

QUESTIONS AND RESPONSES

BELOW ARE QUESTIONS AND RESPONSES RELATED TO THE REQUEST FOR PROPOSAL TO SERVE EMPIRE STATE DEVELOPMENT AS ARBITRAGE COMPLIANCE CONSULTANT.

Certain questions were modified to delete the name of the firm asking the question and other details if not pertinent to the answer:

Question (s):

- How are calculations currently being performed – internally or externally? If externally, please advise the name of the vendor being used.
- Who is currently providing arbitrage rebate calculations?

Response:

- They are being performed externally. The current provider is an established national firm in the industry.

Question (s):

- Does the ESD use the same trustee on all issues?

Response:

- No, but the majority of issues are currently with one trustee

Question (s):

- What date does the ESD use as a calculation date – anniversary of the issue date, elected bond year, fiscal year end?

Response:

- In most cases we use the issue date and five year reports are prepared

Question (s):

- Will data be transmitted electronically or hard copy?

Response:

- Statements from the Trustee could be electronic or hard copy. Initial bond documents can be electronic for most issues after 2005

Question (s):

- Please provide us with a listing of the issues for which services are being requested. Included with the listing, please advise the following:

- Date of most recent rebate report for each issue;
- Indicate which issues have a rebate liability;
- Which issues have transferred proceeds;
- Which issues have unspent proceeds;
- Which issues have Debt Service Reserve Funds;
- Are any of the bond proceeds commingled;
- Which issues are variable rate;

- When was the last arbitrage rebate calculation performed for each of the outstanding issues?

- How many bond issues are variable rate and fixed rate issues and of the variable rate issues, how many have swaps?

Response:

- A listing of outstanding bond issues for ESD can be found on our website (please see RFP Part 2). ESD currently has only two variable rate issues: PIT 2004 A3 (sub-series A, B, C, D) and Service Contract 2008 A1 & A5 (for related swaps please see below question). Other points listed in the above questions pertaining to various details on our entire bond portfolio will not be discussed as part of this RFP process.

Question (s):

-ESD currently has 5 swaps outstanding. Please indicate the issues related to these swaps and whether they are integrated.

Response:

-The five swaps are related to: PIT 2004 A3 (sub-series A, B, D) and Service Contract 2008 A1 & A5.
All five swaps are integrated.

Question (s):

-We do not provide tax opinions by qualified counsel unless specifically requested to do so. We do provide a letter with each report wherein we state, "In our opinion.....". Will this letter satisfy the ESD's requirement of a qualified party?

Response:

-Per Section 3.11 of the RFP, ESD will require "...A tax opinion...with each rebate calculation performed (it can be issued by in-house tax counsel or obtained from an outside tax expert who must be identified in advance)." There will not be exceptions to this requirement.

Question (s):

-"A tax opinion is required with each rebate calculation performed" ... does this mean annual as well as IRS anniversary date?

Response:

-It means with each report that is prepared.

Question (s):

-Does ESD have separate trustee statements for each fund and account with respect to all of its bond issues?

Response:

-Trustees do maintain separate account statements with respect to all of our bond issues.