

United Nations Development Corporation Law
Acts of 1968, 1969, 1971, 1976, 1986, 1993, and 2011
Chapter 345 Laws of 1968
As Amended Through July, 2011

UNDC

**United Nations Development Corporation
Two United Nations Plaza, 27th Floor
New York, NY 10017**

July 2011

Contents

United Nations Development Corporation Law

Chapter 345, Laws of 1968, as amended through July 2011

An Act to establish a United Nations development district and to form a corporation for the purpose of formulating and administering plans for the development of such district for purposes of the United Nations.

| | | |
|----------------|--|-----------|
| Section | 1. Definitions..... | 7 |
| | 2. Legislative findings and determinations, and purposes of chapter..... | 10 |
| | 3. Establishment of United Nations development district..... | 13 |
| | 4. Establishment of corporation..... | 15 |
| | 5. General powers of corporation..... | 17 |
| | 6. Powers and duties of corporation..... | 19 |
| | 7. Formulation and approval of plans..... | 20 |
| | 8. Acquisition of real property within district..... | 22 |
| | 9. Disposition of real property..... | 23 |
| | 10. Cooperation with city and state..... | 24 |
| | 10-a. Bonds and notes of corporation..... | 25 |
| | 10-b. Security for bonds or notes..... | 27 |
| | 10-c. Reserve funds and appropriations..... | 28 |
| | 10-d. Trust funds..... | 30 |
| | 10-e. State's right to require redemption of bonds..... | 30 |
| | 10-f. Remedies of noteholders and bondholders..... | 31 |
| | 10-g. Guarantee of bonds by the United States..... | 31 |
| | 10-h. Assistance by state and city officers, departments, boards and commissions..... | 31 |
| | 10-i. Court proceedings; preferences; venue..... | 31 |
| | 10-j. Actions against corporation..... | 32 |

Contents

United Nations Development Corporation Law

| | | |
|----------------|---|-----------|
| Section | 11. Notes and bonds to be legal investments..... | 32 |
| | 12. State and city not liable on bonds or other obligations..... | 32 |
| | 13. Exemption from taxation..... | 33 |
| | 14. Agreement of the state..... | 34 |
| | 15. Annual reports by corporation..... | 34 |
| | 16. Other reports and examinations..... | 34 |
| | 16-a. Development limitation..... | 35 |
| | 17. Partial invalidity..... | 36 |
| | 18. Effective date of act..... | 36 |

Chapter 345, Laws of 1968

AN ACT to establish a United Nations development district and to form a corporation for the purpose of formulating and administering plans for the development of such district for purposes of the United Nations.

Became a law May 31, 1968, with the approval of the Governor. Passed by a majority vote, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Definitions.

The following terms, whenever used or referred to in this chapter, shall have the following meanings:

1. "United Nations." The international organization of governments known as the United Nations established June twenty-sixth, nineteen hundred forty-five.

2. "United Nations area." The area described by chapter twenty-three of the laws of nineteen hundred forty-seven.

3. "Corporation." The corporation created by section four of this chapter.

4. "Governor." The governor of the state of New York.

5. "Mayor." The mayor of the city of New York.

6. "Comptroller." The comptroller of the city of New York.

7. "Housing and development administration." The housing and development administration of the city of New York, the department of housing preservation and development of the city of New York or any successor agency or department. "Housing and development administrator" shall mean the administrator of the housing and development administration, the commissioner of the department of housing preservation and development or the commissioner of any successor agency or department.

8. "Commission." The city planning commission of the city of New York.

9. "District." The district designated in section three of this chapter.

10. "Development plan." A plan or plans, including a further development plan at 42nd Street, and including any supplements, additions or amendments to such plan or plans, for the development of all or part of the district which shall include but shall not be limited to: A statement of proposed land uses; proposed land acquisition, demolition and removal of structures; proposed acquisition of air rights and con-

comitant easements or other rights of user necessary for the use and development of such air rights; proposed public, semi-public, private or community facilities or utilities, with a site plan and drawings therefor; a statement as to the relationship between the development plan and a comprehensive plan for the development of the municipality as a whole; a statement as to proposed new codes and ordinances and amendments to existing codes and ordinances as are required or necessary to effectuate the plan or plans; a proposed time schedule for the effectuation of such plan or plans, and such additional statements or documentation as the corporation may deem appropriate.

10-a. "Further development plan at 42nd Street." A development plan for the United Nations 42nd Street consolidation area, including improvements within said area and any improvements incidental thereto outside said area.

11. "Tudor City." A group of twelve buildings located in the vicinity of the United Nations area, generally bounded on the south by East Fortieth Street, on the west by Second Avenue, on the north by a line midway between East Forty-third and East Forty-fourth Streets, and on the east by First Avenue. These buildings form an architectural unity of English Tudor style and house a residential community of over three thousand families. Tudor City is a compatible land use with the United Nations Development district and for this reason shall be excluded from the United Nations area and the Development plan.

12. "Project." Lands, structures, improvements, facilities, real and personal property, tangible and intangible, and any interest therein, necessary or appropriate to carry out the purposes of this chapter or any development plan or portion thereof approved hereunder, including but not limited to relocation facilities and any structures, improvements or facilities of the type described in subdivision one of section six of this chapter.

13. "Reuse project." The initial reuse project and the additional reuse project described in subdivisions thirteen-a and thirteen-b, respectively, of section one of this chapter.

13-a. "Initial reuse project." The acquisition and alteration, renovation or rebuilding, from time to time, without any increase in the height of any previously constructed building and without any construction on any vacant land, of real property consisting of any previously constructed commercial building or buildings, or any portion thereof, and the land and associated property interests related thereto, primarily for use by the United Nations, including its organs, subsidiary bodies and specialized and other agencies, provided that: any such acquisition shall occur before December 31, 1998; such building or buildings shall be located at 633 Third Avenue, 685 Third Avenue or

845 United Nations Plaza in the borough of Manhattan, city of New York; not more than eight hundred thousand square feet of floor area shall be acquired if such floor area is located in more than one of such buildings; and the corporation shall not transfer any unused development rights from any of such buildings or add to any of such buildings any unused development rights from any other property. The reuse project shall for all purposes be deemed to be located within the district and be deemed also to be a project and to be part of and to conform to a development plan for a portion of the district, which has been formulated, reviewed and approved in accordance with section seven of this chapter.

