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884

2011-2012 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 5, 2011

Introduced by M. of A. KELLNER -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend chapter 899 of the laws of 1984, relating to the creation of the Roosevelt Island operating corporation, in relation to the management of such corporation

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 899 of the laws of 1984, relating to the creation of the Roosevelt Island operating corporation, subdivision 2 of section 3 as amended by chapter 766 of the laws of 2005, subdivision 5 of section 3 as amended by chapter 55 of the laws of 1992, section 8 as amended by chapter 770 of the laws of 1988, paragraph 2 of subdivision a of section 8 as amended by chapter 804 of the laws of 1990 and section 10-a as added by chapter 493 of the laws of 2002, is amended to read as follows:

Section 1. LEGISLATIVE DECLARATION. The legislature hereby finds, determines and declares that: (a) the city of New York and the New York state urban development corporation have entered into a lease and related agreements providing for the urban development corporation to use its statutory powers to create on Roosevelt Island a new community which would retain and heighten the benefits of urban living while preserving a sense of scale and open space for Roosevelt Island residents and New York city as a whole; (b) the urban development corporation [has] AND ITS SUCCESSORS HAVE constructed the first [phase] PHASES of the island's development, including public facilities, pursuant to a general development plan for Roosevelt Island, [which plan is being] updated [and] FROM TIME TO TIME, WHICH PLAN contemplates significant future development on the island, including the provision of additional housing, commercial, civic, recreational and other facilities; (c) [it is in the public interest for] the urban development corporation [to

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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transfer] HAS TRANSFERRED all of its rights and obligations with respect to the development, operation and supervision of both such existing and such proposed development to a public benefit corporation which [shall be] HAS BEEN under the supervision of the commissioner of housing and community renewal; and (d) it is in the public interest that [such a] THE public benefit corporation plan, design, develop, operate, maintain and manage Roosevelt Island, [that such corporation] AND have vested in it such powers as are necessary or convenient to effectuate those functions and that the division of housing and community renewal be authorized to assist such corporation in the performance of its duties with respect to Roosevelt Island.

S 2. DEFINITIONS. As used in this act, the following terms shall have the following meanings:

1. "City" shall mean the city of New York.

2. "Commissioner" shall mean the commissioner of housing and community renewal.

3. "COMMUNITY ELECTION" SHALL MEAN AN ELECTION HELD ON ROOSEVELT ISLAND FOR THE PURPOSE OF ELECTING THE PUBLIC MEMBERS TO THE ROOSEVELT ISLAND OPERATING CORPORATION AS REQUIRED BY SECTION THREE OF THIS ACT. COMMUNITY ELECTIONS ARE TO BE HELD AT THE SAME TIME AS A GENERAL ELECTION EVERY THIRD YEAR OR SUCH OTHER TIME AS SHALL BE ESTABLISHED IN THE BY-LAWS. SUCH COMMUNITY ELECTION SHALL BE CONDUCTED IN ACCORDANCE WITH PROCEDURES ESTABLISHED IN THE BY-LAWS. THE CORPORATION SHALL SELECT AN ENTITY TO BE RESPONSIBLE FOR CONDUCTING, MONITORING AND CERTIFYING THE ELECTION, EXCEPT IN THE INITIAL ELECTION. FOR THE INITIAL ELECTION, THE EXISTING BOARD SHALL SELECT AN ENTITY EXPERIENCED IN CONDUCTING SHAREHOLDER ELECTIONS TO BE RESPONSIBLE FOR CONDUCTING, MONITORING AND CERTIFYING THE ELECTION.

4. "Corporation" shall mean the Roosevelt Island operating corporation created by section three of this act.

[4.] 5. "Development subleases" shall mean (a) the sublease dated August [first, nineteen hundred eighty] 1, 1980 between the urban development corporation and the city, (b) the ground lease, dated October [thirtieth, nineteen hundred seventy-two] 30, 1972, between the urban development corporation and North Town Phase II Houses, Inc., (c) the ground lease, dated April [twenty-fifth, nineteen hundred seventy-three] 25, 1973, between the urban development corporation and North Town Phase III Houses, Inc., [and] (d) the restated ground lease, dated November [thirtieth, nineteen hundred seventy-seven] 30, 1977, between the urban development corporation and Rivercross Tenants' Corporation, (E) THE GROUND LEASE BETWEEN THE CORPORATION AND MANHATTAN PARK DATED AUGUST 4, 1986, (F) THE GROUND LEASE BETWEEN THE CORPORATION AND RELATED AND HUDSON COMPANIES DATED DECEMBER 21, 2001, (G) THE SUBLEASE BETWEEN THE CORPORATION AND MEPT OCTAGON, LLC DATED NOVEMBER 3, 2004, AND (H) ALL OTHER RELATED LEASES.

[5.] 6. "Division" shall mean the New York state division of housing and community renewal.

[6.] 7. "Lease" shall mean the lease, dated December [twenty-third, nineteen hundred sixty-nine] 23, 1969, as heretofore or hereafter amended, among the city of New York, the New York state urban development corporation and the Roosevelt Island development corporation, pursuant to which the city leased substantially all of Roosevelt Island to the New York state urban development corporation for development substantially in accordance with the development plan referred to therein.

[7.] 8. "RESIDENT" SHALL MEAN, FOR THE PURPOSE OF THIS ACT, A PERSON OVER THE AGE OF EIGHTEEN RESIDING ON ROOSEVELT ISLAND FOR A PERIOD OF NOT LESS THAN ONE YEAR IMMEDIATELY PRECEDING ANY ELECTION HELD TO SELECT MEMBERS TO THE ROOSEVELT ISLAND OPERATING CORPORATION BOARD INCLUDING ANY ELECTION HELD TO FILL A VACANCY TO THE ROOSEVELT ISLAND OPERATING CORPORATION BOARD AS REQUIRED BY SUBDIVISION TWO OF SECTION THREE OF THIS ACT.

9. "Roosevelt Island" shall mean the island located in the East River, city and county of New York, extending from approximately fiftieth street to eighty-sixth street in Manhattan.

[8.] 10. "Safe affordable housing for everyone, inc." shall mean the New York corporation organized under article [six-A] 6-A of the private housing finance law and under the supervision and control of the commissioner.

[9.] 11. "Tramway franchise" shall mean the franchise for the Roosevelt Island tramway granted by the city to the urban development corporation on February [nineteenth, nineteen hundred seventy-four] 19, 1974.

[10.] 12. "Urban development corporation" shall mean the New York state urban development corporation AND ANY SUCCESSOR AGENCY.

S 3. ESTABLISHMENT OF CORPORATION; ORGANIZATION OF BOARD. 1. To effectuate the purposes and provisions of this act, there is hereby created the "Roosevelt Island operating corporation", which shall be a body corporate and politic constituting a public benefit corporation and a political subdivision of the state of New York.

2. The board of directors of the corporation shall be composed of nine members. One member shall be the commissioner, who shall serve as the chair; one member shall be the director of the budget; and THERE SHALL BE seven public members [shall be appointed by the governor with the advice and consent of the senate. Of the seven public members, two members, one of whom shall], TWO OF WHOM SHALL BE APPOINTED BY THE MAYOR OF THE CITY; AT LEAST ONE OF THE MAYOR'S APPOINTEES SHALL be a resident of Roosevelt Island[, shall be appointed upon the recommendation of the mayor of the city; and four additional members shall be residents of Roosevelt Island. Each member]. THE REMAINING FIVE PUBLIC MEMBERS SHALL BE RESIDENTS AND SHALL BE ELECTED IN A COMMUNITY ELECTION. THE INITIAL COMMUNITY ELECTION SHALL BE HELD ON THE DATE OF THE FIRST GENERAL ELECTION NEXT SUCCEEDING THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO THOUSAND ELEVEN WHICH AMENDED THIS SUBDIVISION, AND THE FIRST MEETING OF EACH NEWLY ELECTED BOARD FOR THE PURPOSE OF ASSUMING THE OFFICE ITSELF SHALL BE HELD WITHIN TEN DAYS FOLLOWING SUCH ELECTION. EX-OFFICIO MEMBERS SHALL SERVE AS LONG AS THEY SHALL HOLD OFFICE, PUBLIC MEMBERS APPOINTED BY THE MAYOR SHALL SERVE AT THE PLEASURE OF THE MAYOR, OTHER MEMBERS shall serve for a term of [four] THREE years and until [his or her] A successor shall have been appointed and shall have qualified[, except that (a) two of the initial public members appointed by the governor, one of whom is a resident of Roosevelt Island, and the Roosevelt Island resident member appointed upon the recommendation of the mayor of the city shall serve for terms of two years each, and (b) the commissioner and the director of the budget shall serve so long as they continue to hold their respective offices]. Any action taken by the directors of the corporation shall be taken by majority vote of the directors then in office. VACANCIES THAT OCCUR IN THE BOARD'S FIVE ELECTED MEMBERS SHALL BE FILLED BY A RESIDENT APPOINTED BY THE MAYOR ON AN INTERIM BASIS UNTIL THE FOLLOWING COMMUNITY ELECTION. The elected public officials who represent Roosevelt Island shall be representatives to the board of directors of the corporation entitled to receive notice

