

**FINAL OFFICIAL STATEMENT DATED DECEMBER 12, 2018**

**BOND ANTICIPATION NOTES**  
**RENEWAL ISSUES**

**S&P GLOBAL RATINGS: "SP-1+"**

*In the opinion of Barclay Damon LLP, Bond Counsel to the Authority, under existing statutes, regulations, rulings and court decisions and assuming continuing compliance with the covenants described herein and the accuracy of certain representations by the Authority (and its successors), interest on the 2018A Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that interest on the 2018A Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed under the Code; provided, however, interest on the 2018A Notes will be included in the calculation of adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018. Bond Counsel is also of the opinion that interest on the 2018B Notes is included in gross income for federal income tax purposes under the Code. Bond Counsel is further of the opinion that, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). See "PART 12 - TAX MATTERS - 2018A NOTES" and "PART 13 - TAX MATTERS - 2018B NOTES" herein regarding certain other tax considerations.*

*The 2018A Notes will be designated as or deemed designated as "qualified tax exempt obligations" pursuant to Section 265(b)(3) of the Code.*

**\$7,990,000**

**SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY**

**\$6,280,000 Bond Anticipation Notes, 2018A**  
**At an Interest Rate of 4.00% to Yield 2.15%**  
**CUSIP #80647N EV8**

**and**

**\$1,710,000 Bond Anticipation Notes, 2018B (Federally Taxable)**  
**At an Interest Rate of 4.00% to Yield 3.15%**  
**CUSIP #80647N EW6**

**Dated: December 27, 2018**

**Due: December 27, 2019**

The Schenectady Metroplex Development Authority \$6,280,000 Bond Anticipation Notes, 2018A (the "2018A Notes") and \$1,710,000 Bond Anticipation Notes, 2018B (Federally Taxable) (the "2018B Notes," and collectively with the 2018A Notes, the "Notes") are special and limited obligations of the Schenectady Metroplex Development Authority ("Metroplex" or the "Authority").

The Notes are issued pursuant to the provisions of Title 28-B of Article 8 of the Public Authorities Law of the State of New York, a general bond resolution adopted by the members of the Board of the Authority on December 12, 2001 (the "General Resolution") and the applicable Supplemental Resolution adopted by the members of the Board of the Authority on November 8, 2017 (the "Thirteenth Supplemental Resolution" and the "Fourteenth Supplemental Resolution", and, collectively with the General Resolution, the "Resolutions").

The 2018A Notes are being issued to repay the principal balance of the Authority's \$6,340,000 Bond Anticipation Notes, 2017A (the "2017A Notes") and the 2018B Notes are being issued to repay the principal balance of the Authority's \$1,705,000 Bond Anticipation Notes, 2017B (the "2017B Notes" and, collectively with the 2017A Notes, the "2017 Notes"). The 2017 Notes were issued to finance certain development projects within the Authority's Service District. (See "PART 2 – PURPOSE").

The Notes are not subject to redemption prior to maturity.

The Notes will be issued as registered notes and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the Notes purchased.

The principal and interest of the Notes are payable directly to DTC by Manufacturers and Traders Trust Company, as trustee (the "Trustee"). DTC will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Notes, as described herein.

The Notes are offered when, as and if issued and received by the Underwriter and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Barclay Damon LLP, Bond Counsel, Albany, New York. Certain legal matters will be passed on for the Underwriter by its counsel, Bond, Schoeneck, & King, PLLC, Syracuse, New York. Certain legal matters will be passed on for the Authority by its counsel, Whiteman Osterman & Hanna LLP, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey or as may be agreed upon on or about December 27, 2018.

THE NOTES ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY. THE NOTES DO NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK, THE COUNTY OF SCHENECTADY, NEW YORK OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF NEW YORK, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, THE COUNTY OF SCHENECTADY, NEW YORK OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF NEW YORK IS PLEDGED TO THE PAYMENT OF THE NOTES. THE AUTHORITY HAS NO TAXING POWER.



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No person has been authorized by the Schenectady Metroplex Development Authority to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Schenectady Metroplex Development Authority.

The Underwriter has provided the following sentence for inclusion in this Official Statement. "The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities law, but the Underwriter does not guaranty the accuracy or completeness of such information."

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**OFFICIAL STATEMENT**  
**RELATING TO**  
**SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY**  
**\$6,280,000 Bond Anticipation Notes, 2018A**  
**and**  
**\$1,710,000 Bond Anticipation Notes, 2018B (Federally Taxable)**

**PART 1 – INTRODUCTION**

This Official Statement, including the cover page and appendices, sets forth certain information in connection with the issuance by the Schenectady Metroplex Development Authority (“Metroplex” or the “Authority”) of its Bond Anticipation Notes, 2018A (the “2018A Notes”) in the aggregate principal amount of \$6,280,000 and Bond Anticipation Notes, 2018B (Federally Taxable) (the “2018B Notes” and, collectively, with the 2018A Notes, the “Notes”) in the aggregate principal amount of \$1,710,000.

The Authority is a body corporate and politic of the State of New York (the “State”) constituting a public benefit corporation. The Notes are authorized to be issued pursuant to Section 2655 of Title 28-B of Article 8 of the Public Authorities Law of the State, as amended from time to time (the “Act”), the General Bond Resolution adopted by the members of the Authority on December 12, 2001 (the “General Resolution”) and the applicable Supplemental Resolution adopted by the members of the Board of the Authority on November 8, 2017 (the “Thirteenth Supplemental Resolution” and the “Fourteenth Supplemental Resolution”, and, collectively with the General Resolution, the “Resolutions”). Under the Act, the Authority is authorized to issue bonds (the “Bonds”) and notes in an amount not to exceed \$100 million subject to certain exceptions for refundings. Summaries of the Resolutions are included in APPENDIX - D.