13-b. "Additional reuse project." The acquisition of land, easement and other rights within or appurtenant to the area in the borough of Manhattan, city of New York, described in this subdivision, and the maintenance, repair, operation, alteration and renovation, from time to time, of improvements located on such land, exclusively for use by the United Nations, including its organs, subsidiary bodies and specialized and other agencies and members of the public visiting United Nations headquarters in the city of New York. The area referred to above is bounded and described as follows: Beginning at the northwest corner of Forty-fifth Street and United Nations Plaza (First Avenue), running thence westerly along Forty-fifth Street a distance of one hundred feet, running thence northerly, parallel to United Nations Plaza (First Avenue), a distance of eighty feet five inches, running thence easterly, parallel to Forty-fifth Street, a distance of twenty feet, running thence southerly, parallel to United Nations Plaza (First Avenue), a distance of forty feet, running thence easterly, parallel to Forty-fifth Street, a distance of eighty feet, and running thence southerly along United Nations Plaza (First Avenue) a distance of forty feet five inches to the place or point of beginning. Provided that the memorandum of understanding is completed and signed as provided in section two of the chapter of the laws of 2011 that added this subdivision and provided further that the city of New York shall have satisfied the obligations as described in such memorandum of understanding as being required to be satisfied prior to the corporation undertaking the additional reuse project, the additional reuse project and the site thereof shall for all purposes be deemed to be located within the district and be deemed also to be a project as defined in this chapter and shall, except for any new construction or any increase in the height or floor area of any previously constructed building, be deemed for all purposes to be part of and to conform to a development plan for a portion of the district, which has been formulated, reviewed and approved in accordance with section seven of this chapter.

14. "United Nations 42nd Street Consolidation Project." The acquisition by lease or otherwise from the city of New York and other parties, if any, of land, easement and other rights within the United Nations 42nd Street consolidation area, and associated property interests related thereto, and from time to time thereafter, the construction, alteration, renovation and rebuilding, and the ownership or operation, including repair and maintenance, of office space and related facilities, a tunnel (to provide secure passage from and to United Nations permanent headquarters), and space and facilities related to the foregoing, exclusively for use by the United Nations, including its organs, subsidiary bodies and specialized and other agencies; the construction within, and improvement, alteration, use and operation of, below but not above-grade volumes of space, after the same are demapped, discontinued and closed as part of public streets of the city of New York, located in the borough of Manhattan east of United Nations Plaza (First Avenue) below Forty-second Street or below the roadway of the Franklin D. Roosevelt (East River) drive, for purposes of such tunnel; the creation, improvement, alteration and renovation of space, facilities and improvements within or outside the United Nations 42nd Street consolidation area to the extent incidental to such office space and tunnel; and the corporation's cooperation with and assistance to the city of New York concerning planning for, and the corporation's payment of costs of, parkland replacement to compensate for discontinuing the use as parkland of a portion of Robert Moses Playground in the borough of Manhattan for purposes of the United Nations 42nd Street consolidation project. Provided that the memorandum of understanding is completed and signed as provided in section two of the chapter of the laws of 2011 that added this subdivision, the land, buildings and other improvements included in or otherwise part of the United Nations 42nd Street consolidation project shall for all purposes be deemed to be located within the district and be deemed also to be part of a project as defined in this chapter.

15. "City council." The city council of the city of New York.

Section 2. Legislative findings and determinations, and purposes of chapter.

a. The legislature of the state of New York, during the nineteen hundred forty-seven legislative session, found and declared it to be matter of legislative determination that a public purpose would be served and that the interests of the state and city of New York would be promoted by the cession, granting, conveyance or transfer to, and utilization by the United Nations of real property in the borough of Manhattan, city of New York, and bounded on the south by the south side

of Forty-second Street, on the west by the west side of First Avenue, on the north by the north side of Forty-eighth Street and on the east by the East River, or any interest therein, required for the purpose of establishing and maintaining headquarters, buildings or facilities necessary, useful or convenient in carrying on the functions of the United Nations. Such headquarters, buildings and facilities were thereafter established and maintained by the United Nations within the United Nations area.

b. The legislature hereby finds and declares:

(1) that the programs and activities of the United Nations have greatly expanded since the establishment of the permanent headquarters of the United Nations in the city of New York, that such expansion has served the interests of the state and city of New York and of the nation, and that the interests of the state and city of New York and of the nation would be served by the continued growth of such programs and activities;

(2) that the membership of the United Nations has more than doubled in the intervening years, and the number of executive and administrative personnel of the United Nations has also greatly increased, as a result of which it has become increasingly difficult for the United Nations to secure suitable facilities for its activities and staff and for member nations to secure suitable facilities for their missions to the United Nations, and for delegates, personnel of delegations, and members of the United Nations staff to obtain suitable housing, within a reasonable distance from the United Nations area;

(3) that by reason of comparable growth in the number and personnel of organizations affiliated with the United Nations, there is a serious shortage of office space suitable for such organizations within a reasonable distance from the United Nations area;

(4) that by reason of the absence of hotel accommodations in the immediate vicinity of the United Nations area suitable for visiting heads of state and other dignitaries attending the United Nations, such persons must presently find accommodations at considerable distances from the United Nations area as a result of which the city of New York has been required to assume great administrative and financial burdens in providing security for such persons;

(5) that approximately 6,000 visitors, including school children and other students, come to the United Nations daily, that most of such visitors arrive and depart by car or bus, that there are no bus terminal facilities within a reasonable distance of the United Nations area, that parking facilities in the immediate vicinity of the United Nations area are inadequate, and that there is a serious shortage of meeting rooms, auditorium facilities, and cafeterias suitable for school children and

other students, as well as for adult education groups and organizations affiliated with the United Nations;

(6) that the foregoing conditions are detrimental to the operations of the United Nations and to the interests of the state and city of New York and of the nation and present a threat to the continued presence of the permanent headquarters of the United Nations in the city of New York;

(7) that the foregoing conditions detract from the fullest utilization of the facilities of the United Nations by affiliated organizations, school children and other students, and visitors from other parts of the United States and foreign countries, and have contributed to serious vehicular and pedestrian traffic congestion in the vicinity of the United Nations area;

(8) that ordinary uncoordinated operation of private enterprise has not provided a sufficient supply of the facilities described in the vicinity of the United Nations area and the major land uses in the vicinity are, in fact, incompatible with the required ones, and that, on the basis of historical trends in development in the vicinity of the United Nations area, the foregoing conditions will deteriorate further and the projected requirements of the district will not be met unless corrective action is taken; and

c. The legislature further finds and declares that a public purpose would be served and the interests of the state and city of New York and of the nation would be promoted by the coordinated development of facilities of the types described herein in the area contiguous to the United Nations area, that such coordinated development would stimulate private investment and participation in a comprehensive development program for the area, which may produce increased tax revenues, that the creation of such facilities in a special district in accordance with a comprehensive plan will materially assist the effectuation of the public purpose served by the United Nations and promote the interests of the state and city of New York and of the nation, and that facilities of the types hereinbefore described would be useful to meet residential business and industrial needs, when and to the extent not required by the persons and organizations for whose use and occupancy such facilities would be primarily intended.

d. The legislature further finds and declares that it is in the public interest to establish a public benefit corporation to formulate a development plan or plans for the coordinated development of the United Nations development district and to provide advice and services with respect to real estate needs and development within the geographical boundaries of the state of New York as requested by the state or city of New York, the United States or the United Nations, that

it is necessary to grant to the corporation the powers provided by this chapter to insure the coordinated development of the facilities hereinbefore described and that the exercise of the rights and powers authorized herein will serve a public purpose.

