Chapter 173 of the laws of 1968

NEW YORK STATE URBAN

DEVELOPMENT AND RESEARCH CORPORATION ACT

§ 1. Short title. This act shall be known and may be cited as the "New York state urban development and research corporation act".

§ 2. Statement of legislative findings and purposes. The legislature hereby finds, determines and declares that there exists in this state:

(a) a seriously inadequate supply of safe and sanitary dwelling accommodations within the financial reach of a substantial number of families and persons, including aged persons, living within the state;

(b) a substantial number of dwelling accommodations, including many sheltering one to four families, which are structurally sound, but substandard or deteriorating;

(c) a serious condition of involuntary unemployment and underemployment causing severely adverse social and economic consequences, including the waste of human resources, the growth of crime and delinquency, the loss of educational opportunities for many of our youth, and the burden on the state and local governments of increasing public assistance payments and decreasing tax revenues;

(d) many residential, commercial and industrial areas which are substandard and insanitary or which are becoming substandard and insanitary because of blighted, obsolete, deteriorated or deteriorating conditions;

(e) a serious need for extensive and in-depth research and experimentation to discover new, better, and cheaper methods of constructing and rehabilitating low cost housing; of constructing, reconstructing, rehabilitating and improving commercial, manufacturing and industrial facilities; of rehabilitating, reconstructing and renewing substandard, deteriorated and deteriorating areas; and of protecting against the hazards of involuntary unemployment and underemployment.

The legislature further finds and declares that such conditions cannot be corrected by the ordinary operations of private enterprise and are contrary to the public interest. They threaten the health, safety, welfare, morale, comfort and security of the people of this state.

The legislature hereby declares it to be the policy of this state to provide an adequate supply of safe and sanitary dwelling accommodations; to increase job opportunities and protect against involuntary unemployment and underemployment by promoting, attracting, stimulating and revitalizing business, commerce, industry and manufacturing in the urban areas of the state; and to arrest the spread of deterioration and blight and promote the economic and physical development of such areas through the construction, reconstruction, rehabilitation and improvement of residential, commercial and industrial structures and facilities therein.

For these purposes, there should be created a nonprofit corporation known as "Corporation for Urban Development and Research of New York" which, with grants and loans from private sources, through the issuance of bonds and notes to the investing public, and through participation in federal, state, and local programs, may independently and in cooperative effort with the New York state urban development corporation and the urban development guarantee fund of New York, acquire, construct, reconstruct, rehabilitate and improve, and finance the acquisition, construction, reconstruction, rehabilitation and improvement of, housing accommodations and industrial, manufacturing, commercial and recreational structures and facilities; clear, replan, reconstruct, and rehabilitate such substandard and insanitary areas; and conduct research and experimentation in all these fields.

The legislature further finds and declares that such a non-profit corporation organized for such purposes and with the powers and authorities necessary to accomplish them cannot be created under any general law; that such a corporation being necessary and proper to obtain the ends here recited, it should be created by a special act of the legislature.

§ 3. Definitions. As used in this act, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

(a) "Corporation". The corporation for urban development and research of New York created by section four of this act.

(b) "Urban development guarantee fund of New York". The fund created by the urban development guarantee fund of New York act.

(c) "New York state urban development corporation". The public benefit corporation created by the New York state urban development corporation act.

(d) "Bonds" and "notes". The bonds and notes respectively issued by the corporation pursuant to this act.

(e) "Comptroller". The comptroller of the state.

(f) "Housing Development Fund Company". A company incorporated pursuant to the provisions of article eleven of the private housing finance law.

(g) "Limited-Profit Housing Company". A company incorporated pursuant to the provisions of article two of the private housing finance law or a company incorporated pursuant to the provisions of article two of such law and the not-for-profit corporation law.

(h) "Limited Dividend Housing Company". A company incorporated pursuant to the provisions of article four of the private housing finance law.

(i) "Redevelopment Company". A company incorporated pursuant to the provisions of article five of the private housing finance law.

(j) "Local Development Corporation". A corporation incorporated or reincorporated pursuant to the provisions of article fourteen of the not-for-profit corporation law.

(k) "Project". A specific work or improvement including lands, buildings, improvements, real and personal properties or any interest therein, acquired, owned, constructed, reconstructed, rehabilitated or improved by the corporation or any subsidiary thereof. The term "project" as used herein shall include a project, or projects, or any portion thereof.

(1) "Housing project". A project designed and intended for the purpose of providing housing accommodations for persons or families which cannot afford the prices or rentals of housing provided by the unaided efforts of private enterprise, including such recreational, educational, cultural and other community facilities as may be incidental or appurtenant thereto.

(2) "Industrial project". A project designed and intended for the purpose of providing facilities for manufacturing, warehousing research or other industrial, business or commercial purposes, including but not limited to machinery and equipment deemed necessary for the operation thereof (excluding raw material, work in process or stock in trade).

(l) "Project cost". The sum total of all costs incurred by the corporation in carrying out all works and undertakings which the corporation deems reasonable and necessary for the development of a project. These shall include but are not necessarily limited to the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of land and any buildings thereon, site preparation and development, construction, reconstruction, rehabilitation, improvement and the acquisition of such machinery and equipment as may be deemed necessary in connection therewith (other than raw materials, work in process or stock in trade); the necessary expenses incurred in connection with the initial occupancy of the project; an allocable portion of the administrative and operating expenses of the corporation; the cost of financing the project, including interest on bonds and notes issued by the corporation to finance the project from the date thereof to the date when the corporation shall determine that the project be deemed substantially occupied; and the cost of such other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositories and paying agents for the bonds and notes issued by the corporation; and relocation costs, all as the corporation shall deem necessary.

