

FOR CONSIDERATION

March 23, 2011

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Upstate Empire State Development Corporation

REQUEST FOR: Appointment of Directors

Background

Upstate Empire State Development Corporation (“Upstate ESDC”) was created in 2007 for the purpose of performing all of the powers and functions entrusted to UDC in the Upstate region of the State, including Western New York, the Finger Lakes, the Southern Tier, Central New York, Mohawk Valley, the North Country and areas north of Albany in the Capital Region. The New York State Urban Development Corporation, doing business as Empire State Development (“ESD”), is Upstate ESDC’s sole shareholder.

The bylaws of Upstate ESDC establish a board of directors consisting of two directors. The bylaws further provide that the Upstate ESDC board may, by unanimous vote, increase to three the number of directors comprising the board. At a separate meeting today, the Upstate ESDC directors will be asked to vote on a proposal to expand the Upstate ESDC board to three directors. Under the bylaws, all Upstate ESDC directors are to be appointed by the shareholder, ESD.

The Upstate ESDC board currently consists of two directorships. One is held by Mr. Kenneth Schoetz, who also serves as the President and Chief Operating Officer of Upstate ESDC. The second directorship was held by Mr. Dennis Mullen, who also served as the Chairman of the Upstate ESDC board. As you know, Mr. Mullen was the President, Chief Executive Officer and Chairman of ESD. Mr. Mullen has resigned from all of these positions, creating a vacancy in the Upstate ESDC board.

Mr. Kenneth Adams will succeed Mr. Mullen as the President and Chief Executive Officer of ESD and Ms. Julie Shimer will succeed Mr. Mullen as the Chair of ESD, subject to confirmation

by the Senate. It is proposed that Mr. Adams be appointed to serve as a director of the Upstate ESDC board and, provided that the Upstate ESDC board votes in favor of expanding the board to three directors, that Ms. Shimer also be appointed to serve as a director and as Chair of Upstate ESDC.

REQUESTED ACTION

The Directors are requested to approve the appointment of Mr. Kenneth Adams as a director of the Upstate ESDC board of directors and of Ms. Julie Shimer as a director and Chair of the Upstate ESDC board of directors, provided that the board of Upstate ESDC is expanded to three positions by separate vote of that board.

RECOMMENDATION

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

ATTACHMENT

Resolutions

March 23, 2011

UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION – Appointment of
Directors

BE IT RESOLVED, that Mr. Kenneth Adams, as President and Chief Executive Officer of the New York State Urban Development Corporation, doing business as Empire State Development Corporation (“ESD”) is hereby appointed as a director of Upstate Empire State Development Corporation (“Upstate ESDC”) and that Ms. Julie Shimer is hereby appointed as a director of Upstate ESDC, provided that the board of Upstate ESDC is expanded to three directorships by separate action of that board.