of and attend all meetings of such board AND BE PROVIDED WITH ALL INFORMATION RECEIVED BY THE MEMBERS FOR ALL AGENDA ITEMS but shall not be entitled to vote. Failure to give such notice shall not [effect] AFFECT the validity of any action taken at a meeting of such board. ALL MEETINGS OF THE BOARD OF DIRECTORS OR ANY COMMITTEE OF THE BOARD SHALL BE SUBJECT TO THE OPEN MEETINGS LAW.

3. [The governor may fill any vacancy which occurs on the board of directors of the corporation in a manner consistent with the original appointment.] Any RESIDENT MAY FILE NOTICE OF HIS OR HER CANDIDACY AS A PUBLIC MEMBER WITH THE BOARD OF DIRECTORS NOT MORE THAN 30 DAYS NOR LESS THAN 15 DAYS PRIOR TO THE DATE SET FOR THE COMMUNITY ELECTION, OR AS OTHERWISE PROVIDED IN BY-LAWS ADOPTED BY THE BOARD OF DIRECTORS AFTER THE FIRST COMMUNITY ELECTION.

4. ANY PUBLIC member of the corporation may be removed [by the governor] for cause, UPON A TWO-THIRDS VOTE OF THE REMAINING BOARD MEMBERS, but not without an opportunity to be heard, in person or by counsel, in his OR HER defense, upon not less than ten days' written notice.

[4.] 5. The commissioner and the director of the budget may each designate an officer or employee of his OR HER respective division to represent such member at meetings of the corporation. Such designation shall be by written notice filed with the chairman or the secretary of the corporation by the member making the designation, and may be revoked at any time by similar notice. Any representative so designated shall have the power to attend and to vote at any meeting of the corporation from which the member making the designation is absent with the same force and effect as if the member making the designation were present and voting. No such designation shall limit the right of the member making the designation to attend and vote in person at any meeting of the corporation.

[5.] 6. A member of the corporation who is not an officer or employee of the state or the city shall not receive a salary or other compensation, but shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of official duties as a member. A member of the corporation who is not an officer or employee of the state or the city may engage in private employment, or in a profession or business, unless otherwise prohibited by law from doing so. Notwithstanding any other provision of law, general, special, or local, no officer or employee of the state or any civil division thereof shall be deemed to have forfeited, or shall forfeit such office of employment because of acceptance of membership in the corporation, or by virtue of being an officer, employee or agent thereof.

S 4. POWERS OF CORPORATION. The corporation's powers shall be limited to carrying out the development, management and operation of Roosevelt Island. In carrying out such development, management and operation, the corporation shall have the power to:

1. Sue and be sued;

2. Have a seal and alter the same at pleasure;

3. Make and alter by-laws for its organization and internal management and make rules and regulations governing the use of its property and facilities;

4. Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this act; PROVIDED, HOWEVER, THAT THE CORPORATION SHALL BE CONSIDERED A CORPORATION AS THAT TERM IS USED IN SECTION 2879 OF THE PUBLIC AUTHORITIES LAW;

5. Acquire in the name of the corporation by purchase, grant or gift, or by the exercise of the power of eminent domain pursuant to the eminent domain procedure law, or otherwise, real or personal property, or any interest therein deemed necessary or desirable for the development, management or operation of Roosevelt Island, including, without limitation, leasehold interest, air and subsurface rights, easements and lands under water at the site of Roosevelt Island or in the general vicinity thereof, and to subject such property or interest therein to a purchase money or other lien or security interest in connection with the acquisition and development thereof, provided that the corporation shall have no authority or power to issue any notes, bonds or other debt obligations, whether for the purpose of financing the development of Roosevelt Island or otherwise;

6. Hold and dispose of real or personal property for its corporate purposes;

7. Appoint officers, agents and employees, prescribe their duties and fix their compensation in accordance with a staffing and compensation plan [submitted to and] approved by the [director of the budget] BOARD OF DIRECTORS; AND SHALL HIRE A GENERAL MANAGER WITH BROAD, GENERAL MANAGERIAL EXPERIENCE, WHO SHALL BE RESPONSIBLE TO THE BOARD FOR CARRYING OUT THE POLICIES OF THE BOARD;

8. Engage the services of private consultants on a contract basis for rendering professional and technical assistance advice;

9. Procure insurance against any loss in connection with its activities, properties and other assets, in such amount and from such insurers as it deems desirable;

10. Charge and collect fees, rents and other charges for the occupancy or other use of real or personal property or facilities owned, operated, managed or regulated by the corporation;

11. Accept any gifts or grants of money or property, or financial or other aid in any form, from the federal government, the state, or the city (or any instrumentality of any such government) or from any other source and, subject to the provisions of this act and other applicable law, to comply with any conditions of such assistance and execute any contracts or other instruments in connection therewith;

12. Invest any funds of the corporation, or any other monies under its custody and control not required for immediate use or disbursement, at the discretion of the corporation, in obligations of the state or the United States government or obligations the principal and interest of which are guaranteed by the state or the United States government, or in any other obligations in which the comptroller of the state is authorized to invest pursuant to section [ninety-eight] 98 of the state finance law;

13. Enter into such agreements with the state, the urban development corporation and the city as the parties thereto deem appropriate to effectuate the provisions of this act;

14. Assume and perform the obligations and responsibilities of the urban development corporation under the lease, the tramway franchise, and all other contracts, leases, and agreements heretofore entered into by the urban development corporation relating to the development, management and operation of Roosevelt Island (except that the corporation shall not assume any of the rights, duties and responsibilities of the urban development corporation in relation to any bonds or notes issued, or mortgages or security agreements held, by the urban development corporation or any of its subsidiaries) and exercise all of the rights of the urban development corporation with respect thereto; [and]

15. SUPPLEMENT ANY OF THE SERVICES PROVIDED BY OTHER GOVERNMENTAL AGENCIES IN SUCH A WAY THAT WILL MAKE THE SERVICES TO RESIDENTS OF ROOSEVELT ISLAND BETTER AND MORE COMPLETE THAN OTHERWISE POSSIBLE; AND

16. Do and perform all other acts necessary or convenient to carry out the foregoing in connection with the development, management or operation of Roosevelt Island.

S 5. RULES AND REGULATIONS; APPROVAL OF DEVELOPMENT PLAN AMENDMENTS; APPLICABILITY OF LOCAL LAWS. 1. The corporation shall promulgate such rules and regulations as it shall deem appropriate to provide an opportunity for residents of Roosevelt Island to comment upon any major amendment of the development plan for Roosevelt Island referred to in the lease at a public hearing held prior to its adoption by the corporation.

2. [Any amendment of the development plan for Roosevelt Island referred to in the lease shall be subject to the review and approval of the director of the budget, and the corporation] THE CORPORATION shall not enter into any agreement for the design or construction of any improvement provided for in any [such] amendment TO THE DEVELOPMENT PLAN FOR ROOSEVELT ISLAND prior to [such] approval BY THE BOARD OF DIRECTORS.