(m) "Real property". Lands, structures, franchises and interests in land, including lands under water and riparian rights, space rights and air rights and any and all other things and rights usually included within said term. Real property shall also mean and include any and all interests in such property less than full title, such as easements, incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages or otherwise, and also all claims for damages for such real estate.

(n) "State". The state of New York.

(o) "State agency". Any officer, department, board, commission, bureau, division, public corporation, agency or instrumentality of the state.

(p) "Subsidiary corporation". A corporation created by the corporation in accordance with section nine of this act.

(q) "Substandard or insanitary area". Such area as is defined by section five hundred two of the general municipal law.

(r) "Municipality". Any county, city, town and village.

(s) "Local governing body". The board of supervisors, county legislature, board of aldermen, common council, commission, or other elective governing board or body now or hereafter vested by state statute, charter or other law with jurisdiction to initiate and adopt local laws, whether or not such local laws or ordinances require the approval of the elective chief executive officer or other official or body to become effective, and except that with respect to a city having a population of one million or more the term "local governing body" shall mean the board of estimate.

§ 4. Corporation for urban development and research of New York. 1. There is hereby created a non-profit corporation which shall be known as the "Corporation for Urban Development and Research of New York." Except as otherwise provided in this act, the corporation shall have all the powers, privileges and immunities which are now or may hereafter be conferred on business corporations by the business corporations law.

2. The business of the corporation shall be managed by, and its powers, functions and duties shall be exercised through a board of directors, consisting of nine directors who shall be the directors of the New York state urban development corporation.

3. The chairman of the corporation shall be the chairman of the New York State urban development corporation. The directors shall serve without salary, but each director shall be entitled to reimbursement for his actual and necessary expenses incurred in the performance of his official duties with the corporation.

4. Notwithstanding any inconsistent provisions of law, general, special or local, no officer or employee of the state or of any civil division thereof, shall be deemed to have forfeited or shall forfeit his office or employment by reason of his acceptance of membership on the corporation created by this section; provided, however, a director who holds such other public office or employment shall receive no additional

compensation or allowance for services rendered pursuant to this act, but shall be entitled to reimbursement for his actual and necessary expenses incurred in the performance of such services.

5. The corporation and its corporate existence shall continue until terminated by law, provided, however, that no such law shall take effect so long as the corporation shall have bonds, notes and other obligations outstanding, unless adequate provision has been made for the payment thereof in the documents securing the same. Upon termination of the existence of the corporation, all its rights and properties shall pass to and be vested in the state.

6. The powers of the corporation shall be exercised by affirmative vote of no less than five of the directors thereof then in office, except as otherwise provided by subdivision two of section eight hereof. The corporation may delegate to one or more of its directors, or its officers, agents and employees, such powers and duties as it may deem proper.

§ 5. Membership council. (1) The corporation shall establish a membership council which shall have the powers and duties specified herein. The council shall consist of no less than fifteen nor more than forty-five members. The members of the council shall be elected by vote of the certificate holders as provided in subdivision two of this section at the first annual meeting of such certificate holders and at each annual meeting thereafter. If a vacancy occurs in the membership council through death, resignation or otherwise, the remaining members shall elect a person to fill such vacancy for the unexpired term.

(2) Corporations, trusts, associations, partnerships and individuals, including without implied limitation, any banking institution, insurance or surety company, labor union, employers' association, educational institution, utility or railroad, located or authorized to do business in New York may be admitted to membership in the corporation at any time by action of the directors of the corporation. Membership shall be evidenced by membership certificates in amounts of multiples of five hundred dollars. Members shall pay such annual dues as shall be

determined by the directors of the corporation. Each member shall have one vote for each five hundred dollars of stated value represented by the membership certificates of such member. Each member entitled to vote may vote by proxy. No voting rights shall arise with respect to any payment or transfer which shall be made to the corporation in the form of a contribution, bequest or devise.

(3) The membership council shall elect a chairman from among the members of the council. The council shall meet at the call of the chairman or on petition of any three members thereof. A majority of the council shall constitute a quorum to transact the business of the council. The council shall advise and assist the corporation in carrying out its corporate purposes. It shall coordinate the activities and programs of the corporation with business interests in the community and shall seek to enlist the support and membership of such businesses and of institutional lenders. The council shall have the following additional duties:

(a) to cause such studies, research and investigations to be made as it may deem advisable and necessary;

(b) to collect and compile information and data relating to the planning and development of urban areas and the investment of private capital therein;

(c) to recommend to the corporation the undertaking of specific housing and industrial projects or any combination thereof;

(d) to assist and cooperate with municipalities and with civic and planning associations in furtherance of the corporate purposes of the corporation;

(e) to recommend to the directors of the corporation persons to serve as directors of subsidiary corporations, pursuant to section nine of this act.

(4) All actions of the membership council involving an estimated expenditure of more than one thousand dollars shall be subject to the approval of the directors of the corporation.

§ 6. Purposes of the corporation. (1) To facilitate the comprehensive development of urban areas throughout the state and to promote the health, safety, welfare and prosperity of the people of the state by maximizing the resources, talents and energies of the private sector of the economy, by encouraging local initiative and local participation in the projects of the corporation, and by relieving the burdens of government in connection with such development.

(2) In cooperation with the private sector of the economy and with federal, state and local government, to assist in providing safe and decent housing for persons and families which cannot afford the prices and rentals of housing provided through the unaided efforts of private enterprise, and in connection therewith:

(a) To carry out and to facilitate the acquisition, construction, reconstruction, and rehabilitation of housing projects, as defined herein and to sell or lease such projects to families which would otherwise be unable to afford safe and decent housing accommodations.