Section 3. Establishment of United Nations development district.

The following is hereby designated as the "United Nations development district": an area lying to the west of the permanent headquarters of the United Nations, in the borough of Manhattan, city of New York, bounded on the east by the west side of United Nations Plaza, on the south by the north side of Forty-third Street, on the west by the east side of Second Avenue, and on the north by the south side of Forty-fifth Street, and the following additional areas:

(1) Beginning at a point on the northerly side of Forty-fifth street distant two hundred twenty-five feet easterly from the corner formed by the northerly side of Forty-fifth street and the easterly side of Second Avenue; running thence parallel with the easterly side of Second Avenue one hundred feet five inches to the center line of the block, thence easterly along such center line fifty feet, thence southerly parallel with the easterly side of Second Avenue one hundred feet five inches to the northerly side of Forty-fifth Street; thence westerly along the northerly side of Forty-fifth Street fifty feet to the point or place of beginning;

(2) Beginning at a point on the southerly side of Forty-sixth street distant two hundred feet easterly from the corner formed by the southerly side of Forty-sixth Street and the easterly side of Second Avenue; running thence southerly parallel with the easterly side of Second Avenue one hundred feet five inches; thence easterly parallel with the southerly side of Forty-sixth Street one hundred twenty-five feet; thence northerly parallel with the easterly side of Second Avenue one hundred feet five inches to the southerly side of Forty-sixth Street; thence westerly along the southerly side of Forty-sixth Street one hundred twenty-five feet to the point or place of beginning;

(3) Beginning at a point on the northerly side of Forty-sixth Street distant two hundred twenty-five feet easterly from the northeast corner of Second Avenue and Forty-sixth Street, running thence easterly along the northerly side of Forty-sixth Street fifty feet; thence northerly parallel with Second Avenue one hundred feet five inches to the center line of the block; thence westerly along the center line of the block parallel with Forty-sixth Street twenty-five feet; thence southerly parallel with Second Avenue one foot eight inches; thence westerly parallel with Forty-sixth Street twenty-five feet; thence southerly parallel with

Second Avenue and part of the distance through a party wall ninety-eight feet nine inches to the point or place of beginning;

(4) Beginning at a point on the northerly side of Forty-sixth Street distant two hundred feet easterly from the northeasterly corner of Forty-sixth Street and Second Avenue; running thence easterly along the northerly side of Forty-sixth Street twenty-five feet; thence northerly parallel with Second Avenue ninety-eight feet nine inches; thence westerly parallel with Forty-sixth Street twenty-five feet; thence southerly parallel with Second Avenue ninety-eight feet to the point or place of beginning, the same being more or less, the easterly wall of the building being a party wall; but excluding the real property bounded and described as follows:

(1) Beginning at the corner formed by the southerly side of Forty-fifth Street and the westerly side of United Nations Plaza; running thence southerly along the westerly side of United Nations Plaza one hundred feet, thence westerly parallel with Forty-fifth Street along the center line of the block, one hundred feet; thence northerly parallel with United Nations Plaza, twenty-five feet three inches; thence westerly parallel with Forty-fifth Street, twenty-five feet eleven inches; thence northerly parallel with United Nations Plaza, seventy-five feet two inches to the southerly side of Forty-fifth Street; thence easterly along the southerly side of Forty-fifth Street to the point or place of beginning.

(2) Beginning at a point on the northerly side of Forty-third Street distant seventy-three feet nine inches westerly from the corner formed by the northerly side of Forty-third Street and the westerly side of United Nations Plaza; running thence northerly parallel with United Nations Plaza seventy-five feet five inches; thence westerly parallel with Forty-third Street, twenty-six feet three inches; thence northerly parallel with the westerly side of United Nations Plaza, twenty-five feet to the center line of the block between Forty-third and Forty-fourth Streets; thence westerly parallel with the northerly side of Forty-third Street, one hundred ninety-six feet six inches; thence southerly parallel with United Nations Plaza and part of the distance through a party wall, one hundred feet five inches to the northerly side of Forty-third Street, thence easterly along the northerly side of Forty-third Street, two hundred twenty-two feet nine inches to the point or place of beginning.

(3) Beginning at a point on the northerly side of Forty-third Street distant two hundred twenty-five feet easterly from the corner formed by Forty-third Street and the easterly side of Second Avenue; running thence easterly along the northerly side of Forty-third Street, one hundred twenty-eight feet six inches; thence northerly parallel with

Second Avenue and part of the distance, through a party wall, one hundred feet five inches; thence westerly parallel with Forty-third Street, one hundred twenty-eight feet six inches; thence southerly parallel with Second Avenue and part of the distance through a party wall, one hundred feet five inches to the northerly side of Forty-third Street to the point or place of beginning.

3-a. Establishment of United Nations 42nd Street consolidation area. The following area lying south of the permanent headquarters of the United Nations, in the borough of Manhattan, city of New York, and bounded and described as follows, is hereby designated as the "United Nations 42nd Street consolidation area": Beginning at the northeast corner of United Nations Plaza (First Avenue) and Forty-first Street, running easterly along the northerly side of Forty-first Street a distance of three hundred five feet seven eighths inches, running thence northerly, parallel to United Nations Plaza (First Avenue), a distance of one hundred sixty-eight feet, running thence westerly, parallel to Forty-first Street, a distance of one hundred fifty-nine feet, running thence northerly, parallel to United Nations Plaza (First Avenue), a distance of twenty-nine feet six inches, running thence westerly, along the southerly side of Forty-second Street, a distance of one hundred forty-six feet seven eighths inches, and running thence southerly, along the easterly side of United Nations Plaza (First Avenue), a distance of one hundred ninety-seven feet six inches, to the point or place of beginning. Provided that the memorandum of understanding is completed and signed as provided in section two of the chapter of the laws of 2011 that added this section, the land included in the United Nations 42nd Street consolidation area shall for all purposes be deemed to be located within the district.