3. The requirements of all local laws, ordinances, codes, charters or regulations shall be applicable to the construction, alteration or improvement of any building or structure on Roosevelt Island[, provided that the corporation may, in lieu of such compliance, determine that the requirements of the New York state uniform fire prevention and building code, formulated by the state fire prevention and building code council pursuant to article eighteen of the executive law, shall be applicable to such work. In the event of such compliance with the New York state uniform fire prevention and building code, the city shall have no power to modify any drawings, plans or specifications for such work or for the plumbing, heating, lighting or other mechanical branches thereof, or to require that any person, firm or corporation employed on any such work perform the same except as provided by such plans and specifications or obtain any additional authority, approval, permit or certificate from the city in connection therewith].

S 6. POWERS AND DUTIES OF URBAN DEVELOPMENT CORPORATION; LEASE AND TRAMWAY FRANCHISE. 1. The corporation shall perform all obligations of the urban development corporation or any of its subsidiaries with respect to the development, management and operation of Roosevelt Island, including, without limitation, all such obligations arising under the lease and the tramway franchise.

2. The urban development corporation, the division and the corporation shall each use their best efforts to obtain any required consents to the assignment of the lease and the tramway franchise from the urban development corporation to the corporation and to any other assumption by the corporation of the obligations of the urban development corporation or any of its subsidiaries under any other contracts, leases, agreements or instruments entered into by the urban development corporation, or any such subsidiary, relating to the development, management or operation of Roosevelt Island (other than any bonds or notes issued, or mortgages or security agreements held, by the urban development corporation or any of its subsidiaries) and, upon obtaining such consents, the corporation and the urban development corporation shall enter into such agreements and take such actions as shall be necessary to effectuate such assignments and assumptions, provided that in order to permit the urban development corporation to recover the investment which it has heretofore made in the development of Roosevelt Island, such agreements shall provide

appropriate assurances satisfactory to the urban development corporation (a) for the prompt payment directly to the urban development corporation of (i) all sums from time to time due from lessees under the development subleases and (ii) all sums received by the corporation from the city in connection with the termination of the lease, and (b) for the amending or supplementing of the development subleases to the extent, if any, necessary to protect the rights of the holders of any mortgages on the leasehold interests created thereunder. Nothing in this act shall (a) constitute or authorize an assignment by the urban development corporation (or any subsidiary thereof) of any mortgage or security interest held by the urban development corporation (or any such subsidiary) on any real or personal property or interest therein on Roosevelt Island or any rights or obligations of the urban development corporation (or any such subsidiary) arising under any such mortgage or security agreement, (b) relieve the urban development corporation of any of its obligations under any bonds heretofore issued by the urban development corporation, or (c) otherwise affect the interests of the holders of any such bonds.

3. All revenues (other than state appropriations) derived from the contracts, leases, agreements or instruments assigned to or assumed by the corporation pursuant to subdivision two of this section shall be applied first to the payment of those obligations assigned to or assumed by the corporation.

4. The urban development corporation and the corporation are hereby authorized to enter into such agreements with the city as the corporation shall determine to be appropriate to amend, reform or supplement the lease (including the development plan referred to therein) and the tramway franchise in order to carry out the purposes of this act. The provisions of any general, special or local law notwithstanding, the city is hereby authorized[, upon the approval of the board of estimate of the city,] to enter into any such agreements with the corporation and the urban development corporation.

S 7. EQUAL EMPLOYMENT OPPORTUNITIES. 1. The corporation shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue programs of affirmative action to ensure that minority group persons and women are afforded equal employment opportunity without discrimination. Such action shall be taken with reference, but not be limited, to recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rate of pay or other forms of compensation, and selections for training or retraining, including apprenticeship and on-the-job training. SUBJECT TO ANY COLLECTIVE BARGAINING AGREEMENT IN EFFECT, ALL PERSONS WHO HAVE COMPLETED A PROBATIONARY PERIOD WITH AND ARE THEN EMPLOYED BY THE CORPORATION AS OF JANUARY FIRST NEXT SUCCEEDING THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO THOUSAND ELEVEN WHICH AMENDED THIS SECTION MAY APPLY FOR AND SHALL BE GIVEN PREFERENCE IN FILLING POSITIONS ON THE REVISED TABLE OF ORGANIZATION CREATED BY THE CORPORATION.

2. The corporation shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the corporation's obligations hereunder.

3. The corporation shall state, in all solicitations or advertisements for employees placed by or on behalf of the corporation, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

4. The corporation shall seek meaningful participation by minority business enterprises in the programs of the corporation and shall actively and affirmatively promote and assist their participation in the corporation's programs, so as to facilitate the award of a fair share of contracts to such enterprises. For purposes hereof, "minority business enterprise" shall mean any business enterprise which is at least [fifty-one] 51 per centum owned by, or in the case of publicly owned business, at least [fifty-one] 51 per centum of the stock of which is owned by, citizens or permanent resident aliens who are Black, Hispanic, Asian, American Indian or women, and such ownership interest is real, substantial and continuing.

S 8. [a.] NOTICE OF CLAIMS. 1. The state shall indemnify and hold harmless the corporation, urban development corporation and safe affordable housing for everyone, inc., and pursuant to section [seventeen] 17 of the public officers law, their respective officers, directors and employees, from and against any and all liability, claim, loss, damage, suit or judgment and any and all costs and expenses (including, but not limited to, counsel fees and disbursements) that such corporations or their officers, directors or employees may suffer or incur, whether before or after the date hereof, as a result of either (a) the development, management or operation of Roosevelt Island or (b) the performance or non-performance by the division of any of its obligations or duties with respect to Roosevelt Island. All of the provisions of section [seventeen] 17 of the public officers law which are not inconsistent with this section shall apply to the officers, directors, and employees of such corporations, including the provisions relating to the defense by the attorney general or private counsel of any civil action and the payment of legal costs incurred in connection with the defense of any such action. Any member, officer or employee of such corporations seeking to be saved harmless or indemnified or to claim any other benefits available pursuant to this section or section [seventeen] 17 of the public officers law shall comply with the procedural requirements of such section [seventeen] 17. As used in this section the terms "member", "officer" and "employee" shall include a former member, officer or employee, his estate or judicially appointed personal representative.

2. A notice of claim, served in accordance with the provisions of section [fifty-e] 50-E of the general municipal law, shall be a condition precedent to the commencement of an action against the corporation, its officers, directors and employees. No such action shall be commenced more than one year after it has accrued, except that an action against the corporation for wrongful death shall be commenced within the notice of claim and time limitation provisions of title [eleven] 11 of article [nine] 9 of the public authorities law.

[b. 1.] 3. Notwithstanding the provisions of section [one hundred thirteen] 113 of the retirement and social security law and any other general, special or local law, the Roosevelt Island operating corporation shall provide to persons employed by the Roosevelt Island operating corporation any retirement, disability, death or other benefits provided or required pursuant to any agreement with a labor union of which its employees are members, and the Roosevelt Island operating corporation is hereby authorized to retroactively or in the future make such contributions as may be necessary to provide such benefits.

[2.] 4. For purposes of the retirement and social security law, persons employed by the Roosevelt Island operating corporation and to whom the Roosevelt Island operating corporation provides any retirement, disability, death and other benefits required pursuant to any agreement with a labor union of which its employees are members, shall be deemed not to be employees of the Roosevelt Island operating corporation. Such other persons who are employees of the Roosevelt Island operating corporation as of the effective date of this act shall be eligible to receive credit under the retirement and social security law for previous service with the entities (or where applicable, their subsidiaries) made subject to section [seventeen] 17 of the public officers law by subdivision [a] ONE of this section.

