

The Columbia Paper

EDITORIAL: Introducing the new CEDC

November 19, 2015 by PARRY TEASDALE

BY ANY STANDARD, the Columbia Economic Development Corporation has made a remarkable turnaround. Only a few months ago looked like an insiders' club run at taxpayers' expense. Now, well, you be the judge.

This week it's likely the county Board of Supervisors, which withheld funding for the CEDC, will welcome back its prodigal development agency with an agreement that assures funding of \$764,000 for the organization through the end of next year. That's really the fast lane to rehabilitation

The problems started for the CEDC more than a year ago, when local activists challenged plans by Ginsberg's Institutional Foods, a Claverack company, to build a large warehouse on state Route 66. CEDC was assisting that project in several ways that economic development agencies often do.

But Ghent resident Patti Matheny, who was leading the warehouse opposition, learned that the CEDC transferred the 33-acre site to Ginsberg's for \$1. It turned out that the county paid more \$150,000 for that land several years earlier before transferring the deed to the CEDC. The site was appraised at well over \$200,000.

The owner of Ginsberg's was CEDC board president when the warehouse plan first surfaced but left the board shortly after that. He was replaced as CEDC president by the head of the firm doing the engineering for the warehouse project.

Eventually the state investigated and found that while the \$1 land transfer was legal and appropriate for the CEDC to do, four people on the CEDC board had possible conflicts of interest related to the Ginsberg's project.

At first the CEDC leaders responded as if they were shocked by revelations of their own behavior and assumed that with a little tidying up here the whole thing would blow over. What seems finally to have dispelled their complacency was the decision by the county Board of Supervisors to cut off the organization's allowance—nearly half a million bucks a year for operating expenses.

And the supervisors could have done more except that they couldn't agree on how or to what extent they should investigate the supposed misdeeds of the CEDC.

The biggest problem was the CEDC's astonishingly poor judgment in handling the Ginsberg's project overshadowed and called into question all the important work the organization does on behalf of economic development in the county.

Things have changed. The board hired a highly qualified, interim executive director, Michael Tucker, who made it clear he had no plan to stick around. The president resigned and was succeeded by Tony Jones, the former owner and publisher of The Independent newspaper, who is well liked and trusted around the county.

Mr. Tucker quickly got everyone's attention by offering to reimburse the county for the cost of the Route 66 property. And while that was only half a solution, since what people reacted to was the notion that one business was benefitting from special treatment, it was true progress. And as the state auditors made clear, the CEDC is authorized to make exactly the kind of deal Ginsberg's received. The only way to force Ginsberg's to pay for it now is if the company doesn't do what it has promised. The CEDC says that condition is part of the land transfer contract.

Aside from the land deal, local critics and state investigators found that some CEDC board members showed little regard for disclosing their own potential conflicts of interest and were equally unconcerned about adhering to the open meetings and public officers laws. Perhaps they thought their motives were so pure that they were incapable of behaving unethically. The public didn't buy it.

As of last week the CEDC has officially adopted a new set of bylaws that spell out in detail the obligations for openness and ethical behavior that apply to CEDC board members and staff. This too is a meaningful step forward, both in symbolic and practical terms.

The new bylaws that address the missteps of previous board members aren't only a good idea, they are a requirement of the contract with the county to resume funding for the CEDC. Quarterly financial reports to the county are also promised.

Somebody has to manage government funds intended to bolster local economic development. County government is too political. So the CEDC performs an essential function. The people now leading the CEDC are the right people at the right time. They are building a framework designed to last... for a while. At least we know that all the CEDC board members appreciate the power of money. Look how quickly they cleaned house when supervisors took their funding away.

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