Section 4. Establishment of corporation.

a. There is hereby created a corporation to be known as the "United Nations Development Corporation." The corporation shall be a body corporate and politic constituting a public benefit corporation. The corporation shall consist of fifteen members, who shall constitute the board of directors. The housing and development administrator of the city of New York and the chairman of the commission shall be members. Of the remaining members, eight shall be appointed by the governor, and five shall be appointed by the mayor after consultation with the secretary-general of the United Nations and the United States ambassador to the United Nations. Of the eight members appointed by the governor, two shall continue in office or be appointed as provided in subdivision d of this section, two shall be first appointed to serve a one-year term, two shall be first appointed to serve a two-year term,

and two shall be first appointed to serve a three-year term. Except as otherwise specifically provided in this subdivision, members appointed by the governor shall hold office and shall be appointed for such terms, in such manner and at such times as provided in subdivision d of this section. One of the members appointed by the mayor shall be designated by him as chairman of the board of directors. After consultation with the mayor, the chairman of the board of directors shall appoint a member as president and chief executive officer of the corporation, with powers and duties as set forth in the by-laws of the corporation. Notwithstanding anything to the contrary contained in any general, special or local law concerning the holding of dual offices, an officer or employee of the city of New York may be appointed as president and chief executive officer, and officers and employees of the state or city of New York may be appointed as members.

b. (1) A majority of the members of the corporation then in office shall constitute a quorum for the transaction of any business or the exercise of any power of the corporation. The powers of the corporation shall be vested in, and be exercised by the affirmative vote of, a majority of the members of the board of directors present at a meeting at which a quorum is in attendance. Such board may delegate to one or more of its members or to its officers, agents and employees such powers and duties as it may deem proper, other than the approval of sponsors or of agreements with sponsors. No member of the board of directors may vote by proxy, except as may be provided in paragraph two of this subdivision.

(2) The housing and development administrator may designate a member of the staff of the housing and development administration to represent the administrator at all meetings of the corporation from which the administrator may be absent. The chairman of the commission may designate a member of the staff of the commission or any other employee of the city of New York to represent the chairman at all meetings of the corporation from which the chairman may be absent. Any representative so designated shall have the power to attend and to vote at any meeting of the corporation from which the director making the designation is absent, with the same force and effect as if the director making the designation were present and voting. Such designation shall be by written notice filed with the chairman of the corporation by the director making the designation. The designation of each such person shall continue until revoked at any time by written notice to the chairman by the director making the designation. Such designation shall not limit the power of any director making the designation to attend and vote in person at any meeting of the corporation.

c. No member or director of such corporation other than the

president and chief executive officer shall receive, directly or indirectly, any salary, compensation or emoluments from such corporation, in any capacity. Each member or director shall be entitled to reimbursement for his actual and necessary expenses incurred in the performance of his duties as a member or director. The corporation may further make payments to or on behalf of its members, directors, officers and employees in accordance with and to the same extent as authorized by the provisions of sections seven hundred twenty-two through seven hundred twenty-seven of the business corporation law as amended from time to time with the same effect as though such sections applied to the corporation, its members, directors, officers and employees.

d. Members and directors of such corporation, with the exception of the housing and development administrator and the chairman of the commission, shall be appointed for a term of three years from the effective dates of their appointments and shall serve at the pleasure of the governor, in the case of members and directors appointed by the governor, and at the pleasure of the mayor, in the case of members appointed by the mayor, provided, however, that one member first appointed by the governor shall serve a two-year term, one member (other than the chairman) first appointed by the mayor shall serve a one-year term, and one member (other than the chairman) first appointed by the mayor shall serve a two-year term. At the expiration of such terms, the terms of office of their successors shall be three years. All members shall continue to hold office until their successors have been appointed. If at any time there is a vacancy in the membership of the board of directors, by reason of death, resignation, disqualification or otherwise, such vacancy shall be filled for the unexpired term in the same manner as the original appointment.

e. The members, directors, officers and employees of the corporation shall not be personally liable for any debt, obligation or liability incurred by or imposed upon the corporation at any time.

f. 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 or other obligations outstanding, unless adequate provision has been made for the payment thereof. Upon termination of the existence of the corporation, all its rights and properties not otherwise disposed of shall pass to and be vested in the state of New York.

Section 5. General powers of corporation.

In the exercise of the powers conferred and the performance of the duties imposed upon it by the following section, and subject to the limitations thereof and to any other limitations contained in this chapter,

the corporation shall have the following general powers:

(1) to sue and be sued,

(2) to have a seal and alter the same at pleasure,

(3) to make contracts, incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its real or personal property or any interest therein, wherever situated,

(4) to invest and reinvest any funds held in reserve or sinking funds or any other funds not required for immediate use or disbursement, including proceeds from the sale of any bonds or notes and any revenues, receipts, borrowings and income, in obligations of the state of New York or the United States government or obligations the principal and interest of which are guaranteed by the state or the United States government, or obligations of agencies and instrumentalities of the state or of the United States, or certificates of deposit of banks or trust companies in the state, secured, if the corporation shall so require, in such manner as the corporation may so determine,

(5) to adopt, amend or repeal by-laws for its organization and internal management, and rules and regulations governing the exercise of its powers, the performance of its duties and the fulfillment of its purposes under this chapter,

(6) to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, or create a security interest in, or grant options with respect to, all or any of its real or personal property, or any interest therein,

(7) to appoint such officers and employees as it may require for the performance of its duties, and to fix and determine their qualifications, duties and compensation and to retain or employ other agents, including but not limited to architects, counsel, auditors, engineers and private consultants on a contract basis or otherwise for rendering professional or technical services and advice,

(8) to make plans, surveys, and studies necessary, convenient or desirable to the effectuation of the purposes and powers of the corporation, and to prepare recommendations in regard thereto, including plans, surveys and studies with respect to the surrounding area,

(9) to do all things necessary, convenient or desirable for the performance of its duties and for the exercise of its powers under this chapter,

(10) to purchase, receive, take by gift, grant, devise, bequest or otherwise, lease or otherwise acquire, own, hold, improve, employ, use and otherwise deal in with, real or personal property, or any inter-

est therein within the district and in connection with relocation, outside the district,

(11) to organize one or more wholly-owned subsidiary corporations under any applicable provision of law, including but not limited to the private housing finance law, and to implement or execute all or any portion of a development plan through or cause such subsidiary to implement all or part of a development plan, provided, however, that the directors of the corporation shall be the directors, members or trustees of each subsidiary, and provided, further, that agreements to which a subsidiary is a party shall require approval of the board of estimate to the same extent as agreements to which the corporation is a party,

(12) to transfer to or from any wholly-owned subsidiary corporation any monies, real property or other property for any of the purposes and subject to the limitations of this chapter, provided, that each such subsidiary corporation and any of its functions and activities shall have, in addition to any other exemptions which may be applicable to it or its activities, all of the exemptions afforded to the corporation and to the corporation's activities in section thirteen of this chapter,

(13) to enter into agreements with the city and state of New York and the United States, or any agency or instrumentality of any of them, individual firms or corporations for any lawful purposes necessary or desirable to effectuate the purposes of this chapter, and

(14) to accept grants, loans or contributions from the United States, the city and state of New York or any agency or instrumentality of any of them and to expend the proceeds for the purposes of this chapter.

Section 6. Powers and duties of corporation.