S 9. ANNUAL BUDGET AND REPORT. 1. On or before September [fifteenth, nineteen hundred eighty-four] 15, 1984 and on each September fifteenth thereafter, the [chairman] GENERAL MANAGER of the corporation shall make and deliver to the director of the budget for his OR HER review AND TO THE BOARD OF DIRECTORS a proposed budget for the operation of the corporation for the next fiscal year of the state. The [chairman] CHAIR of the corporation shall also deliver a copy of such budget to the [chairman] CHAIR of the senate finance committee and the [chairman] CHAIR of the assembly ways and means committee at the same time that the budget is delivered to the director of the budget. The budget shall include the total amount needed for corporate purposes, including the funds required by the corporation for operation of Roosevelt Island facilities and improvements, the source of all funds that the corporation expects to receive and such other information as the director of the budget shall require OR AS MAY BE REQUIRED BY THE BOARD OF DIRECTORS. The governor shall recommend in his OR HER annual budget such appropriations to the corporation for its CAPITAL NEEDS AND operations WHICH ARE IDENTIFIED IN THE AUDITS CONDUCTED PURSUANT TO SECTION SEVENTEEN OF THIS ACT as he OR SHE deems necessary. THE BOARD OF DIRECTORS SHALL MEET THE REQUIREMENTS OF SUBDIVISION TWO OF THIS SECTION WITH RESPECT TO NOTICE AND A PUBLIC HEARING BEFORE A VOTE ON THE BUDGET MAY BE HELD.

2. THE GENERAL MANAGER SHALL PUBLISH IN A PAPER OF GENERAL CIRCULATION WITHIN THE COMMUNITY A DATE FOR A PUBLIC HEARING AND A NOTICE THAT THE PROPOSED BUDGET IS AVAILABLE FOR PUBLIC INSPECTION. SUCH PUBLIC HEARING ON THE BUDGET SHALL BE HELD WITHIN 30 DAYS, BUT NOT LESS THAN 15 DAYS, AFTER THE DATE OF PUBLICATION. THE BOARD OF DIRECTORS SHALL APPROVE THE BUDGET PRIOR TO THE BEGINNING OF THE FISCAL YEAR.

3. The [corporation] GENERAL MANAGER shall submit to the director of the budget, [chairman] CHAIR of the senate finance committee [and chairman], THE CHAIR of the assembly ways and means committee AND THE BOARD OF DIRECTORS, within ninety days after the end of its fiscal year, a complete and detailed report setting forth (a) [its] THE CORPORATION'S operations and accomplishments, and (b) its receipts and expenditures during such fiscal year in accordance with categories and classifications established by the corporation, [with the approval of the director of the budget,] for its operating and capital outlay purposes. THE GENERAL MANAGER SHALL MAKE AVAILABLE FOR PUBLIC INSPECTION A COPY OF SUCH REPORT.

S 10. FUTURE MANAGEMENT STUDY. The [corporation] BOARD OF DIRECTORS shall [also] APPOINT A COMMITTEE OF ROOSEVELT ISLAND RESIDENTS TO study the future operation and management of Roosevelt Island AT LEAST ONCE

IN EACH DECADE. [Such study shall be completed by December thirty-first, nineteen hundred eighty-five.]

S 10-a. Open space development prohibited. Notwithstanding any other provision of this act, or any other law to the contrary, on or after the effective date of this section, no further development or construction for other than park purposes shall be permitted on any real property which is identified as open space areas in the general development plan as amended May 10, 1990 and approved by the board of estimate of the city of New York on August 17, 1990 and referred to in the lease defined in subdivision [six] SEVEN of section two of this act, and on such real property shall remain open space areas for the duration of the lease [unless such development or construction includes the reconstruction, restoration, rehabilitation or preservation of the historic landmarks located in such open space areas and furthers the use of the areas surrounding the historic landmarks as open space areas]. Open space areas, as used in this section shall INCLUDE, BUT NOT be limited to Lighthouse park, Octagon park, Blackwell park, and South Point park.

S 11. LIABILITY FOR COMMUNITY OBLIGATIONS; TAX EXEMPTION. 1. The obligations of the corporation shall not be debts of the state, and the state shall not be liable thereon, and such obligations shall not be payable out of any funds other than those of the corporation.

2. It is hereby found, determined and declared that the creation of the corporation and the carrying out of its purposes is in all respects for the benefit of the people of the state and is a public purpose, and that the corporation will be performing an essential governmental function in the exercise of the powers conferred upon it by this act. The corporation and its operations, property and moneys shall be free and exempt from taxation of every kind by the city and the state and any subdivision thereof. Except as hereinabove provided and except as may otherwise specifically be provided, nothing contained in this act shall confer exemption from any tax, assessment or fee upon any person, firm, corporation or other entity, or upon the obligations of any of them.

3. ANY EXPENDITURES OF THE CORPORATION SHALL BE IN ACCORDANCE WITH THE ADOPTED BUDGET OR A MODIFICATION APPROVED BY THE BOARD OF DIRECTORS. EXPENDITURES SHALL BE MADE BY CHECK, SIGNED AS PROVIDED BY THE BY-LAWS.

S 12. DIVISION OF HOUSING AND COMMUNITY RENEWAL; ASSISTANCE AND SERVICES. The corporation may from time to time request the division to perform such services and render such technical assistance to the corporation with respect to the development, management or operation of Roosevelt Island as the corporation deems necessary or convenient and may provide for the reimbursement to the division by the corporation of the reasonable cost of such services. The division is hereby authorized to perform such services and render such technical assistance as may be agreed upon between the division and the corporation pursuant to this section. In addition, the commissioner is hereby authorized to represent the corporation in any negotiations with the city concerning amendments or supplements to or reformations of the lease and tramway franchise as contemplated by section six of this act.

S 13. OPERATION OF MOTOR VEHICLES. In addition to any other power conferred upon it by this act, the corporation is hereby authorized to prescribe rules and regulations governing the operation (including the parking, standing or stopping) of vehicles on Roosevelt Island; provided however, that such rules and regulations shall not UNREASONABLY restrict access to any city facilities situated on Roosevelt Island nor unreasonably restrict parking by city of New York employees, their visitors and invitees IN THE IMMEDIATE VICINITY OF SUCH CITY FACILITIES. The violation of such rules or regulations shall be an offense punishable upon a first conviction thereof by a fine of not more than [fifty] 50 dollars, upon a second within a period of [eighteen] 18 months by a fine of not more than [one hundred fifty] 150 dollars, and upon a third or subsequent conviction thereof within a period of [eighteen] 18 months by a fine of not more than [one hundred fifty] 150 dollars, or by imprisonment for not more than [thirty] 30 days, or by both such fine and such imprisonment. For purposes of enforcement and administration of such rules and regulations, including but not limited to conferring jurisdiction with respect thereto upon the applicable courts and administrative tribunals, all provisions of law relating to, and rules or regulations of, the New York city department of transportation not inconsistent with this act shall be applicable.

S 14. SEPARABILITY OF PROVISIONS. If any section, clause or provision of this act or the application thereof shall be adjudged invalid, such judgment shall not affect or invalidate any other section, clause or provision of this act.

S 15. TRANSFER OF FUNDS. 1. Notwithstanding the provisions of any general or special law, the director of the budget is authorized to transfer to the corporation from funds appropriated to the division for the fiscal year beginning April [first, nineteen hundred eighty-four] 1, 1984, the amount he determines necessary to carry out the provisions of this act, including providing for Roosevelt Island operations, capital improvement program and any other appropriate management expenses.

2. Notwithstanding the provisions of any general or special law, no part of such appropriations shall be available for the purposes designated until a certificate of approval of availability shall have been issued by the director of the budget and a copy of such certificate is filed with the state comptroller, the [chairman] CHAIR of the senate finance committee and the [chairman] CHAIR of the assembly ways and means committee. Such certificate may be amended from time to time, subject to the approval of the director of the budget, and a copy of each such amendment shall be filed with the state comptroller, the [chairman] CHAIR of the senate finance committee and the [chairman] CHAIR of the assembly ways and means committee.

S 16. TRANSITIONAL RULE. IMMEDIATELY AFTER THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO THOUSAND ELEVEN WHICH AMENDED THIS SECTION, AND UNTIL THE PUBLIC MEMBERS OF THE BOARD OF DIRECTORS HAVE BEEN ELECTED IN A COMMUNITY ELECTION, THE EXISTING BOARD OF DIRECTORS SHALL MAKE NO CONTRACT, COMMITMENT OR OBLIGATION WITH A DURATION OF MORE THAN THREE MONTHS.

