

FOR CONSIDERATION

July 13, 2011

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Officers of the Corporation

REQUEST FOR: Appointment of Vice Chair

BACKGROUND

On June 15, 2011, upon the recommendation of the Governor, the Senate confirmed Ms. Julie Shimer and Mr. Dennis Mehiel as Directors of the New York State Urban Development Corporation, doing business as Empire State Development (“ESD”), and Ms. Shimer as Chair. It is now proposed, upon the recommendation of the Governor, that Mr. Mehiel be appointed Vice Chair.

During the course of his career, Mr. Mehiel has been instrumental in creating or saving thousands of U.S. based manufacturing jobs. Mr. Mehiel is the principal shareholder and chairman of U. S. Corrugated, Inc., the nation’s largest independent manufacturer of corrugated packaging. U. S. Corrugated and its affiliate operate a 650,000 ton integrated manufacturing system with 23 converting facilities and a recycled containerboard mill.

Mr. Mehiel is also the former Chairman, CEO, and principal shareholder of Sweetheart Cup Company, North America’s largest producer of disposable table top products for the away-from-home dining market, which Mr. Mehiel acquired and rescued from insolvency in 1998. The company subsequently was acquired by its principal competitor, Solo Cup Company, in 2004. Mr. Mehiel was also the founder (in 1966) and Chairman, CEO and principal shareholder of Box USA, built primarily through the acquisition of financially troubled competitors, many in Chapter 11. When sold to International Paper in 2004, Box USA was then the nation’s largest independent producer of corrugated shipping containers operating 22 corrugated packaging facilities and two containerboard mills, all located within the continental United States.

Among Mr. Mehiel’s other service to the business community, he also serves as an Independent Director of Sober Steering Sensors, a development stage company commercializing a passive

interdiction technology that prevents the operation of a motor vehicle when alcohol is present. He is also a former Director of Fusion Telecommunications, a NASDAQ listed public company.

Mr. Mehiel also plays an active civic role for the benefit of the broader community. He is a former Member of the Board of The Milano School for Management and Urban Policy at the New School, a Member of Business Executives for National Security and a former Trustee of the Westchester Medical Center. From 1989 until 1993 he was a Trustee of the Windward School in White Plains, one of the region's premier providers of education for learning disabled children. He served for ten years as a Trustee of the Purnell School in Pottersville, N.J., an independent high school for girls who have not succeeded in a traditional competitive academic setting, and was elected to the Board of Governors of Yeshiva University's Wurzweiler School of Social Work.

It is therefore proposed that Mr. Dennis Mehiel be appointed Vice Chair of the Corporation. The Vice Chair shall have the duty and responsibility of presiding at any meeting of the Corporation from which the Chair is absent and, in the absence or disability of the Chair, to exercise such other powers and duties as are prescribed to the Chair in the bylaws or by the Corporation or the President.

REQUESTED ACTION

The Directors are requested to approve, pursuant to Article III, Sections 3.1 and 3.8 of the Corporation's bylaws, the appointment of Mr. Dennis Mehiel as Vice Chair of the Corporation and to confirm that he is an officer of the Corporation within the meaning of the indemnification provisions of the Corporation's bylaws.

RECOMMENDATION

Based upon the foregoing, I recommend approval of the requested action.

ATTACHMENT

Resolutions

July 13, 2011

APPOINTMENT OF OFFICER – Vice Chair

BE IT RESOLVED, that the following individual be, and he hereby is, appointed to the office of the New York State Urban Development Corporation (the “Corporation”), which appears opposite his name, until his earlier resignation or removal:

<u>NAME</u>	<u>OFFICE</u>
Dennis Mehiel	Vice Chair;

and be it further

RESOLVED, that as Vice Chair of the Corporation, Mr. Mehiel shall have the duty and responsibility of presiding at any meeting of the Corporation from which the Chair is absent and, in the absence or disability of the Chair, to exercise such other powers and duties as are prescribed to the Chair in the bylaws or by further action of the Corporation or by the President; and be it further

RESOLVED, that in accordance with and for the purposes of the New York State Urban Development Corporation Act and the bylaws of the Corporation, including but not limited to the indemnification provisions thereof, Mr. Mehiel is an “officer” of the Corporation.