

**PLEASE NOTE - We welcome public comment on the items on the following agenda. To ensure maximum opportunity for participation, speakers representing themselves may speak for up to 2 minutes each, and those representing groups may speak for up to 4 minutes (1 speaker per group). Speakers' comments may address only items considered at today's meeting. Materials relating to matters that are scheduled for discussion in open session will be available at the meeting and will be posted on ESD's website prior to the meeting in accordance with the Public Officers Law**

## **BOND FINANCE COMMITTEE MEETING**

at the offices of the  
New York State Urban Development Corporation  
d/b/a Empire State Development Corporation  
633 Third Avenue  
New York, N.Y. 10017

Monday

December 9, 2013 – 3:30 p.m.

### **PROPOSED AGENDA**

#### **I. FOR CONSIDERATION**

- A. Approval of the Minutes of the August 21, 2013 and September 9, 2013 Committee Meetings
- B. New York State Urban Development Corporation State Personal Income Tax Revenue Bonds (General Purpose), Series 2013 E and Series 2013 F (Federally Taxable) (collectively, the "Series 2013 Bonds") - Final Committee Authorization to Perform Certain Acts in Connection with the Sale and Delivery of the Corporation's Series 2013 Bonds and to Take Related Actions

**DRAFT SUBJECT TO REVIEW AND REVISION**

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

**BOND FINANCE COMMITTEE MEETING  
August 21, 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:** Kenneth Adams  
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 10:25am.

Ms. Walton explained that the purpose for the meeting was to request that the committee authorize ESD to submit an application to the Public Authorities Control Board in connection with the proposed issuance of State Personal Income Tax Revenue Bonds, and to approve the appointment of bond counsel and a financial advisor.

Ms. Walton further explained 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, ESD 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 has determined that two entities (the Dormitory Authority and ESD) will issue State-supported

debt going forward in the interest of efficiency. The bonds will be issued as a fixed-rate debt in an amount not to exceed \$1.402 billion.

Ms. Walton also asked committee members to approve the appointment of Squire Sanders LLP and D. Seaton and Associates as bond counsel for the transaction. Squire Sanders LLP was recently appointed to the Corporation's pre-approved list of counsel, and D. Seaton and Associates is a certified MWBE that has served as co-counsel with Squire Sanders LLP on multiple transactions.

Finally, Ms. Walton asked committee members to approve the appointment of PRAG to serve as financial advisor on the transaction. Because it is anticipated that the transaction will be competitively sold, a financial advisor is needed to assist the appropriation in structuring the transaction. PRAG was selected through an RFP process sent to firms on the Corporation's pre-approved list.

A discussion followed regarding the purposes for which the bonds will be issued, the issuance of State-supported bonds by two entities (instead of five), the funding sources for such bonds, and the role of the Department of Transportation to certify that expenses reimbursed with bond proceeds are in accordance with the bond documents prior to the Trustee making payments. Mr. Adams also pointed out that issuing these bonds benefits the Corporation, as bond fees constitute revenue and their issuance plays a role in economic development.

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 10:45am.

**DRAFT SUBJECT TO REVIEW AND REVISION**

**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.

# Empire State Development

## FOR CONSIDERATION

December 9, 2013

TO: Bond Financing Committee

FROM: Frances A. Walton

SUBJECT: New York State Urban Development Corporation State Personal Income Tax Revenue Bonds (General Purpose), Series 2013E and Series 2013F (Federally Taxable) (collectively, the "Series 2013 Bonds")

REQUEST FOR: Final Committee Authorization to Perform Certain Acts in Connection with the Sale and Delivery of the Corporation's Series 2013 Bonds and to Take Related Actions

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### Introduction

The Bond Financing Committee of the New York State Urban Development Corporation (the "Corporation") is being asked to approve the forms of the supplemental resolution, preliminary official statement and official statement, notices of sale, supplemental schedule to financing agreement and related documents in connection with the proposed sale and delivery of the Corporation's State Personal Income Tax Revenue Bonds (General Purpose), Series 2013E and State Personal Income Tax Revenue Bonds (General Purpose), Series 2013F (Federally Taxable) (collectively, the "Series 2013 Bonds") and the delegation to certain officers and employees of the Corporation of the power to determine the terms and conditions of the proposed sale of the Series 2013 Bonds, to sell the Series 2013E Bonds on a negotiated basis pursuant to a contract of sale, and to award the Series 2013F Bonds to the successful bidder in a public, competitive sale.

