

November 10, 2006

To the Honorable
Monroe County Legislature
39 West Main Street
Rochester, New York 14614

Re: A Proposal to Abolish the Greater Rochester Sports Authority

Honorable Legislators:

About one decade ago, the State, at the request of this Legislature, created the Greater Rochester Sports Authority (GRSA) for the express purpose of building and operating a soccer stadium. To its credit, after carefully reviewing the project financial plan and projections, the GRSA did not proceed. However, despite its purpose for incorporation being abandoned, the Authority still exists.

A recent review of the GRSA's 2005 financial statements reveal that during that year, it only did three things:

1. GRSA received \$285,000 from the County's Hotel Room Occupancy Tax;
2. GRSA provided \$150,000 to an entity called the Monroe County Sports Development Corporation; and
3. GRSA paid \$38,126 in "professional fees," undoubtedly to lawyers and auditors.

The financial statements also show that in 2004 all the Authority did was receive \$312,532 from the Hotel Room Occupancy Tax. In addition, the financial statements reveal that as of December 31, 2005 the Authority had \$895,000 in cash, a \$662,339 liability to the Greater Rochester Outdoor Sports Facility Corporation and a fund balance of \$303,911.

Meanwhile, the Greater Rochester Outdoor Sports Facility Corporation (which is responsible for operating Frontier Field) had as of December 31, 2005, cash of \$85,821; receivables from the Authority of \$662,339 and a liability to the County of Monroe of \$15,251,658 in unpaid rent due to the County for Frontier Field.

The County has not been paid any rent for Frontier Field since 2002, when a partial payment was made. The current amount due Monroe County is nearing \$17,000,000! Certainly, this is one of the reasons for the County's ongoing fiscal problem – every year the County budgets rent income from Frontier Field (\$1,670,405 in 2006) and the administration never collects it. To be frank, a \$1.6 million deficit is built into every budget!

The Authority, which is non-functional but eating up money every year for professional fees, needs to be abolished and cash and net assets transferred to the County as partial payment on the unpaid rent on Frontier Field. Having one less autonomous (and in this case useless) public authority lurking in the shadows would be a forward step for good government in this County.

The specific legislative actions recommended are:

1. To request the Administration to draft legislation for introduction in the State Legislature abolishing the Authority.
2. To request that the \$662,339 that was due to the Corporation from the Authority be paid to the Corporation (if that has not already occurred) and that the Corporation pay at least \$600,000 to the County on its liability for unpaid rent.
3. To require that upon dissolution, the Authority's net assets (\$303,911 at December 31, 2005) are paid to the County and applied against the receivable from the Corporation for unpaid rent.
4. To require that the portion of the Hotel Room Occupancy Tax that currently is paid to the Authority is paid to the County and applied against the annual rent that should be collected from the Corporation for Frontier Field.

The enactment of these proposals would immediately yield \$600,000 of income to the County and in fiscal 2007 would yield an additional \$300,000 of income to the County when the Authority is abolished. In addition, the County would annually receive the approximately \$300,000 of Hotel Tax money that currently goes to the Authority.

Respectfully submitted,

Edward M. O'Brien
Legislator – District 17