Sources available to pay debt service on the Notes, which are special and limited obligations of the Authority, include (1) the proceeds of any renewals of such Notes issued to repay such Notes, (2) the proceeds of the sale of the Series of Bonds in anticipation of which the Notes are being issued, (3) any amounts provided by the Authority expressly for payment of such Notes, (4) the proceeds of such Notes deposited in any Fund or account under the Resolutions, or (5) with respect to interest on the Notes, all or any Revenues. See “PART 5 – PAYMENT OF AND SECURITY FOR THE NOTES.” The Notes are not obligations of either the State of New York (the “State”) or the County of Schenectady (the “County”).

Capitalized terms used herein but not otherwise defined shall have the meaning set forth in APPENDIX – C.

**PART 2 – PURPOSE**

**2018A Notes**

The proceeds of the 2018A Notes will be used to repay the principal balance of the Authority’s \$6,340,000 Bond Anticipation Notes, 2017A (the “2017A Notes”). The 2017A Notes were issued to finance a certain development project within the Authority’s service district consisting of the following components (i) the acquisition of nine (9) vacant or underutilized buildings and the conversion, rehabilitation, redevelopment and adaptive reuse thereof for retail, commercial and residential uses located on lower State Street, Mill Lane and South Church Street in the City of Schenectady (the “City”), including site preparation for the purpose of transforming the area into a retail corridor with the focus on locally sourced and crafted products; (ii) the extension of sanitary sewer service to residential and commercial areas proximate to Route 7 and Route 20 in the Town of Duanesburg; (iii) the redevelopment and expansion of the vacant, former Annie Schaffer Senior Citizens Center located at 101 Nott Terrace in the City and the conversion to market-rate apartments, on-site parking, construction of an additional floor to the building and façade makeover; (iv) the renovation of an existing 120,000 square foot facility located at 93 West Campbell Road in the Town of Rotterdam (the “Town”) for purposes of converting a vacant retail store into a new office complex providing significant economic and social benefits; (v) reconstruction and expansion of the existing City-owned park on lower State Street in the City, including the abandonment of Water Street and its rights-of-way, demolition of existing vacant structures and the addition of green space; (vi) replacement of sidewalks, curbs, streetlights and the addition of amenities along the north side of State Street between South Church Street and Washington Avenue in the City, including, but not limited to, sidewalks, curbs, handicap ramps, pavers, plantings, furnishings, and other elements; (vii) design and construction of a 1.3 mile, multi-use trail along the south shore of the Mohawk River providing waterfront access from the Stockade neighborhood through Mohawk Harbor where it connects with the Mohawk-Hudson hike/bike trail at Maxon Road; (viii) restoration, repair and historic preservation of three interconnected buildings located at 510 State Street, 512 State Street and 204 Lafayette Street in the City and their adaptive reuse as restaurants, office space and residential units, plus façade facelifts; (ix) eligible activities associated with the Restore NY Communities Initiative to be used to improve five (5) or more commercial sites and buildings and the removal of hazardous materials and/or demolition and/or rehabilitation of ten (10) or more residential properties in the City; and (x) renovation of the third floor of the former Carl Company building located at 430 State Street as a multi-use theatrical educational facility.

## 2018B Notes

The proceeds of the 2018B Notes will be used to repay the principal balance of the Authority's \$1,705,000 Bond Anticipation Notes, 2017B (the "2017B Notes"). The 2017B Notes were issued to finance a certain development project within the Authority's service district consisting of the following components (i) upgrades and repairs to Metroplex-owned or controlled parking facilities, including, but not limited to, patching, paving, resurfacing, restriping, landscaping, lighting improvements, fencing, signage, property acquisition and related oversight costs; and (ii) acquisition of certain surplus federal land at the Scotia Naval Depot from the General Services Administration.

### No Optional Redemption

The Notes are not subject to redemption prior to maturity.

## PART 3 – BOOK ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. As such, the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each of the 2018A Notes and 2018B Notes, as the case may be, bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 as amended. DTC holds and provides asset servicing for over 3.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

THE AUTHORITY AND THE UNDERWRITER WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE NOTES; (C) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEHOLDERS, (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE NOTES; OR (E) THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE NOTES.

#### **PART 4 - CERTIFICATED NOTES**

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the Authority and discharging its responsibilities with respect thereto under applicable law, or the Authority may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the Authority. The Notes will remain not subject to redemption prior to their stated final maturity date.

#### **PART 5 – PAYMENT OF AND SECURITY FOR THE NOTES**

##### **Sources of Payment**

The principal of and interest on the Notes and any renewals of such Notes shall be payable from any or all of the following sources: (1) the proceeds of any renewals of such Notes issued to repay such Notes, (2) the proceeds of the sale of the Series of Bonds in anticipation of which the Notes are being issued, (3) any amounts provided by the Authority expressly for payment of such Notes, (4) the proceeds of such Notes deposited in any Fund or account under the Resolutions, or (5) with respect to interest on the Notes, all or any Revenues.

