

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development**

**BOND FINANCE COMMITTEE MEETING
September 9, 2013**

MINUTES

New York State Urban Development Corporation, d/b/a Empire State Development (“ESD”), held a Bond Finance Committee Meeting at ESD’s Office at 633 Third Avenue, New York, New York 10017.

Members Present: Anthony Albanese (via video conference), designee for Superintendent, Department of Financial Services
Derrick Cephas
Robert Dyson

Present for ESD: Jonathan Beyer, Senior Counsel
Robert Godley, Treasurer
Peter Heilbrunn, Senior Director, Debt Management
Eileen McEvoy, Corporate Secretary
Mehul Patel, Chief of Staff
Frances Walton, Chief Administrative and Financial Officer

The meeting was called to order at 10:04 am.

Ms. Walton explained that the purpose for the meeting was to request that the committee to approve two items.

First, Ms. Walton requested authorization for the sale and delivery of the New York State Urban Development Corporation Personal Income Tax Revenue Bonds, Series 2013, C and D. The bonds would be issued pursuant to the New York State Personal Income Tax Revenue Bond Financing Program and would be secured by a pledge of financing agreements made from amounts legally required to be deposited into the Revenue Bond Tax Fund.

Ms. Walton explained the proceeds from the sale of the 2013C Bonds would be used to fund certain projects relating to: (1) reimbursing New York State for expenditures made or that will be made by the New York State Department of Transportation in connection with the State’s current multi-year Highway and Bridge Capital Program; and (2) the making of grants to

reimburse municipalities and other project sponsors throughout the State for qualifying capital expenditures for highway, bridge and multi-modal projects.

The 2013D Bonds would be issued to refund certain Personal Income Tax Revenue Bonds and other State-supported debt previously issued by the Corporation, the New York State Thruway Authority, the Environmental Facilities Corporation and the Housing Finance Agency.

Ms. Walton further explained that the bonds would finance related issuance costs and could be issued separately on a competitive basis as fixed rate, tax-exempt bonds. The aggregate maximum principal amount of the bonds would be established at \$1.402 billion and the maximum interest cost would be 7.5 percent.

Ms. Walton also noted that the bonds are authorized by multiple project acts, as amended and supplemented, the related appropriation acts, as amended and supplemented, and the Tax Revenue Act. Under the project acts, the Corporation is authorized to assist in the financing of other agency projects, including street and highway improvements, and highway and bridge capital programs. In the past, the New York State Thruway Authority issued bonds to fund these projects. However, in response to a recommendation of the SAGE Commission, the State determined that two entities (the Dormitory Authority and the Corporation) will issue State-supported debt going forward in the interest of efficiency.

There being no further comments or questions, and upon motion duly made and seconded, the resolution regarding the items discussed was unanimously adopted.

Mr. Heilbrunn then asked the committee to adopt amended SWAP guidelines (i.e., guidelines for the use of interest rate exchange agreements). Primarily, the amendment enables the Corporation to adhere to certain industry-standard documents prepared by the International SWAPs and Derivatives Association (also known as the "Dodd-Frank Protocols"). The committee asked whether the Corporation plans to enter any SWAPs in the near term. Staff responded that while there are outstanding SWAPs, there are no plans to enter into new SWAPs at the current time.

There being no further comments or questions, and upon motion duly made and seconded, the resolution regarding the items discussed was unanimously adopted.

The meeting was adjourned at 10:17am.