S 17. AUDITS. ON OR BEFORE THE NINETIETH DAY FOLLOWING THE COMPLETION OF THE FIRST COMMUNITY ELECTION PURSUANT TO SECTION THREE OF THIS ACT, THE BOARD OF DIRECTORS, IN CONSULTATION WITH THE COMMISSIONER AND THE DIRECTOR OF THE BUDGET, SHALL CONTRACT FOR TWO AUDITS. THE FIRST AUDIT SHALL CONSIST OF A THOROUGH FINANCIAL AUDIT OF THE CORPORATION, INCLUDING, THE PERIOD THREE YEARS PRIOR TO THE EFFECTIVE DATE OF THIS SECTION TO THE PRESENT, AND SHALL ASSESS THE ABILITY OF THE CORPORATION TO MEET ITS FUTURE OBLIGATIONS AND LIABILITIES WITH ANTICIPATED REVENUES. THE SECOND AUDIT SHALL CONSIST OF AN INDEPENDENT ENGINEERING STUDY OF THE PHYSICAL STRUCTURES, IMPROVEMENTS AND INFRASTRUCTURE WHICH THE CORPORATION IS RESPONSIBLE TO OPERATE OR MAINTAIN INCLUDING A REVIEW OF ALL EXISTING STUDIES OR OTHER DOCUMENTS AND SHALL IDENTIFY ANY MAINTENANCE OR REPAIRS WHICH ARE REQUIRED OR COULD REASONABLY BE EXPECTED AND THE COST OF SUCH MAINTENANCE OR REPAIRS.

S 18. CERTIFICATIONS. WITHIN 60 DAYS OF THE RECEIPT OF THE FINANCE AUDIT REQUIRED BY SECTION SEVENTEEN OF THIS ACT, THE DIRECTOR OF THE BUDGET SHALL REPORT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY ON THE FISCAL CONDITION OF THE CORPORATION, ITS REVENUE NEEDS TO MEET CURRENT AND FUTURE OBLIGATIONS AND RECOMMENDATIONS FOR FUNDING ALTERNATIVES. ALSO WITHIN 60 DAYS OF RECEIPT OF THE PHYSICAL AUDIT REQUIRED BY SECTION SEVENTEEN OF THIS ACT, THE COMMISSIONER SHALL PROVIDE A REPORT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY CONCERNING THE PHYSICAL CONDITION OF ROOSEVELT ISLAND AND ITS INFRASTRUCTURE AND IMPROVEMENTS FOR WHICH THE ISLAND IS RESPONSIBLE, AN ANALYSIS OF THE CAPITAL FUNDING NEEDS OF THE CORPORATION AND RECOMMENDATIONS FOR FUNDING ALTERNATIVES.

S 19. BONDS OF THE CORPORATION. 1. THE CORPORATION SHALL HAVE THE POWER AND IS HEREBY AUTHORIZED FROM TIME TO TIME TO ISSUE BONDS UP TO THE AGGREGATE PRINCIPAL AMOUNT OF TWENTY-FIVE MILLION DOLLARS OUTSTANDING AT ANY ONE TIME. THE CORPORATION SHALL FURTHER HAVE POWER FROM TIME TO TIME AND WHENEVER IT DEEMS REFUNDING EXPEDIENT, TO REFUND ANY BONDS BY THE ISSUANCE OF NEW BONDS, WHETHER THE BONDS TO BE REFUNDED HAVE OR HAVE NOT MATURED, AND MAY ISSUE BONDS PARTLY TO REFUND BONDS THEN OUTSTANDING AND PARTLY FOR ANY OTHER PURPOSE DESCRIBED IN THIS ACT. BONDS OF THE CORPORATION SHALL BE REVENUE OBLIGATIONS PAYABLE FROM AND SECURED SOLELY BY SUCH REVENUES AS THE CORPORATION DETERMINES ARE AVAILABLE THEREFOR AND UPON SUCH TERMS AND CONDITIONS AS SPECIFIED BY THE CORPORATION IN THE RESOLUTION UNDER WHICH THE BONDS ARE ISSUED.

2. THE CORPORATION MAY ALSO ENTER INTO LOAN AGREEMENTS, LINES OF CREDIT AND OTHER SECURITY AGREEMENTS AND OBTAIN FOR OR ON ITS BEHALF LETTERS OF CREDIT, INSURANCE, GUARANTEES OR OTHER CREDIT ENHANCEMENTS TO THE EXTENT NOW OR HEREAFTER AVAILABLE, IN EACH CASE FOR SECURING ITS BONDS OR TO PROVIDE DIRECT PAYMENT OF ANY COSTS WHICH THE CORPORATION IS AUTHORIZED TO PAY.

3. (A) BONDS SHALL BE AUTHORIZED BY RESOLUTION OF THE BOARD OF DIRECTORS, BE IN SUCH DENOMINATIONS AND BEAR SUCH DATE OR DATES AND MATURE AT SUCH TIME OR TIMES, AS SUCH RESOLUTION MAY PROVIDE, PROVIDED THAT BONDS AND RENEWALS THEREOF SHALL MATURE WITHIN 30 YEARS FROM THE DATE OF ORIGINAL ISSUANCE OF ANY SUCH BONDS. ANY SUCH RESOLUTION MAY DELEGATE TO AN OFFICER OR COMMITTEE OF THE CORPORATION, AND ANY SUCH COMMITTEE MAY DELEGATE TO AN OFFICER, THE POWER TO ISSUE SUCH BONDS FROM TIME TO TIME AND TO FIX THE DETAILS OF ANY SUCH ISSUES OF BONDS BY AN APPROPRIATE CERTIFICATE OF SUCH AUTHORIZED OFFICER.

(B) BONDS SHALL BE SUBJECT TO SUCH TERMS OF REDEMPTION, BEAR INTEREST AT SUCH RATE OR RATES, BE PAYABLE AT SUCH TIMES, BE IN SUCH FORM, EITHER COUPON OR REGISTERED, CARRY SUCH REGISTRATION PRIVILEGES, BE EXECUTED IN SUCH MANNER, BE PAYABLE IN SUCH MEDIUM OF PAYMENT AT SUCH PLACE OR PLACES, AND BE SUBJECT TO SUCH TERMS AND CONDITIONS AS SUCH RESOLUTION MAY PROVIDE. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE BONDS OF THE CORPORATION ISSUED PURSUANT TO THIS SECTION SHALL BE SOLD TO THE BIDDER OFFERING THE LOWEST TRUE INTEREST COST, TAKING INTO CONSIDERATION ANY PREMIUM OR DISCOUNT NOT LESS THAN 4 NOR MORE THAN 15 DAYS, SUNDAY EXCEPTED, AFTER A NOTICE OF SUCH SALE HAS BEEN PUBLISHED AT LEAST ONCE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE AREA SERVED BY THE CORPORATION, WHICH SHALL STATE THE TERMS OF THE SALE. THE TERMS OF THE SALE MAY NOT CHANGE UNLESS NOTICE OF SUCH CHANGE IS PUBLISHED IN SUCH NEWSPAPER AT LEAST ONE DAY PRIOR TO THE DATE OF THE SALE AS SET FORTH IN THE ORIGINAL NOTICE OF SALE. ADVERTISEMENTS SHALL CONTAIN A PROVISION TO THE EFFECT THAT THE CORPORATION, IN ITS DISCRETION, MAY REJECT ANY OR ALL

BIDS MADE PURSUANT TO SUCH ADVERTISEMENTS, AND IN THE EVENT OF SUCH REJECTION, THE CORPORATION IS AUTHORIZED TO READVERTISE FOR BIDS IN THE FORM AND MANNER ABOVE DESCRIBED AS MANY TIMES AS, IN ITS JUDGMENT, MAY BE NECESSARY TO EFFECT SATISFACTORY SALE.