(b) To make loans or grants for the acquisition, construction, reconstruction and rehabilitation of housing projects, as defined herein and in connection therewith to provide technical advice and assistance to persons and firms undertaking such rehabilitation and to encourage new means and technologies to carry out such rehabilitation to the end that persons previously unable to enjoy the benefits of home ownership will be able to afford their own homes.

(c) To utilize the state capital grant low rent assistance program, pursuant to section forty-four-a of the private housing finance law, in housing projects of the corporation, in order to increase the availability of housing accommodations for persons and families of low income.

(3) In order to reduce unemployment, provide opportunities for additional and maximum employment, the creation of better job opportunities, and the improvement of individual job skills, to attract new industries to urban areas of the state and to promote the economy and prosperity of such areas, to carry out, facilitate and make loans for the acquisition, construction, reconstruction and rehabilitation of industrial plants and facilities, including the furnishing of machinery and equipment therein, manufacturing, commercial, research and warehouse and other business facilities; and to lease space in such facilities to qualified users thereof.

(4) To acquire land, whether or not such land constitutes a substandard or insanitary area, for any of its corporate purposes,

including the development of housing and industrial projects, as defined herein, to clear, improve and prepare such land for development, to carry out the development of such land, or to make the same available by sale, lease or otherwise to private investors and developers when such disposition is, in the judgment of the corporation, necessary or desirable for the development of the community in which such land is situated.

(5) To cooperate with the private sector of the economy, including the urban development guarantee fund of New York, and with the federal, state and local governments, and agencies thereof, including the New York state urban development corporation, in order to coordinate public and private efforts in the development of urban areas throughout the state, including housing, industry and commerce, educational and recreational facilities, and transportation and other public services and facilities.

(6) To encourage and facilitate, in connection with any of its projects, participation in construction work by residents of the area in which such projects are to be located, and to encourage and facilitate participation by such residents in the business operations of tenants and occupants of industrial projects of the corporation.

(7) To conduct, assist, promote and encourage scientific, technological and administrative research and experimentation in the fields of low cost housing, of rehabilitating, reconstructing and renewing blighted, deteriorated and deteriorating areas, and of protecting against the hazards of unemployment and underemployment; of developing and testing and encouraging the development and testing of new methods of constructing, rehabilitating and improving low cost housing, of developing and testing and encouraging the development and testing of new methods of rehabilitating, reconstructing, and renewing blighted, deteriorated and deteriorating areas; of planning for the comprehensive development of communities; of acting as a clearing house and distributing agency of the results of such research and experimentation, and of conducting, assisting and encouraging research and experimentation on such other aspects of providing safe, sanitary and adequate low cost housing; of rehabilitating, reconstructing and renewing blighted or deteriorated and deteriorating areas, and of providing increased job opportunities as the corporation shall deem

advisable.

§ 7. Powers and limitations. (1) In addition to the powers granted by the business corporation law and except as otherwise limited by this act the corporation shall have power:

(a) to provide advisory, consultative, training and educational services, technical assistance and advice to any person, firm, partnership or corporation, either public or private.

(b) to acquire, construct, reconstruct, rehabilitate, improve, alter or repair, or provide for the acquisition, construction, reconstruction, improvement, alteration or repair of any project.

(c) to sell, lease, exchange, mortgage, donate or convey any project and to grant options to renew any leases entered into in connection with any project.

(d) to create subsidiaries pursuant to the provisions of the business corporation law, not-for-profit corporation law or articles two, four, five or eleven of the private housing finance law, as provided in section nine of this act.

(e) to lend or donate monies, whether secured or unsecured to any subsidiary, and to purchase the shares, bonds, or obligations or securities of such subsidiary.

(f) as security for the payment of the principal of and interest on any bonds issued by the corporation and any agreements made in connection therewith, to mortgage and pledge any or all of its projects or any part or parts thereof, whether then owned or thereafter acquired, and to pledge the revenues and receipts therefrom or from any thereof, and to assign or pledge the lease or leases on any portion or all of said projects and to assign or pledge the income received by virtue of said lease or leases.

(g) to do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted under this act, or under any other law, special, general or local.

(2) No part of the net earnings of the corporation shall inure to the benefit of any individual and no member, employee, director or officer of the corporation shall receive any pecuniary benefit from the corporation except reasonable compensation for services actually

rendered to the corporation. The corporation shall not carry on propaganda or otherwise attempt to influence legislation.

(3) The corporation shall not issue shares nor shall any bonds, notes or debentures of the corporation be convertible to shares.

§ 8. Cooperation with municipalities. (1) In effectuating the purposes of this act, the corporation shall work closely, consult and cooperate with local elected officials and community leaders at the earliest practicable time. The corporation shall give primary consideration to local needs and desires and shall foster local initiative and participation in connection with the planning and development of its projects. Wherever possible, activities of the corporation shall be coordinated with local urban renewal and other community projects, and the corporation shall assist localities in carrying out such projects. Consideration shall also be given to local and regional goals and policies as expressed in urban renewal, community renewal and local comprehensive land use plans and regional plans.

(2) Except with respect to a project consisting in whole or in part of real property acquired by the corporation pursuant to section eleven of this act, before commencing the acquisition, construction, reconstruction, rehabilitation, alteration or improvement of any project: (a) the corporation shall file a copy of the general project plan in its corporate offices and in the office of the clerk of any municipality in which the project is to be located, and shall provide a copy thereof to the chief executive officer of any such municipality, the chairman of the planning board or commission of any such municipality, or if there is no planning board or commission, to the presiding officer of the local governing body. Upon request, any other person shall be furnished with a digest of such plan; (b) the corporation shall publish a notice of the filing of such plan and the availability of digests thereof in one newspaper of general circulation within the municipality, which notice shall also state that a public hearing will be held to consider the plan at a specified time and place on a date not less than thirty days after such publication; (c) the corporation shall conduct a public hearing pursuant to such notice; (d) any person shall have the opportunity to present written comments on the

plan within thirty days after the public hearing; (e) any municipality within which the project is to be located, by majority vote of its planning board or commission, or in the event there is no planning board or commission, by majority vote of its local governing body, may recommend approval, disapproval or modification of the plan, which recommendation shall be submitted in writing to the corporation within thirty days after such hearing: (f) after due consideration of such testimony and comments and municipal recommendations, if any, the corporation may affirm, modify or withdraw the plan in the manner provided for the initial filing of such plan in paragraph (a) of this subdivision, provided, however, that in the event any such municipality has recommended disapproval or modification of the plan, as provided herein, the corporation may affirm the plan only by a vote of two-thirds of the directors thereof then in office.