The powers and duties of the corporation shall be:

(1) to undertake surveys of the present and anticipated need: for office space, meeting facilities, housing and recreational facilities and other facilities for the United Nations, delegations and delegates to the United Nations, personnel of delegations to the United Nations, and members of the United Nations staff; for office space, auditorium and meeting facilities for related nongovernmental organizations; for hotel accommodations for visiting heads of state and other dignitaries; for bus terminals, dining facilities, and other facilities for visiting persons and groups; for parking; and for housing, commercial, industrial and other facilities necessary or appropriate to carry out the purposes of this chapter,

(2) subject to the approval of the commission and the city council as hereinafter provided, to formulate a development plan or

plans in accordance with the foregoing present and anticipated needs, with provision for relocation of individuals and commercial establishments outside or within the district,

(3) to undertake, or otherwise to have undertaken on behalf of the corporation, the execution of a development plan or of a portion thereof, and the financing, acquisition, construction, rehabilitation, improvement, operation and management of any project or portion thereof, including attendant relocation facilities, provided however, that all contracts let by the corporation for the erection, construction, or alteration of buildings shall be let in conformity with the provisions of section one hundred thirty-five of the state finance law, except that such provisions shall not be applied to restrict the corporation's pre-qualification of bidders for purposes of the United Nations 42nd Street consolidation project, and provided further that execution of a further development plan at 42nd Street may not proceed unless and until the approval thereof by the commission and the city council as hereinafter provided and unless and until the memorandum of understanding referred to in section two of the chapter of the laws of 2011 amending this section has been completed and signed as provided in that section.

(4) to furnish advice, technical assistance and liaison with federal, state and city authorities and with users and occupants of the facilities to be created within the district with respect to educational, social and cultural activities within the district, and otherwise to foster and encourage greater public knowledge of, and participation in, the activities of the United Nations and affiliated organizations, and

(5) to provide advice and services with respect to real estate needs and development as requested by the state or city of New York, the United States or the United Nations.

Section 7. Formulation and approval of plans.

a. The corporation shall prepare or cause to be prepared a development plan for the district, or, if the corporation deems it necessary or advisable that the development of the district or a portion thereof be carried out in stages, development plans for parts or portions of the district. Any development plan shall include a requirement that relocation benefits be provided to individuals and businesses to be displaced in the course of redevelopment which are at least equal to those for which such individuals and businesses would be eligible under federal law at the time of their relocation if the development plan were an urban renewal plan.

b. The development plan or plans, including any supplements, additions or amendments thereto, shall be submitted to the

housing and development administration for approval. If approved, such plan or plans shall be submitted by the housing and development administration to the commission, which shall certify, after a public hearing, notice of which shall be published in the City Record at least ten days prior thereto, whether the development plan is in accordance with the purposes of this chapter and conforms to a comprehensive plan for the development of the municipality as a whole, and whether proposed changes in the city map and proposed zoning amendments or variances are in furtherance of such purposes and conform to such comprehensive plan. The commission shall submit its report to the board of estimate, not later than ten weeks from the date of the submission of the plan to it, certifying its unqualified approval, its disapproval, or its qualified approval with recommendations for modifications therein.

c. After a public hearing, notice of which shall be published in the City Record for at least ten days immediately prior thereto, which shall be held not earlier than four weeks after the development plan is received or due from the commission, the board of estimate may:

(1) if the commission shall have certified its unqualified approval, approve the development plan by a majority vote,

(2) if the commission shall have certified its disapproval or shall have failed to make its report within ten weeks from the date the development plan was submitted to it by the housing and development administration, nevertheless approve the development plan, but only by a three-fourths vote,

(3) if the commission shall have certified its qualified approval together with recommendations for modifications, approve the development plan together with the modifications recommended by the commission by majority vote, or approve the development plan without such modifications but only by a three-fourths vote.

d. Upon approving any development plan, with or without modifications recommended by the commission, the board of estimate shall by resolution find that:

(1) the development plan is in accordance with the purposes of this chapter,

(2) the development plan conforms to a comprehensive plan for the development of the municipality as a whole,

(3) any changes in the city map, zoning resolutions or regulations, or other variances contained in the development plan are approved without need for further action, and

(4) the development plan contains provisions which assure, insofar as practicable, priority of use or occupancy of the facilities to be constructed pursuant thereto to those for whom such facilities are intended.

e. The provisions of subdivisions b, c and d of this section shall not apply to any further development plan at 42nd Street or any development plan for any new construction or any increase in the height or floor area of the previously constructed building located on land acquired as part of the additional reuse project or any amendment of any such development plan. Any such development plan or amendment shall be subject to review pursuant to section one hundred ninety-seven-c and section one hundred ninety-seven-d of the charter of the city of New York in the same manner as if such development plan or amendment were described in paragraph one of subdivision b of section one hundred ninety-seven-d of the charter of the city of New York. Approval of any such development plan or amendment shall include, without limitation, land use review authorization for any disposition by the city of New York of the land described in the second sentence of subdivision 1 of section 16-a of this chapter and any and all land or other rights, and any demapping, discontinuing and closing by the city of New York of any and all volumes of space under any public streets, for purposes of a further development plan at 42nd Street.

f. No portion of a further development plan at 42nd Street is permitted to be effectuated in any respect, including without limitation, any acquisition by the corporation of any interest in the United Nations 42nd Street consolidation area, any commencement of construction by the corporation within the United Nations 42nd Street consolidation area and any other physical activity by the corporation on, or other interference by the corporation with use of or access to, the United Nations 42nd Street consolidation area, unless and until a further development plan at 42nd Street has been reviewed as provided in subdivision e of this section and a memorandum of understanding is completed and signed as provided for in section two of the chapter of the laws of 2011 that added this subdivision.

Section 8. Acquisition of real property within district.

a. After a development plan has been approved as provided in this chapter, the city of New York, acting through the mayor upon request of the corporation, shall acquire by purchase, gift, devise, lease, condemnation or otherwise, in accordance with the provisions of appropriate general, special or local laws applicable to the acquisition of real property by such city, real property or any interest therein within the district necessary for or incidental to the effectuation of such development plan or a portion thereof. Each such acquisition by the city of New York shall be deemed to be for a public use and public purpose.

b. Where the implementation and execution of a development

plan or portion thereof is to be undertaken by a sponsor rather than the corporation or one or more of its subsidiaries, the approval of such sponsor and of the agreement with such sponsor as provided in this chapter, and the submission to the mayor of an executed copy of such approved agreement shall be conditions precedent to the obligation of the city of New York to acquire property for such plan or portion thereof.

c. At or prior to the negotiated acquisition, or the institution of condemnation proceedings for the acquisition, by the city of New York of any interest in real property within the district for the purposes of this act, the approved sponsor or the corporation shall deposit with the comptroller a sum equal to the amount to be paid for such interest in real property, or the amount the comptroller anticipates will be payable as compensation for real property to be condemned, together with an additional amount which, in the opinion of the comptroller, will be sufficient to defray the anticipated costs to be incurred by the city of New York in connection with such acquisition or condemnation or in lieu thereof such securities or agreements in such form and amounts as shall be satisfactory to the comptroller.

