

# Empire State Development Corporation



## New York State Personal Income Tax Revenue Bonds

The Empire State Development Corporation (“ESDC” or the “Corporation”) is public benefit corporation that serves as the premier economic development organization in the State of New York (the “State”). The Corporation issues bonds to fund programs and projects that promote its mission and issues State Personal Income Tax (“PIT”) Revenue Bonds to support capital programs of the State. We invite you to learn more about the State PIT Revenue Bond program and the Corporation in this resource.

### About the Corporation

- The Corporation was originally created to facilitate the development of affordable housing for low, moderate and middle income persons and families. Today, the Corporation has redirected its efforts to promote economic development at the local and State-wide levels, with the goal of creating and retaining jobs, particularly in economically distressed areas throughout the State. The Corporation, on behalf of the State, undertakes projects which would not be financially or organizationally feasible for the private sector alone. The State legislature has provided the Corporation with statutory powers, including the powers to condemn real property, invest in property at below-market rates, issue bonds, and offer tax benefits to developers. The Corporation also provides financial assistance through grants, low cost project financing, and technical assistance in management, finance and project design.

### The Corporation and the State PIT Revenue Bond Program

- Part I of Chapter 383 of the Laws of New York of 2001, as amended, (the “Act”) is the enabling legislation for the State PIT Revenue Bonds program, a class of State supported debt issued by the Corporation, doing business as the New York State Urban Development Corporation, and other authorities in the State to support the State’s capital program. The Act provides for the issuance of, and source of payment for, State PIT Revenue Bonds by establishing the State’s Revenue Bond Tax Fund (the “Fund”) held separate and apart from all other monies in the State in the joint custody of the Commissioner of Taxation and Finance and the Comptroller of the State. Authorized issuers of State PIT Revenue Bonds have adopted one or more resolutions and have executed financing agreements with the Director of the State’s Division of the Budget (“Financing Agreement”) pursuant to the Act prior to issuing State PIT Revenue Bonds. As of November 1, 2010, there are approximately \$20.74 billion State PIT Revenue Bonds outstanding which were issued to help finance economic development and State facilities projects by ESDC and the other public authorities in the State.

### Overview of PIT Bonds Revenue Stream

- State PIT Revenue Bonds are special obligations secured by a pledge of the payments made pursuant to the Financing Agreement entered into by the authorized issuer and the State’s Director of the Budget. The Act provides that 25 percent of the receipts from the State personal income tax (excluding refunds owed to taxpayers) shall be deposited in the Fund. The State Comptroller is required by the Act to deposit in the Fund all the receipts collected from payroll withholding taxes until an amount equal to 25 percent of the estimated monthly State PIT receipts has been deposited in the Fund. Financing Agreement payments are to equal amounts necessary to pay the debt service and other cash requirements on all State PIT Revenue Bonds. All payments required by Financing Agreements are executory only to the extent revenues are available in the Revenue Bond Tax Fund. The obligation of the State to make Financing Agreement payments is subject to the State legislature making annual appropriations for such purpose and does not constitute a debt of the State, nor a contractual obligation in excess of the amounts appropriated therefor. The Act provides that receipts in the Fund which have been set aside to pay when due Financing Agreement payments shall remain in the Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until they are appropriated and used to make Financing Agreement payments.

### State PIT Revenue Bonds Invest in Projects for Communities Across the State

- State PIT Revenue Bonds are the primary financing vehicle for a broad range of existing or new State-supported programs and projects. State PIT Revenue Bonds support capital projects and programs related to the following purposes: Education, Economic Development, Housing, Environment, State Facilities and Equipment, Transportation, and Health Care.