Interest on the Notes and any Bonds issued by the Authority to repay the principal of the Notes at their maturity will be general obligations of the Authority payable solely from the "Pledged Property" and such other funds of the Authority as the Authority may designate or contribute for the purpose of making payments on Parity Debt. The lien established under the General Resolution applies to, and was made for, the equal and proportionate benefit of holders of Parity Debt. Parity Debt includes interest due on the Notes.

The Authority plans to issue either Bonds or renewal notes to redeem the Notes at maturity. Factors which could affect the ability of the Authority to issue such Bonds or renewal notes include the Authority's financial condition, conditions prevailing in the bond market or changes in law. No assurances can be given that the Authority will be able to issue Bonds or renewal notes to provide for payment of the Notes at maturity.

The Pledged Property includes all of the Authority's right, title and interest in and to the Revenues and Funds (other than the Excess Revenues, the Rebate Fund, and with respect to any Variable Interest Rate Bonds or Parity Debt, the Debt Service Reserve Fund and with respect to any Bonds secured by the Debt Service Reserve Fund, any debt service reserve fund established in connection with Variable Interest Rate Bonds or Parity Debt), including Investment Securities held in any Fund under the General Resolution, together with all proceeds and revenues of the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of the General Resolution.

Revenues include all payments to the Authority of sales and compensating use pursuant to Section 2661(9) of the Act, any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of Parity Debt, and interest received or to be received on moneys or securities held pursuant to the Resolutions. The Act provides that one-half of one percent (0.5%) of the 4.00% sales and compensating use taxes received by the County will be deposited in the Schenectady Metroplex Development Support Fund (the "Support Fund") held in the custody of the County.

The amounts required to be paid by the County to the Authority pursuant to Section 2661(9) of the Act are required to be paid to the Authority from the Support Fund. The County makes payments from the Support Fund to the Authority quarterly as and to the extent required pursuant to Section 2661(9) of the Act.

The Authority's share, as described in Section 2661(9) of the Act, of the net collections, as such term is defined in Section 1262 of the Tax Law of the State, from sales and compensating taxes imposed by the County pursuant to the authority of Section 1210-C or 1210 of the Tax Law, as amended, or any successor law thereto is referred to herein as the "Sales Tax".

#### **Quarterly Payments to the Authority**

Seventy percent (70%) of the Sales Tax that is deposited in the Support Fund held in the custody of the County is required by the Act to be paid by the County to the Authority quarterly on or about the 15th day of the second month of each quarter. The Authority has assigned the right to receive these payments to the Trustee pursuant to the terms of the General Resolution. The balance (30%) of the Sales Tax that is deposited in the Support Fund is transferred to the County Real Property Tax Abatement and Economic Development Fund; the Authority has no claims to the amounts transferred to the County Real Property Tax Abatement and Economic Development Fund. See "– Flow of Funds".

The Authority has a limited obligation to return a portion of its sales tax revenues in the event such revenues exceed statutorily prescribed limits, which are a function of Authority's current liabilities, reserve fund requirements and anticipated project funding requirements.

#### **Certain Factors Relating to Moneys and Powers of the Authority and the County**

The owners of the Notes shall not have any lien on Sales Tax with respect to the principal of the Notes at any time. The owners of Parity Debt (which includes interest on the Notes) shall not have any lien on Sales Tax unless and until the moneys derived therefrom are paid by the County to the Trustee pursuant to Section 2661(9) of the Act and the terms of the General Resolution. The owners of the Notes and any Parity Debt do not have any lien on the Rebate Fund and any amount of Sales Tax remaining after debt service payments have been made, which excess is paid to the Authority for deposit in its general fund to be expended by the Authority in its sole and absolute discretion, free and clear of the lien and pledge created under the General Resolution. No liability on account thereof will be incurred by the County beyond the moneys available from such sources.

The Authority is a public benefit corporation of the State and not of the County. The Authority has no taxing power. The Notes do not constitute an enforceable obligation or a debt of either the State or the County, and neither the State nor the County is liable thereon. Neither the faith and credit nor the taxing power of the State or the County is pledged to the payment of principal of or interest on the Notes.

## **Debt Service Reserve Fund**

The Notes will not be secured by the Debt Service Reserve Fund, which is funded pursuant to the General Resolution to secure Outstanding Bonds of the Authority.

The General Resolution requires the Debt Service Reserve Fund to be funded at a level not less than the Debt Service Reserve Fund Requirement. The Debt Service Reserve Fund Requirement, as of any date of calculation, is an amount equal to one-half of the maximum annual debt service due on all Outstanding Bonds other than Variable Interest Rate Bonds and Bonds not secured by the Debt Service Reserve Fund. The Notes do not constitute Outstanding Bonds of the Authority.

Moneys in the Debt Service Reserve Fund may not be withdrawn if such withdrawal would reduce the amount on deposit in the Debt Service Reserve Fund to less than the Debt Service Reserve Fund Requirement, except for the purpose of paying debt service on the Bonds if and to the extent there exists a deficiency in the Debt Service Fund.

Variable Interest Rate Bonds are not secured by the Debt Service Reserve Fund, but may be secured by a separate debt service reserve fund established pursuant to the supplemental resolution authorizing the issuance of Variable Interest Rate Bonds.