(C) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (B) OF THIS SUBDIVISION, WHENEVER IN THE JUDGMENT OF THE AUTHORITY THE INTERESTS OF THE CORPORATION WILL BE SERVED THEREBY, THE MEMBERS OF THE BOARD OF DIRECTORS, ON THE WRITTEN RECOMMENDATION OF THE CHAIRPERSON MAY AUTHORIZE THE SALE OF SUCH BONDS AT PRIVATE OR PUBLIC SALE ON A NEGOTIATED BASIS OR ON EITHER A COMPETITIVE OR NEGOTIATED BASIS. THE CORPORATION SHALL SET GUIDELINES GOVERNING THE TERMS AND CONDITIONS OF ANY SUCH PRIVATE OR PUBLIC SALES. THE PRIVATE OR PUBLIC BOND SALE GUIDELINES SET BY THE CORPORATION SHALL INCLUDE, BUT NOT BE LIMITED TO, A REQUIREMENT THAT WHERE THE INTERESTS OF THE CORPORATION WILL BE SERVED BY A PRIVATE OR PUBLIC SALE OF BONDS, THE CORPORATION SHALL SELECT UNDERWRITERS TAKING INTO ACCOUNT, AMONG OTHER THINGS, QUALIFICATIONS OF UNDERWRITERS AS TO EXPERIENCE, THEIR ABILITY TO STRUCTURE AND SELL CORPORATION BOND ISSUES, ANTICIPATED COSTS TO THE AUTHORITY, THE PRIOR EXPERIENCE OF THE AUTHORITY WITH THE FIRM, IF ANY, THE CAPITALIZATION OF SUCH FIRMS, PARTICIPATION OF QUALIFIED MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE FIRMS IN SUCH PRIVATE OR PUBLIC SALES OF BONDS OF THE CORPORATION AND THE EXPERIENCE AND ABILITY OF FIRMS UNDER CONSIDERATION TO WORK WITH MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES SO AS TO PROMOTE AND ASSIST PARTICIPATION BY SUCH ENTERPRISES.

(D) THE CORPORATION SHALL HAVE THE POWER FROM TIME TO TIME TO AMEND SUCH PRIVATE BOND SALE GUIDELINES IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBDIVISION.

(E) NO PRIVATE OR PUBLIC BOND SALE ON A NEGOTIATED BASIS SHALL BE CONDUCTED BY THE CORPORATION WITHOUT PRIOR APPROVAL OF THE STATE COMPTROLLER. THE CORPORATION SHALL ANNUALLY PREPARE AND APPROVE A BOND SALE REPORT WHICH SHALL INCLUDE THE PRIVATE OR PUBLIC BOND SALE GUIDELINES AS SPECIFIED IN THIS SUBDIVISION, AMENDMENTS TO SUCH GUIDELINES SINCE THE LAST PRIVATE OR PUBLIC BOND SALE REPORT, AN EXPLANATION OF THE BOND SALE GUIDELINES AND AMENDMENTS, AND THE RESULTS OF ANY SALE OF BONDS CONDUCTED DURING THE FISCAL YEAR. SUCH BOND SALE REPORT MAY BE A PART OF ANY OTHER ANNUAL REPORT THAT THE CORPORATION IS REQUIRED TO MAKE.

(F) THE CORPORATION SHALL ANNUALLY SUBMIT ITS BOND SALE REPORT TO THE DIRECTOR OF THE BUDGET, STATE COMPTROLLER AND COPIES THEREOF TO THE SENATE FINANCE COMMITTEE AND THE ASSEMBLY WAYS AND MEANS COMMITTEE.

(G) THE CORPORATION SHALL MAKE AVAILABLE TO THE PUBLIC COPIES OF ITS BOND SALE REPORT UPON REASONABLE REQUEST THEREOF.

(H) NOTHING CONTAINED IN THIS SUBDIVISION SHALL BE DEEMED TO ALTER, AFFECT THE VALIDITY OF, MODIFY THE TERMS OF, OR IMPAIR ANY CONTRACT OR AGREEMENT MADE OR ENTERED INTO IN VIOLATION OF, OR WITHOUT COMPLIANCE WITH, THE PROVISIONS OF THIS SUBDIVISION.

4. ANY RESOLUTION OR RESOLUTIONS AUTHORIZING BONDS OR ANY ISSUE OF BONDS BY THE CORPORATION MAY CONTAIN PROVISIONS WHICH MAY BE A PART OF THE CONTRACT WITH THE HOLDERS OF THE BONDS THEREBY AUTHORIZED AS TO:

(A) PLEDGING ALL OR PART OF THE REVENUES, TOGETHER WITH ANY OTHER MONIES OR PROPERTY OF THE CORPORATION TO SECURE THE PAYMENT OF THE BONDS, OR ANY COSTS OF ISSUANCE THEREOF, INCLUDING BUT NOT LIMITED TO, ANY CONTRACTS, EARNINGS OR PROCEEDS OF ANY GRANT TO THE CORPORATION RECEIVED FROM ANY PRIVATE OR PUBLIC SOURCE SUBJECT TO SUCH AGREEMENTS WITH BONDHOLDERS AS MAY THEN EXIST;

(B) THE SETTING ASIDE OF RESERVES AND THE CREATION OF SINKING FUNDS AND THE REGULATION AND DISPOSITION THEREOF;

(C) LIMITATIONS ON THE PURPOSE TO WHICH THE PROCEEDS FROM THE SALE OF BONDS MAY BE APPLIED;

(D) THE RATES, RENTS, FEES AND OTHER CHARGES TO BE FIXED AND COLLECTED BY THE CORPORATION AND THE AMOUNT TO BE RAISED IN EACH YEAR THEREBY AND THE USE AND DISPOSITION OF REVENUES;

(E) LIMITATIONS ON THE RIGHT OF THE CORPORATION TO RESTRICT AND REGULATE THE USE OF THE PROJECT OR PART THEREOF IN CONNECTION WITH WHICH BONDS ARE ISSUED;

(F) LIMITATIONS ON THE ISSUANCE OF ADDITIONAL BONDS, THE TERMS UPON WHICH ADDITIONAL BONDS MAY BE ISSUED AND SECURED AND THE REFUNDING OF OUTSTANDING OR OTHER BONDS;

(G) THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, INCLUDING THE PROPORTION OF BONDHOLDERS WHICH MUST CONSENT THERETO, AND THE MANNER IN WHICH SUCH CONSENT MAY BE GIVEN;

(H) THE CREATION OF SPECIAL FUNDS INTO WHICH ANY REVENUES OR MONIES MAY BE DEPOSITED;

(I) THE TERMS AND PROVISIONS OF ANY TRUST, MORTGAGE, DEED OR INDENTURE SECURING THE BONDS UNDER WHICH THE BONDS MAY BE ISSUED;

(J) VESTING IN A TRUSTEE OR TRUSTEES SUCH PROPERTIES, RIGHTS, POWERS AND DUTIES IN TRUST AS THE AUTHORITY MAY DETERMINE WHICH MAY INCLUDE ANY OR ALL OF THE RIGHTS, POWERS AND DUTIES OF THE TRUSTEES APPOINTED BY THE BONDHOLDERS PURSUANT TO THIS ACT OR LIMITING THE RIGHTS, DUTIES AND POWERS OF SUCH TRUSTEE;

(K) DEFINING THE ACTS OR OMISSIONS TO ACT WHICH MAY CONSTITUTE A DEFAULT IN THE OBLIGATIONS AND DUTIES OF THE CORPORATION TO THE BONDHOLDERS AND PROVIDING FOR THE RIGHTS AND REMEDIES OF THE BONDHOLDERS IN THE EVENT OF SUCH DEFAULT, INCLUDING AS A MATTER OF RIGHT APPOINTMENT OF A RECEIVER, PROVIDED, HOWEVER, THAT SUCH ACTS OR OMISSIONS TO ACT WHICH MAY CONSTITUTE A DEFAULT AND SUCH RIGHTS AND REMEDIES SHALL NOT BE INCONSISTENT WITH THE GENERAL LAWS OF THE STATE AND OTHER PROVISIONS OF THIS ACT;

(L) LIMITATIONS ON THE POWER OF THE CORPORATION TO SELL OR OTHERWISE DISPOSE OF ANY PROJECT OR ANY PART THEREOF OR OTHER PROPERTY;

(M) LIMITATIONS ON THE AMOUNT OF REVENUES AND OTHER MONIES TO BE EXPENDED OR OPERATING, ADMINISTRATIVE OR OTHER EXPENSES OF THE CORPORATION;

(N) THE PAYMENT OF THE PROCEEDS OF BONDS, REVENUES AND OTHER MONIES TO A TRUSTEE OR OTHER DEPOSITORY, AND FOR THE METHOD OF DISBURSEMENT THEREOF WITH SUCH SAFEGUARDS AND RESTRICTIONS AS THE CORPORATION MAY DETERMINE; AND

(O) ANY OTHER MATTERS OF LIKE OR DIFFERENT CHARACTER WHICH IN ANY WAY AFFECT THE SECURITY OR PROTECTION OF THE BONDS OR THE RIGHTS AND REMEDIES OF THE BONDHOLDERS.