Section 9. Disposition of real property.

a. Notwithstanding anything to the contrary contained in any general, special or local law applicable to the sale of real property by a municipality, any real property and appurtenances thereto acquired by the city of New York within the district pursuant to this chapter shall be sold, leased for a term not exceeding ninety-nine years, or otherwise disposed of to an approved sponsor or the corporation for the effectuation of an approved development plan, without public auction or sealed bids, at the cost of such interest to the city, including but not limited to the costs and expenses of acquisition or condemnation thereof, provided that notice of such sale, lease or other disposition shall be published not less than ten days prior thereto.

b. In the event of any such sale, lease or disposition, the sponsor or the corporation shall be allowed a credit against the purchase price of the interest involved for the amount previously deposited by the sponsor or the corporation with the comptroller with respect to such interest.

c. Any deed, lease or instrument by which real property and any appurtenances thereto, or air rights and concomitant easements or other rights of user necessary for the use and development of such air rights, or any interest therein is conveyed or disposed of pursuant to this chapter shall contain provisions, which shall be covenants running with the land, (1) requiring the purchaser, lessee or grantee, or

any successor thereto, to replan, clear, improve, construct upon or develop such property in accordance with the approved development plan and within the time specified in the approved development plan, (2) limiting the use of such real property to purposes consistent with such approved development plan, and (3) in the case of real property or any interest therein conveyed for use as a public facility, prohibiting any mortgage or pledge of or creation of a security interest in such property other than for the purposes of such public facility. Each such deed, lease or instrument shall make reference to this chapter, and shall state that the provisions required to be included by this section are for the benefit of the city of New York.

d. Notwithstanding anything to the contrary contained in any general, special or local law, including the charter and administrative code of the city of New York, the city of New York, acting by its mayor alone, or his or her designee, shall be authorized, for the effectuation of a further development plan at 42nd Street when approved pursuant to section one hundred ninety-seven-c and section one hundred ninety-seven-d of the charter of the city of New York in the same manner as if such development plan or amendment were described in paragraph one of subdivision b of section one hundred ninety-seven-d of the charter of the city of New York, and when otherwise permitted to be executed as provided in this chapter, to take such actions as are necessary or desirable, to demap, discontinue and close below but not above-grade volumes of space part of the public streets of the city of New York, located in the borough of Manhattan east of United Nations Plaza (First Avenue), below Forty-second Street, or below the roadway at the Franklin D. Roosevelt (East River) drive, for purposes of a tunnel as part of the United Nations 42nd Street consolidation project, and to sell, lease for a term not exceeding ninety-nine years, or otherwise dispose of to the corporation any land and other interests in real property owned by the city of New York, regardless of how acquired, and included in the United Nations 42nd Street consolidation project, including any discontinued, demapped and closed part of the public streets of the city of New York, without any payment of money therefor and without further review or approvals, other than said approval of the further development plan at 42nd Street, and the completion and signature of the memorandum of understanding as provided in section two of the chapter of the laws of 2011 that added this subdivision, and without public auction or sealed or competitive bids.

Section 10. Cooperation with city and state.

For the purpose of aiding the corporation in carrying out and effectuating the purposes and provisions of this chapter, the city and

state of New York may, with or without consideration (a) dedicate, sell, convey, lease, grant or otherwise transfer any right, title and interest in any property, real or personal, or air rights and concomitant easements or other rights of user necessary for the use and development of such air rights, to the corporation, or grant easements, licenses or privileges therein to the corporation; (b) make advances, loans, grants, subsidies, contributions and any other form of financial assistance to the corporation; (c) enter into agreements with the corporation respecting action to be taken by the city and state to assist the corporation in carrying out and effectuating the purposes of this chapter; (d) incur the entire expense of any public improvements or facilities necessary or desirable under a development plan; (e) dedicate, close, vacate, pave, install, grade and plan streets, roads, sidewalks or other public ways and places; (f) plan, replan, zone or rezone the district; and (g) do all other things necessary or convenient to carry out the foregoing powers and to insure the expeditious undertaking and completion of development plans contemplated by this chapter.

Section 10-a. Bonds and notes of corporation.

(1) The corporation shall have the power and is hereby authorized from time to time to issue its 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 all or any part of the cost of acquiring, constructing, reconstructing, rehabilitating, or improving any project or portion thereof, the payment of interest on bonds and notes of the corporation, the establishment of reserves to secure such bonds and notes, the provision of working capital for the operation of any project or portion thereof, and the payment of all other expenditures of the corporation incident to and necessary or convenient to carry out its corporation purposes and powers. The issuance of bonds and notes by the corporation shall be authorized by resolution of the board of directors of the corporation without further authorization or approval.

(2) Bonds and notes issued by the corporation may be executed and delivered by the corporation in one or more series, at any time and from time to time, may be in such form and denominations and of such tenor and maturities and may be in bearer form or in registered form, registered or registerable as to principal and interest or as to principal alone, all as the corporation may determine. Any signature of an officer of the corporation which may appear on bonds or coupons and any facsimile of such signature shall be valid and sufficient for all purposes, whether or not such officer shall then be in office. The corporation may also provide for the authentication of the bonds

by a trustee or fiscal agent.

(3) Bonds may be issued as serial or term bonds, or both, and may be made payable in such amounts and at such time or times, not exceeding fifty years from the date thereof, as shall be determined by the corporation.

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

(5) The proceedings authorizing the issuance of any bonds or notes may provide that such bonds and notes may be payable at such place or places, within or without the state, may bear interest at such rate or rates, may be payable at such time or times and at such place or places, may be in such form and evidence in such manner, and may contain such other provisions not inconsistent herewith, including provisions as to reserve or sinking funds, security for the payment of bonds or notes, redemption or refunding of bonds or notes, events of default, remedies of bondholders or noteholders, appointment of trustees or fiscal agents, custody, collection, securing, investment and payment of any money of the corporation, and amendment or abrogation of such provisions, all as the corporation shall determine.

(6) 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 of the state of New York where such sale is not to such comptroller, or (b) the state director of the budget where such sale is to such comptroller.

(7) The corporation may issue one or more series of bonds or notes whether in connection with or secured by the same or a different project or portion thereof except as may otherwise be provided in the proceedings under which such bonds or notes shall be authorized to be issued.

(8) 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 any 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 portion thereof or the making of any mortgage loan on any project.

(9) Neither the members, directors, officers or employees of the corporation nor any person executing the bonds or notes of the corporation shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 10-b. Security for bonds or notes.