## **Flow of Funds**

Under the General Resolution, all Revenues of the Authority are deposited into the Revenue Fund (held by the Trustee). Revenues transferred to the Trustee from the Support Fund are required to be applied to the funds and accounts established under the General Resolution on or before the times and in the amounts specified in the General Resolution. If the amount of Revenues transferred to the Trustee, together with other amounts deposited in the Revenue Fund, is less than the amounts required to be applied under the General Resolution, the amounts on deposit in the Revenue Fund are required to be applied, *first*, to the Debt Service Fund (held by the Trustee), *second*, to funds established in connection with Parity Debt, *third*, to the Subordinated Indebtedness Fund (held by the Trustee), and *fourth*, to the Rebate Fund (held by the Authority). The General Resolution further provides that (i) no moneys may be deposited into the Subordinated Indebtedness Fund unless the Chairperson of the Authority makes a determination in writing that upon such deposit, amounts to be derived from Revenues are expected to be sufficient to meet all requirements through the next succeeding January 15 of the Debt Service Fund, the Debt Service Reserve Fund and any debt service reserve fund established in connection with Variable Interest Rate Bonds and any Parity Debt, and (ii) if and to the extent the Chairperson of the Authority does not make such determination, such moneys must be deposited into the Debt Service Fund.

If the Revenues on deposit in the Revenue Fund on the first day of the second month of each Calendar Quarter (the "Deposit Date") are greater than the amounts required to be deposited in each of the above referenced Funds pursuant to the General Resolution, such excess (the "Excess Revenues") will be paid to the Authority for deposit in its general fund, to be expended by the Authority in its sole and absolute discretion, free and clear of the pledge and lien created by the General Resolution.

## **Sales and Use Tax and Collection**

Under the State Tax Law, the State collects sales and compensating use taxes on behalf of cities and counties and distributes the proceeds to such localities on a monthly basis. State Tax Law authorizes the County, acting through the County Legislature, to adopt local laws, ordinances or resolutions imposing the following sales and compensating use taxes to a maximum of 3.50% (the "Regular Sales Tax"). In addition, State Tax Law also grants the County the statutory authority to impose an additional sales and compensating use tax up to a maximum of 0.50% (the "Additional Sales Tax" and collectively with the Regular Sales Tax, the "County Sales Tax"). Such authority to impose the Additional Sales Tax continues through August 31, 2038. The Act requires that the County deposit quarterly the Additional Sales Tax into the Support Fund and, in the event that the County does not impose the Additional Sales Tax, the Act requires that the County deposit quarterly 0.50% of its Regular Sales Tax into the Support Fund. The Act further requires the County to transfer quarterly to the Authority 70% of the amounts deposited to the Support Fund. The balance of the amounts deposited to the Support Fund are transferred by the County to the County Real Property Tax Abatement and Economic Development Fund.

The County began imposing the Additional Sales Tax on September 1, 1998 and has imposed the Regular Sales Tax since at least March 1, 1989.

The State has no obligation to continue to authorize the imposition of the sales and compensating use tax nor is it obligated to maintain the existence of the Support Fund if the County no longer collects a sales and compensating use tax. The County has no obligation to continue to impose a sales and compensating use tax.

The following table sets forth the County Sales Tax collected by the County and the Sales Tax received by the Authority for the last ten fiscal years and the budgeted amounts for 2018 and 2019:

<u>Fiscal Year Ending December 31</u>	<u>County Sales Tax</u>	<u>70% of 0.50% Received by the Authority</u>
2008	\$ 82,654,851	\$ 7,502,018
2009	80,265,366	7,042,417
2010	82,304,702	7,228,855
2011	88,832,798	7,800,626
2012	90,985,636	8,013,075
2013	90,764,792	7,857,943
2014	94,464,344	8,308,746
2015	94,232,862	8,242,669
2016	94,380,994	8,268,508
2017	101,567,424	8,891,405
2018 (Budget)	99,812,000	8,800,000
2019 (Budget)	99,812,000	8,800,000

SOURCE: Annual Reports of the County.

### **PART 6 – THE AUTHORITY**

The Authority is a public benefit corporation created pursuant to Article 8, Title 28-B of the New York Public Authorities Law, as amended. The Authority was created to pursue a comprehensive, coordinated program of economic development activities in the Route 5 and Route 7 corridors of Schenectady County, New York, with special emphasis on the downtown region of the City of Schenectady, New York.

In creating the Authority, the State Legislature determined that its establishment was necessary to provide, within the Authority’s statutorily described service district (the “Service District”), for the economic prosperity, health, safety and general welfare of the people of the State, through the construction, development, location and operation of infrastructure improvements and new facilities to redevelop an area characterized by deteriorated industrial and commercial structures, uncoordinated and incompatible commercial uses, inadequate public facilities and substandard economic conditions. The Legislature declared the Authority to be performing an essential governmental function. Accordingly, the property, income and operations of the Authority are exempt from taxation, assessments, special assessments, fees, and special ad valorem levies or assessments of any kind, whether state or local, upon or with respect to any property owned by the Authority, or under its jurisdiction, control or supervision, or upon the uses thereof. Any fares, tolls, rentals, rates, charges, fees revenues or other income by the Authority are likewise exempt from taxation.

The Authority is governed by a board of eleven members (the “Board”), all of whom are residents of the County, each of whom is appointed by majority vote of the County Legislature. Two of the Board members are nominated by the City of Schenectady - each upon the recommendation of the Mayor and the City Council; one member is nominated by each of three different townships within the County; one member is nominated upon the joint recommendation of the supervisors of two townships in the County; one member is nominated by the minority leader of the Schenectady County Legislature; two members are nominated by the chairman of the County Legislature; and two members are nominated by joint recommendation of the County Legislature. The Board conducts regular monthly meetings that are open to the public pursuant to Article 7 of the New York Public Officers Law, which is New York’s version of an “open meetings” law.