(3) After consultation with local officials, as provided in subdivision one of this section, the corporation and any subsidiary thereof shall, in constructing, reconstructing, rehabilitating, altering or improving any project, comply with the requirements of local laws, ordinances, codes, charters or regulations applicable to such construction, reconstruction, rehabilitation, alteration or improvement, provided however, that when, in the discretion of the corporation, such compliance is not feasible or practicable, the corporation and any subsidiary thereof shall comply with the requirements of the state building construction code, formulated by the state building code council pursuant to article eighteen of the executive law, applicable to such construction, reconstruction, rehabilitation, alteration or improvement. No municipality shall have power to modify or change the drawings, plans or specifications for the construction, reconstruction, rehabilitation, alteration or improvement of any project of the corporation or of any subsidiary thereof, or the construction, plumbing, heating, lighting or other mechanical branch of work necessary to complete the work in question, nor to require that any person, firm or corporation employed on any such work shall perform any such work in any other or different manner than that provided by such plans and specifications, nor to require that any such person, firm or corporation obtain any other or additional authority, approval, permit or certificate from such municipality in relation to the work being done,

and the doing of any such work by any person, firm or corporation in accordance with the terms of such drawings, plans, specifications or contracts shall not subject said person, firm or corporation to any liability or penalty, civil or criminal, other than as may be stated in such contracts or incidental to the proper enforcement thereof; nor shall any municipality have power to require the corporation or any subsidiary thereof or successor in interest thereto to obtain any other or additional authority, approval, permit, certificate or certificate of occupancy from such municipality as a condition of owning, using, maintaining, operating or occupying any project acquired, constructed, reconstructed, rehabilitated, altered or improved by the corporation or by any subsidiary thereof. The foregoing provisions shall not preclude any municipality from exercising the right of inspection for the purpose of requiring compliance by any such project with local requirements for operation and maintenance, affecting the health, safety and welfare of the occupants thereof, provided, however, that such compliance does not require changes, modifications or additions to the original construction of such project.

(4) Each municipality or political subdivision, including but not limited to a county, city, town, village or district, in which any project of the corporation or of any subsidiary thereof is located, shall provide for such project, whether then owned by the corporation, any subsidiary thereof or any successor in interest thereto, police, fire, sanitation, health protection and other municipal services of the same character and to the same extent as those provided for other residents of such municipality or political subdivision.

§ 9. Subsidiaries; how created. (1) The corporation shall have the right to exercise and perform its powers and functions through one or more subsidiary corporations. The corporation by resolution may direct any of its directors, officers or employees to organize a subsidiary corporation pursuant to either the business corporation law, the not-for-profit corporation law or articles two, four, five or eleven of the private housing finance law. Such resolution shall prescribe the purposes for which such subsidiary corporation is to be formed.

Such corporation shall be deemed a subsidiary corporation whenever and so long as (a) more than half of any voting shares of such subsidiary are owned or held by the corporation or (b) a majority of the directors, trustees or members of such subsidiary are designees of the corporation.

(2) In the case of a subsidiary incorporated pursuant to provisions of articles two, four, five or eleven of the private housing finance law, the corporation shall cause the certificate of incorporation of such subsidiary to state that such subsidiary corporation shall have seven directors, of whom four shall be officers or employees of the corporation and of whom three shall be persons from the community in which the project to be undertaken by such subsidiary corporation is to be located; the latter three directors shall be appointed by the directors of the corporation upon recommendation of the membership council.

(3) The corporation may transfer to any subsidiary corporation any moneys, real or personal or mixed property or any project in order to carry out the purposes of this act. Each such subsidiary corporation shall have all the privileges, immunities and exemptions of the corporation to the extent the same are not inconsistent with the statute or statutes pursuant to which such subsidiary was incorporated.

§ 10. Acquisition of real property. (1) Real property may be acquired by the corporation or by a subsidiary, or by a municipality for the corporation or a subsidiary, by gift, grant, devise, purchase, condemnation or otherwise.

(2) The corporation or a subsidiary, electing to acquire real property through acquisition, may petition the municipality to institute proceedings pursuant to the provisions of the eminent domain procedure law, to acquire property described in the petition for a project. The resolution granting the petition shall set forth the amount to be paid by the corporation or subsidiary to the municipality for such property or, in lieu thereof, that the corporation or subsidiary shall pay to the municipality all sums expended or required to be expended by the municipality in the acquisition thereof, and the time of payment and manner of securing payment thereof, and may require that the municipality shall receive, before proceeding with the acquisition of

such property, such assurances as to payment or reimbursement by the corporation or subsidiary or otherwise as the municipality may deem advisable. Upon the passage of a resolution by the local governing body of the municipality granting the petition, the corporation or subsidiary shall cause two copies of surveys or maps of the property described in the petition to be made, one of which shall be filed in the office of the corporation or subsidiary, one in the office of the corporation counsel or chief law officer of the municipality. The filing of such copies of surveys or maps shall be conclusive evidence of the acceptance by the corporation or subsidiary of the terms and conditions of such resolution. When title to the property shall have vested in the municipality, it shall convey the same to the corporation or subsidiary upon payment by the corporation or subsidiary of the sums or the giving of the security required by the resolution granting the petition. As soon as title shall have vested in the municipality, the corporation or subsidiary may, upon the authorization of the chief executive officer, enter upon the property taken, take over and dispose of existing improvements, and carry out the terms of the project with respect thereto. Whenever in connection with such proceedings, requirement is made in any applicable general, special or local law for the performance of an act by a department or officer of the municipality, it shall be regarded for the purposes of this section as compliance therewith if with the approval of the chief executive officer such act is performed by the corporation or subsidiary or by persons specially designated by it.

