

FOR CONSIDERATION

September 17, 2009

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: Electronics Park

REQUEST FOR: Authorization to Sell Lots #1 and #6 to DeStefano Development, LLC

Project Summary

Lot #1

Purchaser: DeStefano Development, LLC
411 Cambridge Avenue
Syracuse, New York 13208

Size: 2.9 +/- acres of land

Proposed Use: Commercial Development

Transaction: Purchase

Purchase Price: \$465,000

Commission: 7%-Pyramid Brokerage Company, Inc.

ESD Participation: Approval of property conveyance

Lot #6

Purchaser: DeStefano Development, LLC
411 Cambridge Avenue
Syracuse, New York 13208

Size: 7.1 +/- acres of land

Proposed Use: Commercial Development

Transaction: Purchase

Purchase Price: \$319,500

Commission: 7%-Pyramid Brokerage Company, Inc.

ESD Participation: Approval of property conveyance

Background

In April 1996, ESD Directors authorized the acquisition of approximately 183 acres of land and 10 buildings of the former Lockheed Martin Corporation (“LMC”) facility for \$6 million and entered into a 30 year lease for this property with the Metropolitan Development Foundation of CNY (“MDF”), an affiliate of the Metropolitan Development Association of Syracuse and Central New York (“MDA”), which is operating and developing the property, renamed Electronics Park, as a mixed-use, multi-tenant industrial/office park through its subsidiary, Electronics Park LLC (“LLC”).

Since October 1, 1996, the LLC has directed the management, sales and leasing activities, and utilities operation at Electronics Park. Although ESD leased the property to the LLC with the intent of the LLC’s selling or subleasing land and/or existing buildings, the deed is still in ESDC’s name; therefore, ESDC Directors must approve proposed property dispositions. Revenue from sales and rentals, however, go directly to the LLC and not to ESDC. ESDC has the ability to review and veto transactions, but is never involved with sales and negotiation efforts.

The Park is zoned O-2, Office/Light Industrial by the Town of Salina. An approximate 16 acre parcel in the southeast corner is zoned C-3 Planned Commercial District. In an overall and on-going public advertising and marketing effort to sell and/or lease the entire property, “For Sale” signs are installed on the property and area brokers and realtors are contacted.

Because there originally was a single owner, utility systems (gas, electric, telephone, sewer and water services) are common to the entire complex. For each transaction the LLC

will incur the expense of dedicating the utility systems to the specific building. In addition, the LLC is responsible for preliminary environmental review as well as for asbestos abatement, if needed. All parties renting and buying property at Electronics Park will be responsible for paying their respective common charges, thereby reducing LLC's on-going expense.

In accordance with previous agreements, all closings will be contingent upon LMC's satisfactory review and approval of excavation plans, execution of an Amendment to the Environmental Electronics Park Agreement and Subsequent Transferee Agreement between LLC and LMC. With the exception of the Lockheed Martin-retained buildings and Lots #1 and #6, all of the existing buildings but one (Building #3) have been sold and approximately 65 acres remain unsold as indicated on the attached map.

Both Lots #1 and #6 are visible and accessible from major public roads, well serviced with utilities, and mostly covered with blacktop which is in poor condition. Lot #1 is zoned Planned Commercial District C-3 (one acre minimum lot size) and Lot #6 is zoned Professional Office District O-2 (half acre minimum lot size).

DeStefano Development LLC ("DeStefano") is a local family-owned business that has been active in the Syracuse area for the past 30 years. They build, own and manage commercial properties throughout the Syracuse area, counting Daltile, Trane, The American Heart Association among its tenants.

Market Study Valuation and LLC Board Approval

The LLC commissioned Pomeroy Appraisal Associates to conduct a Market Study Valuation for both lots in July 2009. The study indicated the average range of value for Lot #1 to be \$60,000 to \$80,000 per acre and for Lot #6 to be \$38,000 to \$41,000 per acre. In both cases, the proposed sales price exceeds these values. The LLC's Board approved the conveyance of these lots to DeStefano at its July meeting.

Proposal

DeStefano proposes to purchase Lot #1 to construct a retail center that would provide services such as restaurants, banks or general retail to park tenants and the surrounding area. DeStefano proposes to purchase Lot #6 for either warehouse/industrial use or for a multi-tenant office building to complement the existing park's use.

Affirmative Action

DeStefano agrees to the following policy, which will appear in the purchase agreements and deeds:

Purchaser and every successor in interest to the property shall not discriminate upon the basis of race, creed, color, sex, or national origin, in the sale, lease or rental, or in

the use or occupancy of the property or any improvements erected or to be erected thereon or any part thereof. This covenant shall run with the land in perpetuity.

Environmental Review

The sale of land and buildings within Electronics Park was contemplated in previous environmental reviews and approvals by the Directors. No further action is required in connection with this sale.

Attachments

Resolution

Map

September 17, 2009

ELECTRONICS PARK (Onondaga County) - Authorization to Sell Lots #1 and #6 to DeStefano Development, LLC

RESOLVED, that based upon the materials presented to the Directors at this meeting (the "Materials"), the Corporation may sell and convey to DeStefano Development, LLC (the "Purchaser"), or any corporation or other business entity affiliated or controlled by the Purchaser, and satisfactory to the President and Chief Executive Officer of the Corporation or his designee(s), for corporate development purposes, Lots #1 and #6 acquired by the Corporation located within Electronics Park as shown on the map presented to this meeting (the Properties"), substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the Corporation also may sell and convey to resale to the Purchaser or any corporation or other business entity affiliated or controlled by the Purchaser and satisfactory to the President and chief Executive Officer of the Corporation or his designee(s) the Properties substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the Corporation hereby finds, pursuant to Section 6(1) of the New York State Urban Development Corporation Act of 1968, as amended (the Act), that such sale as proposed and approved herein is in conformity with a plan for Electronics Park; and be it further

RESOLVED, that the President and Chief Executive Officer or designee(s) be, and each of them is hereby, authorized in the name and on behalf of the Corporation to execute and deliver and affix the seal of the Corporation to all such agreements, contracts, deeds, certificates and instruments and to take any such action as he may, in his sole discretion, consider to be necessary or proper to effectuate the sale of such property.

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