The Authority’s general purposes are to design, develop, plan, finance, create, site, construct, renovate, administer, operate, manage and/or maintain buildings, parks, structures, and other facilities within its service district including, without limitation, industrial, manufacturing, entertainment and infrastructure facilities, and business, commercial, retail and government office buildings or space. To carry out its corporate purposes, the Authority is vested with and has broad powers, including the authority to borrow money, issue bonds, and enter into contracts and leases.

In 2016, the New York State Legislature increased the Authority’s bond cap to \$100,000,000 and extended the sunset provision of the Act to August 31, 2038.



**Sales and Use Tax**

The Authority is statutorily entitled to receive, for the period beginning September 1, 1998 and ending August 31, 2038, seventy percent (70%) of one half of one percent (0.5%) of the 4.00% sales and compensating use tax levied by Schenectady County. Such amounts received by the Authority may be used to support all of its statutorily authorized purposes and powers. The Authority has a limited obligation to return a portion of its sales tax revenues in the event such revenues exceed statutorily prescribed limits, which are a function of Authority’s current liabilities, reserve fund requirements and anticipated project funding requirements.

The primary source of security for Parity Debt is receipt of the sales and use tax revenues received by the County for the benefit of the Authority. The generation of revenues from the sales and use tax is closely related to the amount of economic activity in the County. Sales and use tax receipts, unlike other taxes levied by municipalities, immediately reflect changes in the economic conditions. Additionally, the tax base of taxable items and services subject to State and local sales and use taxes is subject to legislative actions, and have been changed in the past by the State Legislature.

Changes in the tax base against which a sales and use tax is assessed, as well as changes in the rate of such taxes, make projections of future sales tax revenue collections very difficult. No independent projections have been made with respect to the Revenues available to pay interest on the Notes.

Historical information regarding the sales and use tax base and sales and use tax collections of the County is included herein, and while the Authority has no reason to expect that receipts of the sales and use tax revenues from the County will ever be insufficient to pay its outstanding debt secured by such Revenues, it makes no representation that, over the term of the Parity Debt, sales and services within the County will provide sufficient sales and use tax revenues to pay principal of and interest on the Bonds and the Notes when due.

**Debt Service Coverage Ratio**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Sales Tax Receipts <sup>(1)</sup>	\$ 8,042,858	\$ 8,141,232	\$ 8,341,214	\$ 8,168,206	\$ 8,555,196
Operating Expenses	<u>1,023,464</u>	<u>1,043,059</u>	<u>981,723</u>	<u>1,086,369</u>	<u>1,220,236</u>
Available to Service Debt	\$ 7,019,394	\$ 7,098,173	\$ 7,359,491	\$ 7,081,837	\$ 7,334,960
Total Debt Service	\$ 4,362,611	\$ 4,206,610	\$ 4,510,220	\$ 5,058,340	\$ 5,071,581
Gross Debt Service Coverage	1.84x	1.94x	1.85x	1.61x	1.69x
Net Debt Service Coverage	1.61x	1.69x	1.63x	1.40x	1.45x

<sup>(1)</sup> Figures presented on a cash basis method of accounting.

The Authority’s projected debt service coverage ratio for 2018 and the following 4 years is projected to be as follows:

<u>Projected</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Sales Tax Receipts <sup>(1)</sup>	\$ 9,164,684	\$ 9,210,508	\$ 9,256,561	\$ 9,302,844	\$ 9,349,358
Operating Expenses	<u>1,244,641</u>	<u>1,269,534</u>	<u>1,294,924</u>	<u>1,320,823</u>	<u>1,347,239</u>
Available to Service Debt	\$ 7,920,043	\$ 7,940,975	\$ 7,961,637	\$ 7,982,021	\$ 8,002,119
Total Debt Service <sup>(2)</sup>	\$ 5,298,970	\$ 5,333,328	\$ 5,646,623	\$ 5,656,846	\$ 5,643,226
Gross Debt Service Coverage	1.73x	1.73x	1.64x	1.64x	1.66x
Net Debt Service Coverage	1.49x	1.49x	1.41x	1.41x	1.42x

<sup>(1)</sup> Figures presented on a cash basis method of accounting.

<sup>(2)</sup> Figures for 2020, 2021 and 2022 assume bonds are issued in December 2019 to pay off the Notes.

## Historical Revenues and Expenses and Estimated 2018 Revenues and Expenses

The table below summarizes the Authority's revenues and expenses for the fiscal years 2013 through 2017 and estimated revenues and expenses as of September 30, 2018:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Sales Tax Revenues <sup>(1)</sup>	\$ 7,857,943	\$ 8,308,746	\$ 8,242,669	\$ 8,268,508	\$ 8,891,405
Project Revenues	28,069	56,682	51,097	61,601	93,848
<u>Other Revenues</u>	<u>72,979</u>	<u>53,994</u>	<u>56,785</u>	<u>134,473</u>	<u>248,199</u>
Total Revenues	\$ 7,958,991	\$ 8,419,422	\$ 8,350,551	\$ 8,464,582	\$ 9,233,452
Operating Expenses	\$ 1,023,464	\$ 1,043,059	\$ 981,723	\$ 1,086,369	\$ 1,220,236
<u>Other Expenses</u>	<u>2,250,882</u>	<u>2,980,836</u>	<u>2,323,277</u>	<u>2,160,312</u>	<u>2,149,417</u>
Total Expenses	\$ 3,274,346	\$ 4,023,895	\$ 3,305,000	\$ 3,246,681	\$ 3,369,653
Net Revenues	<u>\$ 4,684,644</u>	<u>\$ 4,395,527</u>	<u>\$ 5,045,551</u>	<u>\$ 5,217,901</u>	<u>\$ 5,863,799</u>
	<u>2018 <sup>(2)</sup></u>				
Sales Tax Revenues <sup>(1)</sup>	\$ 6,433,003				
Project Revenues	69,857				
<u>Other Revenues</u>	<u>88,950</u>				
Total Revenues	\$ 6,591,810				
Operating Expenses	\$ 854,139				
<u>Other Expenses</u>	<u>1,608,985</u>				
Total Expenses	\$ 2,463,124				
Net Revenues	<u>\$ 4,128,686</u>				