(3) In any proceedings for the assessment of compensation and damages for property taken or to be taken by condemnation by or for the corporation or subsidiary, the following provisions shall be applicable:

(a) Evidence of the price and other terms upon any sale or the rent received or reserved, whichever is less, and other terms upon any option, lease or tenancy relating to any of the property taken or to be taken or to any similar property in the vicinity when the option, sale or lease was given, occurred or the tenancy existed, within a reasonable time of the trial, shall be admissible on direct examination. At any stage of the proceedings, the court or tribunal may require such prior notice to be given of an intention to introduce evidence as to the sale, option, leasing or tenancy of property other than the property directly involved in the proceeding and of particulars relating thereto as it may deem necessary to prevent surprise.

(b) The deposition of any person, whether or not a party, may be taken in the manner provided by article thirty-one of the civil practice law and rules, and the provisions of this section. Such deposition may be taken upon any question or issue in the proceeding, including the facts as to any sale, option, lease or tenancy admissible in evidence pursuant to this subdivision. The deposition may be taken at the instance of the corporation or subsidiary, the municipality or of any owner or at the direction of the court, at any time during the pendency of the action or proceeding. At least five days' notice shall be given of the taking of the testimony, if on the part of an owner, to the corporation or subsidiary and to all other owners who have appeared in the proceeding; if by the corporation or subsidiary or a municipality, to all owners who have appeared in the proceeding.

(c) Any time during pendency of such action or proceedings the corporation or subsidiary, municipality or an owner may apply to the court for an order directing an owner or the corporation or subsidiary or the municipality as the case may be, to show cause why further proceedings should not be expedited, and the court may upon such application make an order requiring that hearings proceed and that any other steps be taken with all possible expedition.

(d) For the purposes of this act, the award of compensation shall not be increased by reason of any increase in the value of the property caused by the clearance, reconstruction or proposed clearance or reconstruction of the property or of the area in which the property is situated. No allowance shall be made for improvements begun on property after notice to the owner of such property of the institution of the proceedings to condemn such property.

(e) Evidence shall be admissible bearing upon the insanitary, unsafe or substandard condition of the premises, or the illegal use thereof, or the enhancement of rentals from such illegal use, and such evidence may be considered in fixing the compensation to be paid, notwithstanding that no steps to remedy or abate such conditions have been taken by the department or officers having jurisdiction. If a violation order is on file against the premises in any such department, it shall constitute prima facie evidence of the existence of the condition specified in such order.

(f) If any of the property included within the project is devoted to a public use, it may nevertheless be acquired provided that no property belonging to the municipality or to any government may be acquired without its consent, and no property belonging to a public utility corporation may be acquired without the approval of the commission or other officer or tribunal having regulatory power over such corporation.

(g) Upon the trial, evidence of the price and other terms upon a sale or assignment or of a contract for the sale or assignment of a mortgage, award, proposed award, transfer of a tax lien or lien of a judgment relating to property taken, shall be relevant, material and competent, upon the issue of value or damage and shall be admissible on direct examination.

(h) Upon the trial a statement, affidavit, deposition, report, transcript of testimony in an action or proceeding, or appraisal made or given by any owner or prior owner of the premises taken, or by any person on his behalf, to any court, governmental bureau, department or agency respecting the value of the property for tax purposes, shall be relevant, material and competent upon the issue of value or damage and shall be admissible on direct examination.

(4) A municipality may take private property for the corporation or subsidiary for the purposes provided by this act and for recreational and other facilities incidental or appurtenant thereto, but in excess of that required for public use after such purposes have been accomplished. A municipality or the corporation or subsidiary may improve and utilize such excess property or may leave or sell such excess property with restrictions to preserve and protect the project or projects. Proceedings to acquire such excess property may be brought by the municipality for the corporation or subsidiary in the same manner as for real property required for the project and may be included in the proceedings for the acquisition of real property required for the project.

(5) (a) The local governing body of a municipality, by resolution, may determine that real property of the municipality, specified and described in such resolution is not required for use by the municipality and may authorize the municipality to sell or lease such real property to the corporation or subsidiary.

(b) Notwithstanding the provisions of any general, special or local law or ordinance, such sale or lease may be made without appraisal, public notice or public bidding for such price or rental and upon such terms (and, in case of a lease, for such term not exceeding fifty years with a right to one renewal term of thirty years) as may be agreed upon between the municipality and the corporation or subsidiary.

(c) Before any sale or lease to the corporation or subsidiary shall be authorized, a public hearing shall be held by the local governing body to consider the proposed sale or lease.

(d) Notice of such hearing shall be published at least ten days before the date set for the hearing in such publication and in such manner as may be designated by the local governing body.

(e) The deed or lease of such property shall be executed in the same manner as a deed or lease by the municipality for other real property and shall contain appropriate conditions and provisions to enable the municipality to re-enter the property in the event of a violation by the corporation or subsidiary of any of the provisions of this act relating to the corporation or subsidiary or of the conditions or provisions of such deed or lease.

