

Introduced by Presiding Officer, on request of the County Executive and Legislator Schneiderman

RESOLUTION NO. 215 -2010, AUTHORIZING THE COUNTY LEGISLATURE OF SUFFOLK COUNTY, NEW YORK TO FORM A LOCAL DEVELOPMENT CORPORATION TO PROMOTE AND CONDUCT ECONOMIC DEVELOPMENT ACTIVITIES IN SUFFOLK COUNTY, NEW YORK

WHEREAS, the County Legislature of Suffolk County, New York (the "County") has determined that it is in the best interests of the County for such County to form a local development corporation to promote and conduct economic development activities in the County; and

WHEREAS, the Suffolk County Economic Development Corporation (the "Corporation") will be formed as a local development corporation under Section 1411 of the New York Not-for-Profit Corporation Law Section 1411 of the New York Not-for-Profit Corporation Law (the "N-PCL"); and

WHEREAS, the powers and purposes of the Corporation will serve to compliment the powers of the Suffolk County Industrial Development Agency (the "IDA"), including, but not limited to, the power to finance facilities for not-for-profit corporations, acquire, improve, maintain, equip and furnish projects, to lease such projects and collect rent; to sell and convey any and all of its property whenever the board of directors shall find such action to be in furtherance of the purposes for which it was organized; thus enabling the Corporation to finance transactions that the IDA currently cannot under its enabling legislation; and

WHEREAS, under Internal Revenue Service ("IRS") guidance, the Corporation must meet certain requirements in order for it to qualify as an entity eligible to issue tax-exempt bonds on behalf of the County which include: (1) the Corporation is formed only after the governing body of the County has given its formal approval to the creation of the Corporation and to the form of certificate of incorporation; (2) the board of directors of the Corporation is elected by the governing body of the County and serves without compensation; (3) the Corporation's corporate powers include the power to acquire, improve, maintain, equip and furnish projects, to lease such projects and collect rent; to sell and convey any and all of its property whenever the board of directors shall find such action to be in furtherance of the purposes for which it was organized; and to issue bonds for the purpose of carrying out any of its powers; (4) all bonds are payable solely out of revenues and receipts derived from the leasing or sale by the Corporation of its projects, or from loans made by the Corporation; (5) the County is not liable for the payment of principal or interest on any of the bonds of the Corporation; (6) the Corporation is exempt from all state taxation, and interest on bonds issued by the Corporation is exempt from state taxes; (7) the Corporation is a nonprofit corporation and no part of its net earnings may inure to the benefit of any private person; and (8) upon dissolution of the Corporation, the title to all property owned by it shall vest in and become the property of the County; and

WHEREAS, Section 1411(c) of the N-PCL provides Corporations with authority to issue bonds to carry out their purposes and Section 1411(f) of the N-PCL provides that the income and operations of Corporations are exempt from state taxation; and

WHEREAS, the Corporation shall be formed under the N-PCL and shall be subject to all the provisions of the N-PCL as modified by Section 1411 and the Corporation shall be formed with the specific purposes as follows: "The Corporation is formed and shall be operated exclusively for the charitable and public purposes of benefiting and furthering the activities of the County, more specifically, the Corporation shall act as a local development corporation for the County by conducting activities that will relieve and reduce unemployment; promote and provide for additional and maximum employment; better and maintain job opportunities; instruct or train individuals to improve or develop their capabilities for such jobs; carry on scientific research for the purpose of aiding the County by attracting new industry to the County; or by encouraging the development of, or retention of, an industry in the County; and lessening the burdens of government and acting in the public interest."; now, therefore be it

1st **RESOLVED**, that the County approves the formation of the Corporation under N-PCL as a local development corporation and the County will be the sole member of the Corporation; and be it further

2nd **RESOLVED**, that the Corporation shall be the Suffolk County Economic Development Corporation; and be it further

3rd **RESOLVED**, that the Corporation shall have no less than three (3) Directors nor more than seven (7) Directors; and be it further

4th **RESOLVED**, that the following are duly nominated and elected as the initial members of the Corporation's Board of Directors, to serve until their successors are elected and have been qualified:

Jim Morgo
David Rosenberg
Peter E. Zarcone
Elizabeth Custodio
Alan Ehl
Steven Rossetti
Yves R. Michel

and be it further

5th **RESOLVED**, that the Board of Directors are hereby empowered, authorized and directed to take all actions as may be required in furtherance of the designation of the Corporation; and be it further

6th **RESOLVED**, that the Certificate of Incorporation and By-Laws, in substantially the form attached to these resolutions, are hereby approved and adopted; and be it further

7th **RESOLVED**, that this Legislature, hereby finds and determines that the Suffolk County Clerk, is authorized to take such actions and execute such documents as he/she deems necessary or appropriate to carry out these resolutions.

DATED: March 23, 2010

APPROVED BY:

/s/ Steve Levy
County Executive of Suffolk County

Date: March 29, 2010