<sup>(1)</sup> Figures presented on an accrual basis method of accounting.

<sup>(2)</sup> As of September 30, 2018.

## Completed Metroplex-Funded Projects

The Authority has made total cumulative funding commitments of approximately \$190 million for economic development projects within its Service District that have or will leverage an additional \$1.4 billion in new investments in the County. The Authority has provided a portion of the funding for the following projects:

- Mohawk Harbor — to date over \$480 million has been expended redeveloping the 60-acre former brownfield, vacated industrial site on the Mohawk River in the City of Schenectady. Since 2017, the following projects have emerged:
  - The opening of the 124-room Courtyard by Marriott.
  - The Rivers Casino with an attached parking garage for 850 cars, surface parking for 890 vehicles, and the Landings Hotel. The Rivers Casino attracted 3 million visitors in its first 12 months of operation.
  - 206-unit Riverside Apartment building opened in September 2017 with 256 underground parking spaces.
  - The Harbor Center office buildings One and Two totaling 110,000 square foot with 295 sub-surface and surface parking spaces.
  - Capital Bank branch and Dunkin Donuts.
  - Fifteen (15) condominium units are slated to be available for sale in 2019.
  - In addition, amenities, such as a 50-slip marina, 1.3-mile hike/bike trail, and retail space totaling 95,000 square feet are now available.
- Over 8,000,000 square feet of newly constructed and/or renovated Class A commercial office and industrial space throughout Schenectady County, including over 1,500,000 square feet in the City of Schenectady's central business district, adding 5,000 workers and students.
- Revitalized arts, entertainment and cultural district attracting nearly 1,000,000 people annually to downtown Schenectady from Proctors Theatre expansion, Bow Tie Cinema, Schenectady Light Opera Company, Schenectady Civic Players, downtown Greenmarket, festivals and many new downtown events.
- 2,350 parking spaces owned or controlled by the Authority, including a 5-story garage and 10 surface lots that have been fully improved or reconstructed.

**Board Members**

The current members of the Board are as follows:

<u>Name</u>	<u>Occupation</u>
Ray Gillen, Chair	Commissioner, Schenectady County Dept. of Economic Development and Planning
Bradley G. Lewis, Vice Chair	Professor of Economics, Union College
Karen Zalewski-Wildzunas, Treasurer	Realtor, Berkshire Hathaway Realty
Sharon A. Jordan, Secretary	SAJ Consulting; former Director of Operations, City of Schenectady
Nancy L. Casso	Regional Case Manager, National Health Care Associates
Robert J. Dieterich	Executive Vice President & CFO, First National Bank of Scotia
Todd Edwards	Vice President, Arthur J. Gallagher & Company
Neil M. Golub	Executive Chairman of the Board, Golub Corporation
John Mallozzi	Partner, Mallozzi's Ballroom Catering
Robert J. Mantello	First V.P., Bricklayers and Allied Craftsmen Local 2
Paul C. Webster	Director of Community Outreach, New York State United Teachers

THE ACT PROVIDES THAT NEITHER THE MEMBERS OF THE BOARD OF THE AUTHORITY NOR ANY PERSON EXECUTING THE NOTES SHALL BE LIABLE PERSONALLY ON THE NOTES OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF.

**PART 7 – THE COUNTY**

The County, incorporated in 1809, is an urban/suburban county located in the Mohawk Valley northwest of the City of Albany. The County comprises an area of approximately 206 square miles and includes the City of Schenectady (the County Seat), the Towns of Duanesburg, Glenville, Niskayuna, Princetown and Rotterdam, and the incorporated Villages of Delanson and Scotia.

According to the U.S. Census Bureau, in 2017 the population of the County was 155,565. The County has a varied economic base including manufacturing, engineering, research, wholesale distribution outlets, retail shopping centers and office buildings. A substantial portion of the resident population commutes to job sites within the County.

**Unemployment Rate Statistics**

	<u>Annual Average</u>						
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Schenectady County	7.5%	7.7%	6.7%	5.4%	4.7%	4.3%	4.5%
New York State	8.3%	8.5%	7.7%	6.3%	5.3%	4.8%	4.7%

	<u>2018 Monthly Figures</u>											
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Schenectady County	5.2%	5.4%	5.0%	4.4%	3.9%	4.1%	4.1%	3.9%	3.7%	3.4%	N/A	N/A
New York State	5.1%	5.1%	4.8%	4.3%	3.7%	4.2%	4.2%	4.1%	3.8%	3.6%	N/A	N/A

Note: As of the date of this Official Statement, unemployment rates are not available for November and December 2018.

Source: State of New York, Department of Labor. (Note: Figures not seasonally adjusted).

