procedural practices at NRIDA including the verification of data and related applicant information, the degree to which cost benefit analysis was substantiated, and follow up monitoring and related recapture actions. The audit did not reject any project or type of activity undertaken by the NRIDA and there were no fiduciary or financial reimbursement claims, penalties or exposures.

At its September 2, 2010 meeting, the NRIDA Audit Committee and full Board approved a Corrective Action Plan (CAP) that addressed the nine findings and voted to forward the CAP to the OSC. NRIDA has already begun to implement changes as a result of the audit and will institute several policy corrections over the next few months. These include a new uniform application, a new file completion check list, a certification of current employment, the certification of actual project costs and a site monitoring program. In addition, a new Uniform Tax Exemption Policy (UTEP) will be instituted by Spring 2011 along with a third party review mechanism, a new fee structure and a recapture/termination of benefits policy.

Should you have any questions regarding this matter, please contact Mike Freimuth, Commissioner of Development or Jeremy Schulman, Executive Director, NRIDA.