(f) The corporation or subsidiary purchasing or leasing land from a municipality shall not, without the written approval of the municipality, use such land for any purpose except in connection with a project approved under this act. The deed shall contain a condition that the corporation or subsidiary will devote the land granted only for the purposes of a project, subject to the restrictions of this act for breach of which the municipality shall have the right to re-enter and repossess itself of the land.

§ 11. Acquisition of real property acquired by a municipality or urban renewal agency. Notwithstanding anything to the contrary contained in article fifteen or article fifteen-a of the general municipal law or in any general, special or local law applicable to the sale of real property by a municipality or an urban renewal agency, a municipality or an urban renewal agency may, in addition to employing any other lawful method of utilizing or disposing of any real property and appurtenances thereto or any interest therein owned by such municipality or urban renewal agency or acquired by such municipality or urban renewal agency pursuant to article fifteen or article fifteen-a of the general municipal law, sell, lease for a term not exceeding ninety-nine years, or otherwise dispose of any such real property and appurtenances thereto or any interest therein to the corporation for the effectuation of any of the purposes of an urban renewal program, without public auction, or sealed bids or public notice.

§ 12. Designation and service of process on secretary of state and registered agent. The directors of the corporation shall file with the secretary of state a certificate setting forth the street address and the city and county in which the principal office of the corporation is located within ten days of the establishment of such office. The secretary of state shall note such address upon his records. The provisions of sections three hundred four, three hundred five and three hundred six of the business corporation law shall be applicable to the corporation.

§ 13. Limitation of liability. Neither the directors nor any member, officer or employee of the corporation, while acting within the scope of his authority, shall be subject to any personal liability resulting from the activities of the corporation.

§ 14. Bonds and notes of the corporation. (1) Subject to the provisions of subdivision (2) of section sixteen of this act, the corporation shall have the power and is hereby authorized from time to time to issue its negotiable bonds and notes in such principal amounts, as, in the opinion of the corporation, shall be necessary to provide sufficient funds for achieving any of its corporate purposes, including the payment of interest on bonds and notes of the corporation, establishment of reserves to secure such bonds and notes, and all other expenditures of the corporation incident to and necessary or convenient to carry out its corporate purposes and powers.

(2) All bonds and notes issued by the corporation shall be general

obligations of the corporation payable out of any revenues or monies of the agency, subject only to any agreements with the holders of particular notes or bonds pledging any particular revenues or receipts, except as may otherwise be expressly provided by the corporation. Such bonds and notes may be executed and delivered by the corporation at any time and from time to time, may be in such form and denominations and of such tenor and maturities, may be in bearer form or in registered form, as to principal and interest or as to principal alone, all as the corporation may determine.

(3) Bonds may be payable in such installments and at such time or times as shall be determined by the corporation, not exceeding fifty years from the date thereof.

(4) Notes, or any renewals thereof, may be payable in such installments and at such time or times as shall be determined by the corporation, not exceeding ten years from the date of the original issue of such notes.

(5) Bonds and notes may be payable at such place or places whether within or without the state, may bear interest at such rate or rates payable at such time or times and at such place or places and evidenced in such manner, and may contain such provisions not inconsistent herewith, all as shall be provided in the proceedings of the corporation under which the bonds or notes shall be authorized to be issued.

(6) If deemed advisable by the corporation, there may be retained in the proceedings under which any bonds or notes of the corporation are authorized to be issued an option to redeem all or any part thereof as may be specified in such proceedings at such price or prices and after such notice or notices and on such terms and conditions as may be set forth in such proceedings, and as may be recited on the face of the bonds or notes, but nothing herein contained shall be construed to confer on the corporation any right or option to redeem any bonds or notes except as may be provided in the proceedings under which they shall be issued.

(7) Any bonds or notes of the corporation may be sold at such price or prices, at public or private sale, in such manner and from time to time as may be determined by the corporation, and the corporation may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof. No bonds

or notes of the corporation may be sold at private sale, however, unless such sale and the terms thereof have been approved in writing by (a) the comptroller where such sale is not to the comptroller or (b) the state director of the budget, where such sale is to the comptroller.

(8) Any moneys of the corporation, including proceeds from the sale or any bonds or notes, and revenues, receipts and income from any of its projects or mortgages, may be invested and reinvested in such obligations, securities and other investments as shall be provided in the resolution or resolutions under which such bonds or notes are authorized.

(9) The resolution under which the bonds or notes are authorized to be issued shall contain provisions that

(a) title to any industrial project for the acquisition, construction, reconstruction, rehabilitation or improvement of which bonds or notes are authorized to be issued shall pass to the state upon retirement of such indebtedness, and

(b) the state shall have the option to purchase, subject to the rights of any lessee, mortgagee or beneficiary of any deed of trust, any industrial project for the acquisition, construction, reconstruction, rehabilitation or improvement of which bonds or notes are authorized to be issued at any time for an amount equal to the indebtedness then outstanding, together with the interest thereon, with interest on any unpaid installments of interest. In the event of any such sale to the state, the corporations shall either

(i) redeem the bonds or notes which were issued to acquire, construct, reconstruct, rehabilitate or improve the industrial project so sold the state, or

(ii) create a special reserve fund for the payment of the principal of and interest on such bonds or notes and pay into such reserve fund the receipts derived from such sale. The funds paid into such reserve fund may be invested and reinvested in obligations of or guaranteed by the United States of America, or in certificates of deposit or time deposits secured in such manner as the corporation shall determine, maturing at such time or times as shall be appropriate to assure the prompt payment of the principal of and interest on such bonds or notes. Any moneys received by the corporation from the sale of such project to the state after the redemption of such bonds or notes or the creation of such reserve fund may be used by the corporation in any lawful manner.