(1) The principal of and interest and premium, if any, on any bonds or notes issued by the corporation may be secured as may be provided in the proceedings under which such bonds or notes shall be authorized to be issued, as follows:

(a) by the full faith and credit of the corporation, (b) by all or any part of the revenues and receipts derived or to be derived by the corporation, including proceeds of insurance and condemnation awards and revenues and receipts from the ownership, operation, lease, mortgage, sale or transfer of any project or portion thereof and any additions, improvements, extensions or enlargements thereafter made, (c) by the pledge or assignment of all or any part of such revenues and receipts, (d) by a lease, mortgage or other agreement with respect to any project or portion thereof and any additions, improvements, extensions or enlargements thereafter made, (e) by the pledge or assignment of any such lease, mortgage or other agreement, or (f) by all or any combination of the foregoing.

(2) The proceedings under which the bonds or notes are authorized to be issued and any mortgage, lease or other agreement may contain provisions respecting the maintenance of any project or portion thereof 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.

(3) The corporation may provide in any proceedings under which bonds or notes may be authorized that any project or portion thereof may be constructed, reconstructed, rehabilitated or improved by the corporation, any subsidiary, 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 nec-

essary and provide for in such proceedings.

Section 10-c. Reserve funds and appropriations.

(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 monies appropriated and made available by the state of New York for the purposes of such fund, (b) any proceeds of sale of bonds and notes to the extent provided in the proceedings of the corporation authorizing the issuance thereof, and (c) any other monies which may be made available to the corporation for the purposes of such funds from any other source or sources. The monies 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 monies 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 monies 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 any 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 or 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 not be 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) To assure the continued operation and solvency of the corporation for the carrying out of the public purposes of this chapter, provision is made in subdivision one of this section for the accumulation in each debt service reserve fund of an amount equal to 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. In order further to assure the maintenance of such debt service reserve funds, there shall be annually apportioned and paid to the corporation for deposit in each debt service reserve fund such sum, if any, as shall be certified by the chairman of the board of directors of the corporation to the governor and state director of the budget as necessary to restore such reserve fund to an amount equal to 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. The chairman of the board of directors of the corporation shall annually, on or before December first, make and deliver to the governor and state director of the budget his certificate stating the sum, if any, required to restore each such debt service reserve fund to the amount aforesaid, and the sum or sums so certified, if any, shall be apportioned and paid to the corporation during the then current New York state fiscal year.

(4) All amounts paid over to the corporation by the state pursuant to the provisions of this section shall constitute and be accounted for as advances by the state to the corporation and, subject only to the rights of the holders of any bonds or notes of the corporation theretofore or thereafter issued, shall be repaid to the state from all available operating revenues of the corporation in excess of amounts required for the debt service reserve funds and operating expenses.

(5) As used in this section, (a) the term "operating expenses" shall mean ordinary expenditures for operation and administration of the corporation; and (b) the term "available operating revenues" shall mean all amounts received on account of rentals and fees charged by the corporation, if any, and income or interest earned or added to funds of the corporation due to the investment thereof, and not required under the terms or provisions of any covenant or agreement with holders of any bonds or notes of the corporation to be applied to any purposes other than payment of operating expenses of the corporation.

(6) In computing any debt service reserve fund for the pur-

poses of this section, securities in which all or a portion of such reserve fund shall be valued at par, or if purchased at less than par, at their cost to the corporation.

(7) The principal amount of bonds secured by a debt service reserve fund or funds to which state funds may be apportioned pursuant to subdivision three of this section shall not exceed the total amount of indebtedness outstanding on the effective date of this act, plus the total amount of indebtedness contracted after the effective date of this act to finance projects in progress on the effective date of this act as determined by the New York state public authorities control board created pursuant to section fifty of the public authorities law whose affirmative determination shall be conclusive as to all matters of law and fact solely for the purposes of the limitations contained in his subdivision, but in no event shall the total amount so secured exceed sixty million two hundred thousand dollars, excluding until the date of refunding, bonds issued to refund such outstanding bonds. As outstanding bonds so secured are paid, the amount so secured shall be reduced accordingly but the redemption of such outstanding bonds from the proceeds of refunding bonds shall not reduce the amounts secured.

(8) Notwithstanding the provisions of section thirteen of this chapter, if the state of New York shall become the owner of any project or portion thereof by reason of the foreclosure of any mortgage to the state, or otherwise, such project or portion thereof shall be exempt from taxation as provided in section four hundred four of the real property tax law as long as the state shall be the owner thereof.

Section 10-d. Trust funds.

All monies received pursuant to the authority of this chapter, 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 monies shall be deposited as trustee thereof shall hold and apply the same for the purposes thereof, subject to this chapter, the proceedings authorizing the bonds or notes of any issue and any trust agreement securing such bonds or notes.

Section 10-e. State's right to require redemption of bonds.

Notwithstanding and in addition to any provisions for the redemption of bonds which may be contained in any contract with the holders of the bonds, the state of New York may, upon furnishing sufficient funds therefor, require the corporation to redeem, prior to maturity, as a whole, any issue or bonds on any interest payment date not less than

twenty years after the date of the bonds of such issue at one hundred five per centum of their face value and accrued interest or at such lower redemption price as may be provided in the bonds in case of the redemption thereof as a whole on the redemption date. Notice of such redemption shall be published at least twice in at least two newspapers publishing and circulating respectively in the cities of Albany and New York, the first publication to be at least thirty days before the date of redemption.

Section 10-f. Remedies of noteholders and bondholders.

(1) The supreme court shall have jurisdiction of any suit, action or proceeding by or on behalf of any holder of bonds or notes issued by the corporation. The venue of any such suit, action or proceeding shall be laid in the county in which the principal office of the corporation is located.

(2) Before declaring the principal of notes or bonds due and payable, bondholders or noteholders shall first give thirty days notice in writing to the governor, to the mayor, to the corporation, to the attorney general of the state, and the corporation counsel of the city.

Section 10-g. Guarantee of bonds by the United States.

To the extent that the payment, when due, of principal of and interest on bonds of the corporation shall be unconditionally guaranteed by the United States of America, the state shall not apportion funds pursuant to subdivision three of section ten-c of this chapter with respect to debt service reserve funds securing such bonds.

Section 10-h. Assistance by state and city officers, departments, boards and commissions.

(1) Any agency or department of the state or city of New York may render such services to the corporation within their respective functions as may be requested by the corporation.

(2) Upon request of the corporation, any agency of the state or city of New York is hereby authorized and empowered to transfer to the corporation such officers and employees as the corporation may deem necessary from time to time to assist the corporation in carrying out its functions and duties under this chapter. Notwithstanding the provisions of subdivision seven of section five of this chapter, officers and employees so transferred shall not lose their civil service status or rights

Section 10-i. Court proceedings; preferences; venue.

Any action or proceeding to which the corporation or the people of the state or city of New York may be parties, in which any question

arises as to the validity of this chapter, shall be preferred over all other civil causes except election causes in all courts of the state of New York and shall be heard and determined in preference to all other civil business pending therein except election causes, irrespective of position on the calendar. The same preference shall be granted upon application of counsel to the corporation in any action or proceeding questioning the validity of this chapter in which he may be allowed to intervene. The venue of any such action or proceeding shall be laid in the county in which the principal office of the corporation is located.

