

NEW YORK JOB DEVELOPMENT AUTHORITY

d/b/a Empire State Development Corporation
Meeting of the Members
Empire State Development Corporation
30 South Pearl Street
Albany, New York

and

Empire State Development Corporation
633 Third Avenue
New York, New York 10017

June 24, 2010

MINUTES

Members Present:

Dennis Mullen, Commissioner of DED -
Chairman
Adam Barsky
Andrew J. Maniglia
Emily Youssouf
Stephen McGrattan - Designee,
Commissioner - Agricultural Markets
Mario Musolino, Designee for
Commissioner - Department of Labor
Richard Neiman, Superintendent - NYS
Department of Banking

JDA Staff:

Frank Corcoran, Economic Development -
Program Administrator
Fred Eisenstein, Senior Counsel
Anita W. Laremont, Senior Vice
President - Legal and General Counsel
Eileen McEvoy, Secretary
Kathleen Mize, Controller
Frances A. Walton, Senior Vice
President and Chief Financial Officer

Present for ESD: Jonathan Beyer, Senior Counsel
Warner Johnston, Vice President -
Public Affairs
Jennifer McCormick
Glendon McLeary, Project Manager
Sheila Robinson
Jennifer Sanfilippo
Jonathan Springer

**Present for Extell
Development Company:** Gary Barnett
Raizy Haas

Also Present: The Press
The Public

The meeting was called to order at 12:11 P.m. by Chairman Mullen. It was noted for the record that notice to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Chairman Mullen then set forth the guidelines regarding comments by the public on matters on the Agenda.

Chairman Mullen then entertained a motion to approve the Minutes of the May 17, 2010 Members' meeting.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATIONS OF ACTIONS TAKEN AT
THE MAY 17, 2010 MEMBERS' MEETING OF THE NEW YORK JOB
DEVELOPMENT AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on May 17, 2010 as presented to this meeting, are hereby approved and all actions taken by the Members present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

* * *

The Chairman then noted that this Authority has been revitalized, as promised, into a meaningful, ongoing and committed organization.

Chairman Mullen further stated that the meeting will start out with a very favorable financial report. He then called upon Kathleen Mize to present the related item.

Ms. Mize asked the Members to approve the Annual Financial Reports for the Authority.

Ms. Mize noted, in part, that the Public Authorities Law requires annual approval by the Authority and certifications by the Chief Executive Officer and Chief Financial Officer of these financial reports.

Ms. Mize further noted that an independent audit firm reviewed the financial statements and found no instances of non-compliance or other matters that are required to be reported. Ms. Mize added that the Authority's Audit Committee reviewed the finance statements and recommends their approval.

Chairman Mullen commented favorably with regard to the outstanding efforts of Ms. Walton and Ms. Mize and their associates with regard to the financial reports. He then called for questions or comments. Banking Superintendent Neiman stated that he is a member of the audit committee and added his kudos to ESD's staff for their thoroughness and cooperation with the outside audit firm. There being no further questions or comments, upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK JOB DEVELOPMENT AUTHORITY - (the "Authority")
Approval of Certain Annual Financial Reports and
Authorization to take Related Actions

WHEREAS, the Authority wishes to comply with §2800 of the Public Authorities Law (the Law) which mandates that public benefit corporations annually prepare certain financial reports (the Reports) which for the Authority consists of the independent audit;

WHEREAS, an independent audit is required by §2802 of the Law;

WHEREAS, §2800 of said Law also requires the annual approval by the Board and certifications by the Chief Executive Officer and Chief Financial Officer of the Report;

WHEREAS, an independent audit has been prepared for the fiscal year ended March 31, 2010;

WHEREAS, the Authority has reviewed said Reports and found them to be satisfactory; and

NOW, THEREFORE, based on the materials submitted herewith, IT IS HEREBY RESOLVED that the Reports are hereby approved; and it is further

RESOLVED, that the Chairman and Chief Executive Officer, the Chief Financial Officer, the Treasurer or their designees be, and each of them hereby is, authorized and empowered to submit said Reports, as required by law, and to take such action and execute such agreements and instruments as he or she may consider necessary or desirable or appropriate in connection with the implementation and approval of the Reports and to take related actions.

* * *

Next, Mr. Matlin asked the Members to authorize the Authority to cause the creation of the Canal Side Local Development Corporation. The purpose of the local development corporation, Mr. Matlin continued, is to issue bonds to finance the Canal Side Project in Buffalo New York (the "Project"). Those bonds, he added, will be backed by a revenue stream from the New York Power Authority ("NYPA").

Among other things, Mr. Matlin explained that there are various funding sources for the Project. One of the financing sources that the State has committed to, Mr. Matlin continued, is an obligation from NYPA to apply \$8.4 million a year for 20

years to the Project. JDA's plan in creating this Local Development Corporation is to monetize that revenue stream.

Following Mr. Matlin's full presentation, Member Barsky asked where this ranks in the order of NYPA's other obligations. Mr. Matlin stated that that is still being worked out but the hope is that it will be a general obligation of NYPA. This, Mr. Matlin explained, will provide better collateral for the bond issue.