### Resources & Links

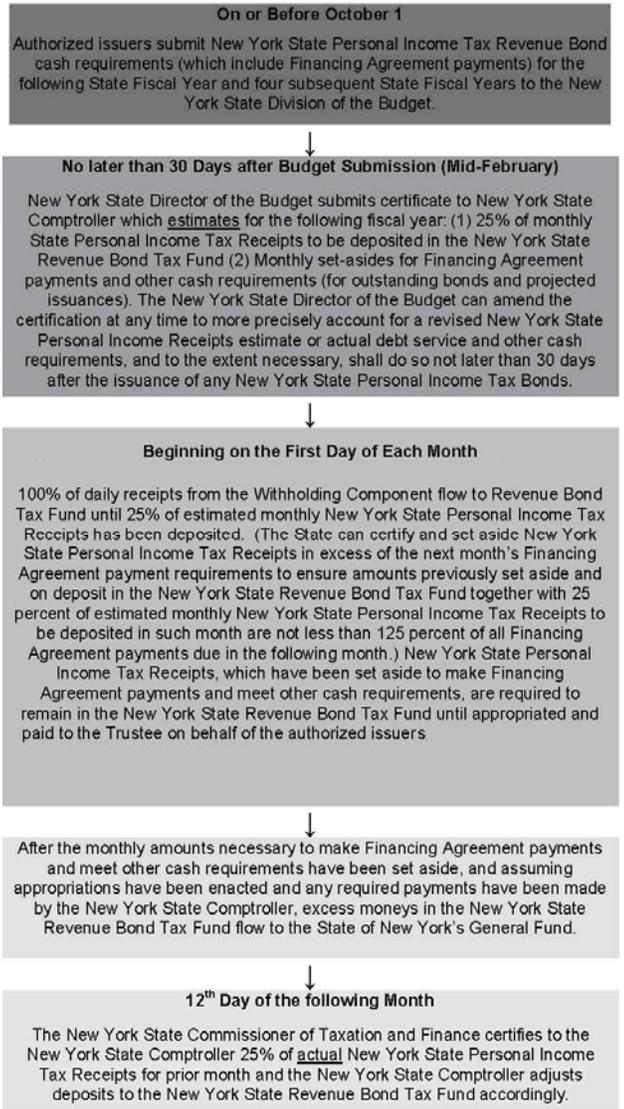
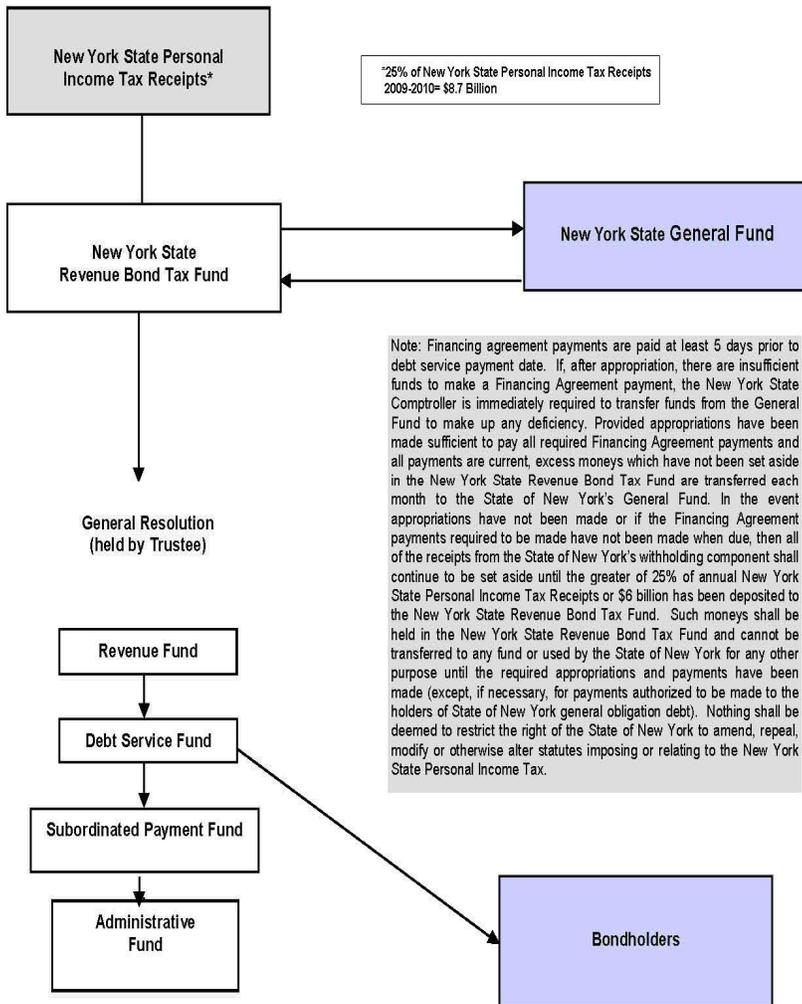
- [ESDC Website](#)
- [ESDC Corporate Information](#)
- [State Division of the Budget Investor Information\\*](#)
- [State PIT Revenue Bond Estimated Debt Service Costs\\*](#)
- [Statutory Framework for the State PIT Revenue Bonds\\*](#)
- [State Annual Information Statement\\*](#)
- [State PIT Revenue Bonds Projected Debt Service Coverage Ratios\\*](#)

### Participating in ESDC PIT Revenue Bond Issues

- Investors interested in purchasing the Corporation’s Bonds must buy bonds through a registered broker/dealer. Investors should review the [preliminary official statement](#) prior to investing in any PIT Revenue Bonds financing.

**New York State Personal Income Tax Supported Revenue Bonds Simplified Flow of Funds**

**Flow of New York State Revenue Bond Tax Fund Receipts**



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Investors interested in participating in the Corporation's securities should review the [preliminary official statement](#) relating to the securities to learn about the Corporation and the particular offering before investing. The information in the [preliminary official statement](#) is not complete and may be changed. The [preliminary official statement](#) is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

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