Section 10-j. Actions against corporation.

Except in an action for wrongful death, an action against the corporation founded on tort shall not be commenced more than one year and ninety days after the cause of action therefor shall have accrued, nor unless a notice of claim shall have been served on the corporation within the time limited by, and in compliance with all the requirements of section fifty-e of the general municipal law. An action against the corporation 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.

Section 11. Notes and bonds to be legal investments.

The notes and bonds of the corporation are hereby made securities in which all public officers and bodies of the state and all municipalities and political 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 who 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. Notwithstanding any other provisions of law, the bonds of the corporation are also hereby made securities which may be deposited with and shall be received by all public officers and bodies of this state and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the state is now or may hereafter be authorized.

Section 12. State and city not liable on bonds or other obligations.

The bonds and other obligations of the corporation and its subsidiaries

shall not be debts of the state or city of New York, and neither the state nor the city shall be liable thereon.

Section 13. Exemption from taxation.

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 city and state of New York 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 chapter. The income and operations of the corporation shall be exempt from taxation. Obligations issued by the corporation or a subsidiary pursuant to this chapter, together with income therefrom, shall be free from taxation, except for transfer and estate taxes. The land, buildings and other improvements from time to time included as part of the United Nations 42nd Street consolidation project shall, unless owned by the United Nations, be subject to real property taxation in the same manner and to the same extent as real property in the city of New York used for office purposes generally, except that such land, buildings and other improvements shall be exempt from such taxation if the same are owned by the city of New York and leased to the corporation for not more than ninety-nine years and otherwise on terms satisfactory to the city of New York, acting by its mayor alone, provided that the corporation enters into an agreement requiring that it pay to the city of New York or its designee amounts from time to time in lieu of such real property taxation, and in the case of any such agreement, the city of New York or its designee shall be authorized, notwithstanding anything to the contrary contained in any general, special or local law, including the charter and administrative code of the city of New York, to pledge, assign or otherwise transfer, on terms satisfactory to the city of New York, acting by its mayor alone, the amounts payable under such agreement and the right to receive such amounts, for the purpose of providing a source of payment of, and as security for, the financing of the United Nations 42nd Street consolidation project. Except as otherwise provided above in this section, any facilities within the district owned by the corporation which are found and determined by the city council to be public facilities shall be exempt from taxation or assessment by and from the payment of any fees to the city of New York, and, if such finding and determination is approved by the state tax commission, from taxation or assessment by and from the payment of any fees to the state or any subdivision thereof or to any officer or employee of the state or any subdivision thereof. The city council, upon application by the corporation may find and determine that all or part of the real property owned by the corporation within the district is

devoted exclusively to public facilities. Such tax exemption shall continue so long as such facility is devoted exclusively to public use. Except as hereinabove provided, and except as may otherwise specifically be provided, nothing contained in this chapter 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.

Section 14. Agreement of the state.

The state does hereby pledge to and agree with the holders of any notes or bonds issued under this chapter, 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 notes or bonds, together with the interest thereon and all costs and expenses for which the corporation is liable 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 notes or bonds.

Section 15. Annual reports by corporation.

The corporation shall submit to the governor, the mayor and the comptroller, within ninety days after the end of each fiscal year, a complete and detailed report setting forth: (1) its operations and accomplishments; (2) its receipts and expenditures, in accordance with the categories or classifications established by the corporation for its own operating and capital outlay purposes; (3) its assets and liabilities at the end of its fiscal year including the status of reserve, depreciation, special or other funds; and (4) a schedule of its bonds and other obligations outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year. A similar annual report shall be submitted by the corporation with respect to each of its subsidiaries, provided, however, that a single report may be submitted, in the discretion of the corporation, covering the corporation and its subsidiaries.

Section 16. Other reports and examinations.

The corporation shall submit to the governor, the mayor and comptroller, within thirty days after receipt thereof by the corporation or a subsidiary, a copy of the report of every external examination of the books and accounts of the corporation or such subsidiary, other than reports of examinations by the comptroller. The comptroller may from time to time examine the books and accounts of the corporation and its subsidiaries.

Section 16-a. Development limitation.

1. The corporation, notwithstanding any other provision of law and unless further authorized by act of the legislature, shall not in the execution of the development plan heretofore approved under section seven of this chapter undertake the execution of any portion of such development plan on real property within the district lying westerly of a line parallel to, and three hundred twenty-five feet westerly from the westerly side of United Nations Plaza. The corporation, notwithstanding any other provision of law and unless further authorized by act of the legislature, shall not in the execution of a further development plan at 42nd Street develop or construct any building or other structure above grade on any portion of the United Nations 42nd Street consolidation area other than the following portion of such area: the area bounded on the west by the east side of United Nations Plaza (First Avenue), on the south by the north side of Forty-first Street; on the north by the south side of Forty-second Street; and on the east by a line that begins on the north side of Forty-first Street, is located one hundred forty-six feet seven eighths inches east of and parallel to United Nations Plaza (First Avenue) and runs north for a distance of one hundred ninety-seven feet six inches, ending at the south side of Forty-second Street.

2. All properties in the district, lying easterly of a line parallel to and three hundred twenty-five feet westerly from the westerly side of United Nations Plaza, even though separated by a street, not including the United Nations 42nd Street consolidation area, and not including any property that is part of any reuse project, shall be deemed, notwithstanding any other provision of law, to be one zoning lot for all purposes, and the maximum floor area ratio of such properties, deemed to be part of one zoning lot and taken as a whole, shall not exceed fifteen.

3. The corporation may undertake or cause to be undertaken the execution of any portion of the development plan heretofore approved under section seven of this chapter without requiring any amendment to or modification of such development plan and without further approval under section seven of this chapter.

4. No portion of any structure permitted to be developed pursuant to a further development plan at 42nd Street, if and when effectuation of such further development plan at 42nd Street is permitted under this chapter, may be built to a height greater than the height of the United Nations secretariat building. Subject to compliance with the foregoing limitation in this subdivision, nine hundred thousand square feet of floor area as defined in any applicable zoning resolution shall be deemed attributable under such zoning resolution to the land that is a portion of the United Nations 42nd Street consolidation area and is

described in the second sentence of subdivision one of this section, and a maximum of nine hundred thousand square feet of such floor area shall be permitted to be incorporated in such structure as part of a further development plan at 42nd Street.

Section 17. Partial invalidity.

If any provision of any section of this chapter or the application thereof to any person or circumstance shall be judged invalid by a court of competent jurisdiction, such order or judgment shall be confined in its operation to the controversy in which it was rendered, and shall not affect or invalidate the remainder of any provision of any section of this chapter or the application thereof to any other person or circumstances, and to this and the provisions of each section of this chapter are hereby declared to be severable.

Section 18. This act shall take effect immediately.