### Background

The Series 2013 Bonds will be issued by the Corporation pursuant to the Revenue Bond Financing Program. Bonds issued pursuant to the Revenue Bond Financing Program are secured by a pledge of financing agreement payments payable from amounts legally required to be deposited into the Revenue Bond Tax Fund. The Revenue Bond Tax Fund receives a statutory allocation of 25% of New York personal income tax receipts and distributions of such funds are subject to annual appropriations by the State Legislature.

The Corporation now wishes to sell the Series 2013 Bonds. The Series 2013 Bonds will be issued by the Corporation under the "New York State Urban Development Corporation State Personal Income Tax Revenue Bonds (General Purpose) General Bond Resolution" adopted on November 16, 2009 (the "General Resolution") and the "New York State Urban Development Corporation Supplemental Resolution Authorizing State Personal Income Tax Revenue Bonds (General Purpose), Series 2013E and Series 2013F (Federally Taxable)" (the "Supplemental Resolution"). The General Resolution includes the "State Personal Income Tax Revenue Bonds Standard Resolution Provisions" and authorizes the issuance of Bonds pursuant to a Supplemental Resolution. The Bond Finance Committee is being asked to adopt the Supplemental Resolution.

The Bond Financing Committee previously approved a Master Disclosure Agreement which also will apply to the Series 2013 Bonds.

The Bond Financing Committee previously approved the appointment of bond counsel, the appointment of a financial advisor and the submission of an application to the Public Authorities Control Board ("PACB") to request authorization to fund the projects or programs for which the Series 2013 Bonds will be issued. The PACB approved such application on November 20, 2013.

#### Series 2013 Bonds

The Series 2013 Bonds will include two separate series of bonds, each issued pursuant to the General Resolution and the Supplemental Resolution. The Series 2013E Bonds will be issued as fixed rate tax-exempt bonds. The Series 2013F Bonds will be issued as fixed rate taxable bonds.

The Series 2013 Bonds will be offered pursuant to one preliminary official statement. Each of the Series 2013E Bonds and Series 2013F Bonds are expected to be sold pursuant to separate notices of sale. The closing of one series of the Series 2013 Bonds is not conditioned on the sale of the other Series of the Series 2013 Bonds.

Pursuant to a Financing Agreement between the Corporation and the State, the State agrees to pay to the Corporation, subject to appropriation, in accordance with Article 5-C of the State Finance Law, amounts sufficient to pay the debt service on the Bonds. In connection with the issuance of the Series 2013 Bonds, you are being asked to approve a Supplemental Schedule to the Financing Agreement (the "Supplemental Schedule") that will describe the Series 2013 Bonds.

The Series 2013 Bonds are being issued to finance projects relating to State facilities, economic development activities and certain other State-supported activities. The State programs and the authority for their funding are more fully listed in the Supplemental Resolution. Proceeds from the Series 2013 Bonds will also be used to finance the cost of issuance of the Series 2013 Bonds.

## Requested Action

In accordance with the attached resolution (the "Financing Committee Resolution"), you are hereby requested to adopt the Supplemental Resolution, approve the form of the Supplemental Schedule, authorize the sale of each Series of the Series 2013 Bonds on a public, competitive basis pursuant to the applicable notice of sale, approve the form and content of the preliminary official statement and official statement and various documents connected with the sale and delivery of the Series 2013 Bonds, and authorize certain officers and employees of the Corporation to take all actions deemed necessary to accomplish the final sale and delivery of the Series 2013 Bonds.

Please note that by approving the Financing Committee Resolution you will be:

- (a) establishing an aggregate maximum par amount of Series 2013 Bonds that may be issued;
- (b) establishing the maximum true interest cost for each series of the Series 2013 Bonds; and
- (c) delegating to certain officers and employees the power to (i) determine the terms of the Series 2013 Bonds within the parameters set forth therein, including, but not limited to, the final aggregate principal amount of the Series 2013 Bonds, the principal amount of each series of the Series 2013 Bonds, the principal amount of the Series 2013 Bonds maturing in each year, the final maturity date(s) for such Series 2013 Bonds and the interest rates to be borne by the Series 2013 Bonds, and (ii) make such changes to the related documents as he or she deems necessary and appropriate.

## Enclosures

Bond Financing Committee Resolution with the following exhibits:

- Exhibit A Supplemental Resolution for the Series 2013 Bonds
- Exhibit B Supplemental Schedule to Financing Agreement for the Series 2013 Bonds
- Exhibit C Preliminary Official Statement for Series 2013 Bonds
- Exhibit D-1 Notice of Sale for the Series 2013E Bonds
- Exhibit D-2 Notice of Sale for the Series 2013F Bonds