(10) Issuance by the corporation of one or more series of bonds or notes for one or more purposes shall not preclude it from issuing other bonds or notes in connection with the same project or any other project, but the proceedings whereunder any subsequent bonds or notes may be issued shall recognize and protect any prior pledge or mortgage made for any prior issue of bonds or notes unless in the proceedings authorizing such prior issue the right is reserved to issue subsequent bonds or notes on a parity with such prior issue.

(11) The corporation is authorized to provide for the issuance of its bonds or notes for the purpose of refunding any bonds or notes of the corporation then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or subsequent date of redemption, purchase or maturity of such bonds or notes, and, if deemed advisable by the corporation, for the additional purpose of paying all or any part of the cost of acquiring, constructing, reconstructing, rehabilitating, or improving any project, or the making of any mortgage loan on any project. The proceeds of any such bonds or notes issued for the purpose of refunding outstanding bonds or notes, may, in the discretion of the corporation, be applied to the purchase or retirement at maturity or redemption of such outstanding bonds or notes either on their earliest or any subsequent redemption date, and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or redemption on such date as may be determined by the corporation. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations of or guaranteed by the United States of America, or in certificates of deposit or time deposits secured in such manner as the corporation shall determine, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, on the outstanding bonds or notes to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds or notes to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the corporation for use by it

in any lawful manner. The portion of the proceeds of any such bonds or notes issued for the additional purpose of paying all or any part of the cost of acquiring, constructing, reconstructing, rehabilitating, or improving any project, or the making of any mortgage loan on any project, may be invested and reinvested in obligations of or guaranteed by the United States of America, maturing not later than the time or times when such proceeds will be needed for the purpose of paying all or any part of such cost or the making of any such mortgage loan. The interest, income and profits, if any, earned or realized on such investments may be applied to the payment of all or any part of such cost or the making of any such mortgage loan or may be used by the corporation in any lawful manner. All such bonds or notes shall be issued and secured and shall be subject to the provisions of this act in the same manner and to the same extent as any other bonds or notes issued pursuant to this act.

(12) All bonds or notes authorized under this section and the interest coupons applicable thereto are hereby made and shall be construed to be negotiable instruments.

§ 15. Security for bonds or notes; construction and acquisition of projects. (1) The principal of and interest on any bonds or notes issued by corporation may be secured by a pledge of any revenues and receipts of the corporation and may be secured by a mortgage or other instrument covering all or any part of a project, including any additions, improvements, extensions to or enlargements of any projects thereafter made.

(2) Bonds or notes issued for the acquisition, construction, reconstruction, rehabilitation, or improvement of a project may also be secured by an assignment of any lease of or mortgage on such project and by an assignment of the revenues and receipts derived by the corporation from any such lease or mortgage.

(3) The resolution under which the bonds or notes are authorized to be issued and any such mortgage, lease or other instrument may contain agreements and provisions respecting the maintenance of the projects covered thereby, the fixing and collection of rents or other revenues therefrom, including monies received in repayment of mortgage loans, and

interest thereon, the creation and maintenance of special funds from such rents or other revenues and the rights and remedies available in the event of default, all as the corporation shall deem advisable.

(4) Each pledge, agreement, mortgage or other instrument made for the benefit or security of any of the bonds or notes of the corporation shall continue effective until the principal of and interest on the bonds or notes for the benefit of which the same were made shall have been fully paid, or until provision shall have been made for such payment in the manner provided in the resolution or resolutions under which the same may be authorized.

(5) The corporation may provide that any proceedings under which bonds or notes may be authorized that any project or part thereof may be constructed, reconstructed, rehabilitated or improved by the corporation, any subsibidiary or any lessee or any designee of the corporation and may also provide in such proceedings for the time and manner of and requisites for disbursements to be made for the cost of such construction, and for all such certificates and approvals of construction and disbursements as the corporation shall deem necessary and provide for in such proceedings.

§ 16. Reserve funds. (1) The corporation may create and establish one or more reserve funds to be known as debt service reserve funds and may pay into such reserve funds (a) any proceeds of sale of bonds and notes to the extent provided in the resolution of the corporation authorizing the issuance thereof, and (b) any other moneys which may be made available to the corporation for the purposes of such funds from any other source or sources. The moneys held in or credited to any debt service reserve fund established under this subdivision, except as hereinafter provided, shall be used solely for the payment of the principal of bonds of the corporation secured by such reserve fund, as the same mature, the purchase of such bonds of the corporation, the payment of interest on such bonds of the corporation or the payment of any redemption premium required to be paid when such bonds are redeemed prior to maturity; provided, however, that moneys in any such fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such fund to less than the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on the bonds of the corporation then outstanding and secured by such reserve fund, except for the purpose of paying principal and interest on the bonds of the corporation secured by such reserve fund maturing and becoming due and for the payment of which other moneys of the corporation are not available. Any income or interest earned by, or increment to, any such debt service reserve fund due to the investment thereof may be transferred to any other fund or account of the corporation to the extent it does not reduce the amount of such debt service reserve fund below the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on all bonds of the corporation then outstanding and secured by such reserve fund.

(2) The corporation shall not issue bonds at any time if the maximum amount of principal and interest maturing and becoming due in a succeeding calendar year on the bonds outstanding and then to be issued and secured by a debt service reserve fund will exceed the amount of such reserve fund at the time of issuance, unless the corporation, at the time of issuance of such bonds, shall deposit in such reserve fund from the proceeds of the bonds so to be issued, or otherwise, an amount which together with the amount then in such reserve fund, will be not less than the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on the bonds then to be issued and on all other bonds of the corporation then outstanding and secured by such reserve fund.

(3) In computing any debt service reserve fund for the purposes of this section, securities in which all or a portion of such reserve fund shall be invested shall be valued at the lower of cost or market value.