5. IN ADDITION TO THE POWERS HEREIN CONFERRED UPON THE CORPORATION TO SECURE ITS BONDS, THE CORPORATION SHALL HAVE THE POWER IN CONNECTION WITH THE ISSUANCE OF BONDS TO ADOPT RESOLUTIONS AND ENTER INTO SUCH TRUST INDENTURES, AGREEMENTS OR OTHER INSTRUMENTS AS THE CORPORATION MAY DEEM NECESSARY, CONVENIENT OR DESIRABLE CONCERNING THE USE OR DISPOSITION OF ITS REVENUES OR OTHER MONIES OR PROPERTY, INCLUDING THE MORTGAGING OF ANY PROPERTY AND THE ENTRUSTING, PLEDGING OR CREATION OF ANY OTHER SECURITY INTEREST IN ANY SUCH REVENUES, MONIES OR PROPERTY AND THE DOING OF ANY ACT, INCLUDING REFRAINING FROM DOING ANY ACT WHICH THE CORPORATION WOULD HAVE THE RIGHT TO DO IN THE ABSENCE OF SUCH RESOLUTIONS, TRUST INDENTURES, AGREEMENTS OR OTHER INSTRUMENTS. THE CORPORATION SHALL HAVE POWER TO ENTER INTO AMENDMENTS OF ANY SUCH RESOL-

UTIONS, TRUST INDENTURES, AGREEMENTS OR OTHER INSTRUMENTS WITHIN THE POWERS GRANTED TO THE CORPORATION BY THIS ACT AND TO PERFORM SUCH RESOLUTIONS, TRUST INDENTURES, AGREEMENTS OR OTHER INSTRUMENTS. THE PROVISIONS OF ANY SUCH RESOLUTIONS, TRUST INDENTURES, AGREEMENTS OR OTHER INSTRUMENTS MAY BE MADE A PART OF THE CONTRACT WITH THE HOLDERS OF BONDS OF THE CORPORATION.

6. ANY PROVISION OF THE UNIFORM COMMERCIAL CODE TO THE CONTRARY NOTWITHSTANDING, ANY PLEDGE OF OR OTHER SECURITY INTEREST IN REVENUES, MONIES, ACCOUNTS, CONTRACT RIGHTS, GENERAL INTANGIBLES OR OTHER PERSONAL PROPERTY MADE OR CREATED BY THE CORPORATION SHALL BE VALID, BINDING AND PERFECTED FROM THE TIME WHEN SUCH PLEDGE IS MADE OR OTHER SECURITY INTEREST ATTACHES WITHOUT ANY PHYSICAL DELIVERY OF THE COLLATERAL OR FURTHER ACT, AND THE LIEN OF ANY SUCH PLEDGE OR OTHER SECURITY INTEREST SHALL BE VALID, BINDING AND PERFECTED AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT OR OTHERWISE AGAINST THE CORPORATION IRRESPECTIVE OF WHETHER OR NOT SUCH PARTIES HAVE NOTICE THEREOF. NO INSTRUMENT BY WHICH SUCH A PLEDGE OR SECURITY INTEREST IS CREATED NOR ANY FINANCING STATEMENT NEED BE RECORDED OR FILED.

7. WHETHER OR NOT THE BONDS OF THE CORPORATION ARE OF SUCH FORM AND CHARACTER AS TO BE NEGOTIABLE INSTRUMENTS UNDER THE TERMS OF THE UNIFORM COMMERCIAL CODE, THE BONDS ARE HEREBY MADE NEGOTIABLE INSTRUMENTS WITHIN THE MEANING OF AND FOR ALL THE PURPOSES OF THE UNIFORM COMMERCIAL CODE, SUBJECT ONLY TO THE PROVISIONS OF THE BONDS FOR REGISTRATION.

8. NEITHER THE DIRECTORS NOR THE OFFICERS OF THE CORPORATION NOR ANY PERSON EXECUTING ITS BONDS SHALL BE LIABLE PERSONALLY ON ITS BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF.

9. SUBJECT TO SUCH AGREEMENTS WITH BONDHOLDERS AS MAY THEN EXIST, THE CORPORATION SHALL HAVE POWER OUT OF ANY FUNDS AVAILABLE THEREFOR TO PURCHASE BONDS OF THE CORPORATION, IN LIEU OF REDEMPTION, AT A PRICE NOT EXCEEDING, IF THE BONDS ARE THEN REDEEMABLE, THE REDEMPTION PRICE THEN APPLICABLE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE, OR, IF THE BONDS ARE NOT THEN REDEEMABLE, THE REDEMPTION PRICE APPLICABLE ON THE FIRST DATE AFTER SUCH PURCHASE UPON WHICH THE BONDS BECOME SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE. BONDS SO PURCHASED SHALL THEREUPON BE CANCELED.

10. THE CORPORATION SHALL HAVE POWER AND IS HEREBY AUTHORIZED TO ISSUE NEGOTIABLE BOND ANTICIPATION NOTES IN CONFORMITY WITH APPLICABLE PROVISIONS OF THE UNIFORM COMMERCIAL CODE AND IN ACCORDANCE WITH SECTION 21.00 OF THE LOCAL FINANCE LAW, AS AMENDED FROM TIME TO TIME.

S 20. AGREEMENTS OF THE STATE. THE STATE OF NEW YORK DOES HEREBY PLEDGE TO AND AGREE WITH THE HOLDERS OF THE BONDS THAT THE STATE WILL NOT LIMIT OR IMPAIR THE RIGHTS HEREBY VESTED IN THE CORPORATION TO ACQUIRE, CONSTRUCT, MAINTAIN, RECONSTRUCT AND OPERATE ITS PROPERTIES, TO ESTABLISH AND COLLECT RENTALS, FEES AND OTHER CHARGES AND TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS OF THE BONDS, OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF THE BONDHOLDERS, UNTIL THE BONDS, TOGETHER WITH INTEREST THEREON, INCLUDING INTEREST ON ANY UNPAID INSTALLMENTS OF INTEREST AND ALL COSTS AND EXPENSES IN CONNECTION WITH ANY ACTION OR PROCEEDING BY OR ON BEHALF OF THE BONDHOLDERS, ARE FULLY MET AND DISCHARGED.

S 21. STATE AND CITY NOT LIABLE ON BONDS. THE BONDS AND OTHER OBLIGATIONS OF THE CORPORATION SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK, AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE THEREON, NOR SHALL THEY BE PAYABLE OUT OF ANY FUNDS OTHER THAN

THOSE OF THE AUTHORITY. ALL SUCH BONDS AND NOTES OF THE CORPORATION SHALL CONTAIN ON THE FACE THEREOF A STATEMENT TO THAT EFFECT.

S 22. BONDS; LEGAL INVESTMENT FOR FIDUCIARIES. THE BONDS ARE HEREBY MADE SECURITIES IN WHICH ALL PUBLIC OFFICERS AND BODIES OF THIS STATE AND ALL MUNICIPALITIES AND MUNICIPAL SUBDIVISIONS, ALL INSURANCE COMPANIES AND ASSOCIATIONS AND OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS, ALL BANKS, BANKERS, TRUST COMPANIES, SAVINGS BANKS AND SAVINGS ASSOCIATIONS, INCLUDING SAVINGS AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES AND OTHER PERSONS CARRYING ON A BANKING BUSINESS AND ALL OTHER PERSONS WHATSOEVER, EXCEPT AS HEREINAFTER PROVIDED, WHO ARE NOW OR MAY HEREAFTER BE AUTHORIZED TO INVEST IN BONDS OR OTHER OBLIGATIONS OF THE STATE, MAY PROPERLY AND LEGALLY INVEST FUNDS INCLUDING CAPITAL IN THEIR CONTROL OR BELONGING TO THEM; PROVIDED THAT, NOTWITHSTANDING THE PROVISIONS OF ANY OTHER GENERAL OR SPECIAL LAW TO THE CONTRARY, SUCH BONDS SHALL NOT BE ELIGIBLE FOR THE INVESTMENT OF FUNDS, INCLUDING CAPITAL, TRUSTS, ESTATES OR GUARDIANSHIPS UNDER THE CONTROL OF INDIVIDUAL ADMINISTRATORS, GUARDIANS, EXECUTORS, TRUSTEES AND OTHER INDIVIDUAL FIDUCIARIES. THE BONDS ARE ALSO HEREBY MADE SECURITIES WHICH MAY BE DEPOSITED WITH AND MAY BE RECEIVED BY ALL PUBLIC OFFICERS AND BODIES OF THIS STATE AND ALL MUNICIPALITIES AND MUNICIPAL SUBDIVISIONS FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF BONDS OR OTHER OBLIGATIONS OF THIS STATE IS NOW OR MAY HEREAFTER BE AUTHORIZED.