## Wealth and Income Indicators

Per capita income statistics are available for the County and State. Listed below are select figures from the 2000, 2006-2010 and 2012-2016 Census reports.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2012-2016</u>	<u>2000</u>	<u>2006-2010</u>	<u>2012-2016</u>
County of:						
Schenectady	\$ 21,992	\$ 27,500	\$ 29,912	\$ 53,670	\$ 70,712	\$ 78,491
State of:						
New York	23,389	30,948	34,212	51,691	67,405	74,036

Note: 2013-2017 5-Year American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000, 2006-2010, and 2012-2016 5-Year American Community Survey.

## Larger Taxpayers

The table below sets forth the County's largest real estate taxpayers, based on assessed values in 2017.

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$ 239,615,839
General Electric Company <sup>(1)</sup>	Industrial	176,195,423
Maxon Alco Holdings LLC	Entertainment	73,000,000
G&I IX Empire Mohawk Common	Retail	50,700,000
Golub Corp.	Supermarket	40,638,400
Shady Lane Realty Inc.	Real Estate	24,889,049
Walmart Stores Inc.	Retail Outlet	21,771,740
Schenectady International	Industrial	20,171,000
Verizon	Utility	19,858,508
Rotterdam Ventures	Real Estate	19,363,100
Rotterdam Rail, LLC	Industrial	16,000,000
Patriot Square LLC	Real Estate	14,331,304
CSX Transportation Inc.	Industrial	14,020,654
Time Warner (Spectrum)	Cable/Utility	13,799,980
Iroquois Dev Group LLC	Commercial	12,500,000
Glacier Albany LLC	Real Estate	12,500,000
Highbridge Development BR LLC	Real Estate	12,009,200
Viaport New York LLC	Shopping Center	11,500,000
	Total	<u>\$ 792,864,197</u> <sup>(2)</sup>

<sup>(1)</sup> There are also two PILOT agreements for General Electric facilities that have a total assessed value of \$187,084,746.

<sup>(2)</sup> Represents 8.33% of the 2017 Full Valuation of \$9,483,893,788.

Source: County Continuing Disclosure Statement dated June 20, 2018 posted to the Electronic Municipal Market Access website.

## Economy

The County has a retail trading zone of about 500,000 people served by several sizeable shopping centers as well as many small to medium size retail businesses and wholesale business establishments.

The region's biotechnology and pharmaceuticals sectors are thriving, and the County's manufacturing sector remains strong. The job market continues to be strong, with the County's unemployment rate falling to 3.4% in October 2018.

The City's downtown revitalization is measured by more than \$500 million private-sector investment that has yielded nearly 1,500,000 square feet of new commercial space including three hotels; a six-screen first-run movie cinema; a new YMCA; Clarkson University's Capital Region Campus providing graduate education; a major expansion of Schenectady County Community College; and hundreds of new residential apartments.

Proctors Theatre, a 1920's vaudeville house located in the heart of the City's downtown, has undergone a \$40 million renovation and expansion that included a vastly expanded stage house and support facilities, a 2,600-seat main theater, a 450 seat GE Theater and adjoining meeting and banquet space. This major renovation and expansion has helped Proctors become a major stop for national tours of Broadway shows. Proctors ranks among the region's top three tourist attractions with over 600,000 visitors each year. The theater complex hosted over 1,600 events last year. In 2017, the 10,000 square foot Adeline Graham Theatrical Training and Innovation Center theater venue opened in the top floor of the Proctors entertainment complex which is a major draw to the downtown area.

Several major employers have also both invested heavily in the County and expanded employment. The Golub Corporation, which operates over 130 grocery stores under the Price Chopper and Market 32 brand, constructed a \$35 million, 240,000 square foot headquarters in the City with over 900 employees. The City also serves as the headquarters for MVP Health Care, a multi-state health insurance company with 900 employees.

The County hosts General Electric's ("GE") largest business unit, GE Power, which had been headquartered in the City and employs over 4,000 people. Its Global Research facility is located in the Town of Niskayuna with approximately 1,500 employees. The proximity of this major global research facility is a major asset to GE's operations in the downtown area of the City. In August 2018, GE announced the elimination of 225 positions resulting in the layoff of approximately 200 hourly production employees and 25 additional positions through attrition. In October 2018, GE announced that GE Power would be split into two units comprised of (1) gas and (2) steam and nuclear. This move effectively eliminates the GE Power headquarters structure. While GE's downsizing and restructuring have not had a profound local impact to date, impact in the future and the likelihood of any future downsizings and restructurings are unknown.

The State of New York is a major employer in the County with four agencies located in downtown — Gaming Commission, Workers Compensation Board, Justice Center for the Protection of People with Special Needs, and Office of Children and Family Services. In the Town of Rotterdam, New York State (Department of Taxation and Finance) recently relocated over 500 positions to ViaPort Rotterdam, a mall property that has been repositioned with new stores, a 25,000 square-foot aquarium, a 30,000 square-foot family entertainment zone, and additional commercial office space.

The largest scale economic development project in the County is taking place at Mohawk Harbor, a \$480 million project on a 60-acre waterfront site in the City. To date, the site now accommodates the Rivers Casino and Resort, two hotels, a 206-unit apartment building, and 110,000 square feet of commercial office and retail space. The site is adding condominiums and retail space, along with bike trails, a harbor with 50 boat slips, and other amenities. Phase one will be substantially completed in 2018. The Rivers Casino and Resort on the Mohawk River is proving to be a huge asset within the County by generating sales and property tax revenues and creating over 1,100 jobs. In addition, Mohawk Harbor provides large event space for meetings and conferences. The surrounding apartments, retail and office facilities of the Mohawk Harbor complex have attracted new residents and businesses. See "PART 6 – THE AUTHORITY – Completed Metroplex - Funded Projects."