Member Youssouf asked if projections had been done that indicate that NYPA will have that excess income available for the next 20 years. Mr. Matlin said that the Authority has confidence regarding the financial viability of NYPA.

Member Youssouf then inquired as to the number of jobs to be created and Mr. Matlin noted that the Project will be developed in phases but that it is presently anticipated that hundreds of jobs will be created. He added that it is anticipated that residential and retail development will follow increasing the number of jobs created. The Chairman asked if there were any further questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK STATE JOB DEVELOPMENT AUTHORITY - Canal Side Land Use Improvement Project - Authorization to Cause the Creation of a Local Development Corporation

RESOLVED, that pursuant to the powers granted to the Authority in Section 1804 of the New York Public Authorities Law and Section 1411 of the New York Not-for-Profit Corporation Law (the "NYNPCL"), and on the basis of the materials presented to this meeting, the Members of the Authority authorize the creation of a Local Development Corporation, expected to be named the Canal Side Local Development Corporation ("CSLDC"), for the primary purpose of financing a portion of the Canal Side Land Use Improvement Project ; and be it further

RESOLVED, that the Members of the Authority authorize the filing of a Certificate of Incorporation of the CSLDC with the New York Department of State in accordance with Section 402 of the NYNPCL; and be it further

RESOLVED, that the CSLDC shall have two members, each representing a separate class of membership, one of which shall be the Authority and one of which shall be the Governor; and be it further

RESOLVED, that pursuant to Section 603 of the NYNPCL, CSLDC's bylaws shall permit each member to designate a person (either by name or ex-officio) who shall be entitled to vote on behalf of such member on all matters upon which the member has voting rights (the "Voting Designee"); and be it further

RESOLVED, that the Authority's initial Voting Designee shall be the Chairman of the Authority; and be it further

RESOLVED, that the CSLDC's bylaws shall permit each class of members to elect three members to the CSLDC's Board of Directors with each class of members having the right to remove any Directors elected by such class, with or without cause, upon 10 days' notice; and be it further

RESOLVED, that the Authority, in its capacity as a member of the CSLDC, shall enter into a Voting Agreement with the Governor, in his capacity as a member of the CSLDC, in which the Authority, or its designee, shall agree to vote as instructed by the Governor, or his designee, in connection with the removal of any of the CSLDC's directors, with or without cause upon 10 days'

notice, the execution and delivery of such Voting Agreement to be conclusive evidence that the same was authorized by this resolution; and be it further

RESOLVED, that the Chairman of the Authority, and as appropriate, the other officers of the Authority be, and each acting singly hereby is, authorized, empowered and directed for and on behalf of and in the name of the Authority to execute and deliver such further instruments, documents, certificates and filings, with such changes in the terms and provisions thereof as the officer executing the same shall deem necessary or appropriate, and to take such additional actions as they or any of them may deem necessary or desirable in order to effectuate the purposes and intent of the foregoing resolutions.

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Mr. Corcoran then presented a detailed informational report on the allocation of up to \$100 million of JDA Bonding capacity to make loans for commercial condominium units in the International Gem Tower.

Mr. Corcoran explained that JDA has been asked by Extell Development Company, the developer of the International Gem Towers, for its assistance in providing loans to potential buyers of commercial condominium units in this building which is currently under construction in Mid-town Manhattan.

Following Mr. Corcoran's detailed report, Member Yousouf asked for information with regard to JDA's plan for issuing the bonds. Ms. Walton provided the information regarding JDA's plan

for bond issuance and a further discussion was had on this matter.

Various other issues were raised by Members Barsky and Youssouf including the advisability of using a variable interest rate given the current market. The possibility of holding Extell responsible for maintenance charges until a certain number of units are sold was also raised. These issues and others were addressed by JDA staff. It was also noted that no approvals were being sought today and further that each individual loan will be brought before the Board for approval so the Members can be sure that all concerns have been adequately addressed before the loans are approved.

Member Youssouf stated for the record that it was not her intention to criticize the program but merely to obtain more information about it.

The Chairman stated that her questions were very fair and further that the Authority takes no exception to the questioning and the financial rigor that must be brought to this on an ongoing basis as attempts are made to revitalize this program.

Mr. McLeary then presented an informational report on a

modification to the terms of the loan to Premier Care which was approved on May 17th by the Authority Members.

Specifically, Mr. McLeary explained that the Company requested that JDA waive the key person life insurance requirement and that JDA has agreed to do so. Mr. McLeary then set forth staff's reasoning with regard to this decision.

Following Mr. McLeary's presentation, Chairman Mullen introduced various individuals connected with the Gem Towers Project, including Raizy Haas and Gary Barnett, to those present at the meeting. Mr. Barnett spoke briefly with regard to the Project. He then allowed Members of the Press to engage in a question and answer session with those individuals.

There being no further business, the meeting was adjourned at 12:56 p.m.

Respectfully submitted,



Eileen McEvoy
Secretary