S 23. TAX EXEMPTION AND TAX CONTRACT BY THE STATE. 1. IT IS HEREBY DETERMINED THAT THE CREATION OF THE CORPORATION AND THE CARRYING OUT OF ITS CORPORATE PURPOSES IS IN ALL RESPECTS FOR THE BENEFIT OF THE PEOPLE OF THE STATE OF NEW YORK AND IS A PUBLIC PURPOSE. ACCORDINGLY, THE CORPORATION SHALL BE REGARDED AS PERFORMING AN ESSENTIAL GOVERNMENTAL FUNCTION IN THE EXERCISE OF THE POWERS CONFERRED UPON IT BY THIS ACT, AND THE CORPORATION SHALL NOT BE REQUIRED TO PAY ANY FEES, TAXES, SPECIAL AD VALOREM LEVIES OR ASSESSMENTS OF ANY KIND, WHETHER STATE OR LOCAL, INCLUDING BUT NOT LIMITED TO FEES, TAXES, SPECIAL AD VALOREM LEVIES OR ASSESSMENTS ON REAL PROPERTY, FRANCHISE TAXES, SALES TAXES OR OTHER TAXES, UPON OR WITH RESPECT TO ANY PROPERTY OWNED BY IT OR UNDER ITS JURISDICTION, CONTROL OR SUPERVISION, OR UPON THE USES THEREOF, OR UPON OR WITH RESPECT TO ITS ACTIVITIES OR OPERATIONS IN FURTHERANCE OF THE POWERS CONFERRED UPON IT BY THE ACT, OR UPON OR WITH RESPECT TO ANY RENTALS, RATES, CHARGES, FEES, REVENUES OR OTHER INCOME RECEIVED BY THE CORPORATION.

2. ANY BONDS ISSUED PURSUANT TO THIS ACT TOGETHER WITH THE INCOME THEREFROM SHALL AT ALL TIMES BE EXEMPT FROM TAXATION.

3. THE STATE HEREBY COVENANTS WITH THE PURCHASERS AND WITH ALL SUBSEQUENT HOLDERS AND TRANSFEREES OF BONDS ISSUED BY THE CORPORATION PURSUANT TO THIS ACT, IN CONSIDERATION OF THE ACCEPTANCE OF AND PAYMENT FOR THE BONDS, THAT THE BONDS OF THE CORPORATION ISSUED PURSUANT TO THIS ACT AND THE INCOME THEREFROM AND ALL REVENUES, MONIES, AND OTHER PROPERTY PLEDGED TO PAY OR TO SECURE THE PAYMENT OF SUCH BONDS SHALL AT ALL TIMES BE FREE FROM TAXATION.

S 24. REMEDIES FOR BONDHOLDERS. 1. IN THE EVENT THAT THE CORPORATION SHALL DEFAULT IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ANY ISSUE OF BONDS AFTER THE SAME SHALL BECOME DUE, WHETHER AT MATURITY OR UPON CALL REDEMPTION, AND SUCH DEFAULT SHALL CONTINUE FOR A PERIOD OF 30 DAYS, OR IN THE EVENT THAT THE CORPORATION SHALL FAIL OR REFUSE TO COMPLY WITH THE PROVISIONS OF THIS ACT, OR SHALL DEFAULT IN ANY AGREEMENT MADE WITH THE HOLDERS OF ANY ISSUE OF BONDS, THE HOLDERS OF 25 PER CENTUM IN AGGREGATE PRINCIPAL AMOUNT OF THE BONDS OF SUCH ISSUE THEN OUTSTANDING, BY INSTRUMENT OR INSTRUMENTS FILED IN THE OFFICE OF THE CLERK OF THE

COUNTY IN WHICH THE PRINCIPAL OFFICE OF THE CORPORATION IS LOCATED, AND PROVED OR ACKNOWLEDGED IN THE SAME MANNER AS A DEED TO BE RECORDED, MAY APPOINT A TRUSTEE TO REPRESENT THE HOLDERS OF SUCH BONDS FOR THE PURPOSES HEREIN PROVIDED.

2. SUCH TRUSTEE MAY, AND UPON WRITTEN REQUEST OF THE HOLDERS OF 25 PER CENTUM IN PRINCIPAL AMOUNT OF SUCH BONDS THEN OUTSTANDING SHALL, IN HIS, HER OR ITS OWN NAME:

(A) BY SUIT, ACTION OR PROCEEDING IN ACCORDANCE WITH THE CIVIL PRACTICE LAW AND RULES, ENFORCE ALL RIGHTS OF THE HOLDERS OF THE CORPORATION'S BONDS, AND INCLUDE THE RIGHT TO REQUIRE THE CORPORATION TO COLLECT FEES AND CHARGES AND INTEREST ADEQUATE TO CARRY OUT ANY AGREEMENTS AS TO, OR PLEDGE OR ASSIGNMENT OF OR LIEN UPON, SUCH FEES AND CHARGES AND INTEREST, ON PROPERTIES AND TO REQUIRE THE CORPORATION TO CARRY OUT ANY OTHER AGREEMENTS WITH THE HOLDERS OF SUCH BONDS TO PERFORM ITS DUTIES UNDER THIS ACT;

(B) BRING SUIT UPON SUCH BONDS;

(C) BY ACTION OR SUIT, REQUIRE THE CORPORATION TO ACCOUNT AS IF IT WERE THE TRUSTEE OF AN EXPRESS TRUST FOR THE HOLDERS OF SUCH BONDS;

(D) BY ACTION OR SUIT, ENJOIN ANY ACTS OR THINGS WHICH MAY BE UNLAWFUL OR IN VIOLATION OF THE RIGHTS OF THE HOLDERS OF SUCH BONDS; AND

(E) DECLARE ALL SUCH BONDS DUE AND PAYABLE, AND IF ALL DEFAULTS SHALL BE MADE GOOD, THEN WITH THE CONSENT OF THE HOLDERS OF THE 25 PER CENTUM OF THE PRINCIPAL AMOUNT OF SUCH BONDS THEN OUTSTANDING, TO ANNUL SUCH DECLARATION AND ITS CONSEQUENCES.

3. SUCH TRUSTEE SHALL IN ADDITION TO THE FOREGOING HAVE AND POSSESS ALL OF THE POWERS NECESSARY AND APPROPRIATE FOR THE EXERCISE OF ANY FUNCTIONS SPECIFICALLY SET FORTH IN THIS ACT OR INCIDENT TO THE GENERAL REPRESENTATION OF THE HOLDERS OF THE CORPORATION'S BONDS IN THE ENFORCEMENT AND PROTECTION OF THEIR RIGHTS.

4. THE SUPREME COURT SHALL HAVE JURISDICTION OF ANY SUIT, ACTION OR PROCEEDING BY THE TRUSTEE ON BEHALF OF SUCH HOLDERS OF THE CORPORATION'S BONDS. THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING SHALL BE LAID IN THE CITY IN WHICH THE PRINCIPAL OFFICE OF THE CORPORATION IS LOCATED.

S 25. This act shall take effect [thirty days] ON THE THIRTIETH DAY after it shall have become a law.

S 2. This act shall take effect immediately.