(4) With respect to any project, the corporation may create and establish a special fund to be known as the project reserve fund and deposit therein (a) such amount as may be determined by the corporation in connection with any lease by the corporation to others to be charged to such lessee for deposit in such fund, and (b) any other moneys which may be made available to the corporation for the purpose of such fund from any other source or sources. All moneys held in or credited to any project reserve fund shall be first used for the payment of the principal of and interest on the bonds or notes of the corporation issued for the project secured by such project reserve fund in the event

that other moneys of the corporation, other than moneys held in the debt service fund, are not available for such purpose. Upon the retirement of the bonds or notes of the corporation issued for the project secured by such project reserve fund, moneys so held in such fund may be used by the corporation for any lawful purpose.

§ 17. Trust funds. All moneys received pursuant to the authority of this act, whether as proceeds from the sale of bonds or notes or as revenues, receipts or income, shall be deemed to be trust funds to be held and applied solely as provided in the proceedings under which such bonds or notes are authorized. Any officer with whom or any bank or trust company with which, such moneys shall be deposited as trustee thereof shall hold and apply the same for the purposes thereof, subject to such provisions as this act and the proceedings authorizing the bonds or notes of any issue or the trust agreement securing such bonds or notes may provide.

§ 18. Bonds and notes as legal investment. The bonds and notes of the corporation 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, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever 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.

§ 19. Agreement of the state. The state does hereby pledge to and agree with the holders of any bonds or notes issued under this act that the state will not limit or alter the rights hereby vested in the corporation to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of such holders until such bonds or notes, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The corporation is authorized to include this pledge and agreement of the state in any agreement with the holders of such bonds or notes.

§ 20. Remedies of bondholders and noteholders. (1) In the event that the corporation shall default in the payment of principal of or interest on any issue of bonds or notes after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the corporation shall fail or refuse to comply with the provision of this act, or shall default in any agreement made with the holders of any issue of bonds or notes, the holders of twenty-five per centum in aggregate principal amount of the notes or bonds of such issue then outstanding, by instrument or instruments filed in the office of the clerk of the county of Albany and approved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds or notes, for the purposes herein provided.

(2) Such trustee may, and upon written request of the holders of twenty-five per centum in principal amount of such bonds or notes then outstanding shall, in his or its own name:

(a) by suit, action or proceeding in accordance with the civil practice law and rules, enforce all rights of the bondholders or noteholders, to require the corporation to carry out any other agreements with the holders of such bonds or notes and to perform its duties under this act;

(b) bring suit upon such bonds or notes;

(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 or notes;

(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 or notes;

(e) declare all such bonds or notes due and payable, and if all defaults shall be made good, then, with the consent of the holders of twenty-five per centum of the principal amount of such bonds or notes 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 or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of bondholders or noteholders 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 bondholders or noteholders. The venue of any such suit, action or proceeding shall be laid in the county of Albany.

§ 21. Monies of the corporation. (1) The corporation shall have power to contract with the holders of any of its bonds or notes, as to the custody, collection, securing, investment, and payment of any monies of the corporation, of any monies held in trust or otherwise for the payment of bonds or notes, and to carry out such contract. Monies held in trust or otherwise for the payment of bonds and notes or in any way to secure bonds or notes and deposits of such monies may be secured by obligations of the United States or the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give such security for such deposits.

(2) Subject to agreements with bondholders and noteholders, the corporation shall prescribe a system of accounts.

(3) The comptroller, or his legally authorized representative, is hereby authorized and empowered from time to time to examine the books and accounts of the corporation including its receipts, disbursements, contracts, reserve funds, sinking funds, investments, and any other matters relating to its financial standing.

(4) The corporation shall submit to the governor, chairman of the senate finance committee, chairman of the assembly ways and means committee and the comptroller,

(a) within thirty days of the receipt thereof by the corporation, a copy of the report of every external examination of the books and accounts of the corporation other than copies of the reports of such examinations made by the comptroller;

(b) within ninety days after the end of its fiscal year, a complete and detailed report setting forth: (1) its operations and accomplishments; (2) its receipts and expenditures during such fiscal year in accordance with the categories or classifications established by the corporation for its operating and capital outlay purposes, including a listing of all private consultants engaged by the corporation on a contract basis and a statement of the total amount paid to each such private consultant; (3) its assets and liabilities at the end of its fiscal year, including a schedule of its leases and other commitments and the status of reserve, special or other funds; and (4) a schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year.

§ 22. Permissible relations. (1) Notwithstanding any rule at common law or any provision of any general, special or local law, the corporation may purchase from, sell to, borrow from, loan to, contract with or otherwise deal with any person, corporation, trust, association, partnership or other entity which is a member of the corporation and/or in which any director of the corporation has a financial interest, direct or indirect, provided that such interest is disclosed in the minutes of the corporation and provided further that no director having such a financial interest may participate in any decision affecting such transaction.

§ 23. Inconsistent provisions of other laws superseded. Insofar as the provisions of this act are inconsistent with the provisions of any other law, general, special or local, the provisions of this act shall be controlling.

§ 24. Construction. This act, being necessary for the welfare of the state and its inhabitants, shall be liberally construed so as to effectuate its purposes.

§ 25. Actions against corporation. Except in an action for wrongful death, in any case founded upon tort a notice of claim shall be required as a condition precedent to the commencement of an action or special proceeding against the corporation, any of its subsidiary corporations, or any officer, appointee or employee thereof, and the provisions of section fifty-e of the general municipal law shall govern the giving of such notice. No such action shall be commenced more than one year and ninety days after the cause of action therefor shall have accrued. An action for wrongful death shall be commenced in accordance with the notice of claim and time limitation provisions of title eleven of article nine of the public authorities law.

§ 26. Separability. If any clause, sentence, paragraph, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.