**Partial Listing of Larger Employers**

<u>Name</u>	<u>Type</u>	<u>Estimated Number of Employees</u>
Golub Corporation/Price Choppers/Market 32	Food Distribution	8,056
General Electric	Power Systems	5,500 <sup>(1)</sup>
Ellis Hospital	Health Care	3,501
Bechtel Marine Propulsion Corp/Knolls Atomic Lab	Research Laboratory	3,000 <sup>(2)</sup>
County of Schenectady	Local Government	1,343
Rivers Casino/Mohawk Harbor	Entertainment	1,111
Union College	Education	865
Schenectady City School District	Education	730
MVP Health Plan	Health Insurance	710
City of Schenectady	Government	523
SI Group	Research	404
The Galesi Group	Development	177

<sup>(1)</sup> Includes all GE facilities within the County.

<sup>(2)</sup> Effective October 1, 2018, Fluor Marine Propulsion is now operating the facilities under a Navy Nuclear Contract.

Source: Schenectady County’s Department of Economic Planning and County Continuing Disclosure Statement dated June 20, 2018 posted to the Electronic Municipal Market Access system website.

**PART 8 - DEBT SERVICE PAYMENT REQUIREMENTS**

The following table shows the annual debt service payments on the Authority’s outstanding Bonds:

	<u>Series 2010A</u>	<u>Series 2010B</u>	<u>Series 2012</u>	<u>Series 2014A</u>	<u>Series 2014B</u>	<u>Series 2015</u>	<u>Total Debt Service <sup>(1)</sup></u>
2018	\$76,669	\$450,602	\$1,165,719	\$495,975	\$913,565	\$1,955,091	\$5,057,621
2019	75,369	452,095	1,164,119	495,975	914,071	1,950,124	5,051,753
2020	73,969	452,818	1,164,519	495,975	915,763	1,954,515	5,057,559
2021	77,369	452,740	1,167,269	495,975	918,208	1,953,774	5,065,335
2022	75,569	450,532	1,162,769	495,975	917,210	1,947,737	5,049,792
2023	68,769	452,714	1,166,269	495,975	918,288	1,951,148	5,053,163
2024	71,919	448,980	1,162,269	595,975	815,786	1,960,051	5,054,980
2025	69,838	449,636	1,166,519	1,407,475		1,954,553	5,048,021
2026	72,756	449,376	1,163,394	1,406,725		1,950,674	5,042,925
2027	70,444	451,380	1,162,969	1,408,325		1,947,260	5,040,378
2028	73,131	452,025		1,408,325		1,953,959	3,887,440
2029	70,588	451,313		1,405,425			1,927,326
2030	68,044	449,242		1,406,425			1,923,711
2031	75,500	450,813		1,409,000			1,935,313
2032	77,250	450,686		1,408,000			1,935,936
2033	<u>78,750</u>	<u>453,862</u>		<u>1,408,425</u>			<u>1,941,037</u>
TOTAL <sup>(1)</sup>	\$1,175,934	\$7,218,814	\$11,645,815	\$16,239,950	\$6,312,891	\$21,478,886	\$64,072,290

<sup>(1)</sup> Totals may not foot due to rounding.

**PART 9 – ADDITIONAL INDEBTEDNESS**

*Limitations under the Act.* Pursuant to the Act, the Authority is authorized to issue bonds, notes and other obligations in an amount not to exceed \$100 million, excluding bonds or notes issued to refund or repay bonds or notes theretofore issued to pay the cost of any project; provided, however, that upon any such refunding or repayment the total aggregate principal amount of outstanding bonds or notes may be greater than \$100 million, only if the present value of the aggregate debt service of the refunding or repayment of bonds or notes to be issued shall not exceed the present value of the aggregate debt service of the bonds or notes so to be refunded or repaid, as determined in accordance with Section 2665 of the Act.

*Limitations under the General Resolution.* So long as the principal amount of bonds and notes issued by the Authority does not exceed the aggregate principal amount authorized by the Act, as described above, the Authority may issue Additional Bonds, Bond Anticipation Notes (“BANs”) and other authorized notes as provided under the General Resolution.

The General Resolution provides for the issuance of Additional Bonds, BANs or other notes upon receipt by the Trustee of the following:

A certificate of an Authorized Officer of the Authority setting forth (1) as of the date of issuance of such Additional Bonds or Bond Anticipation Notes, the total payments made pursuant to Section 2661(9) of the Act for any twelve (12) consecutive calendar months ended not more than six (6) months prior to the date of such certificate; (2) the aggregate amount of Authority Operating Expenses, other than Authority Operating Expenses paid or to be paid from the proceeds of Notes, as estimated by such Authorized Officer for the current Fiscal Year; (3) the Aggregate Debt Service (including interest on Variable Interest Rate Bonds calculated at the higher of the Maximum Interest Rate and the maximum rate of interest permitted for related Parity Reimbursement Obligations) on all Outstanding Bonds and any additional amounts payable with respect to Parity Debt for each Fiscal Year through the final maturity of the Series of Additional Bonds proposed to be issued; and (4) concluding that the amounts set forth pursuant to (1), after deducting the Authority Operating Expenses set forth in (2), will be at least 1.25 times such aggregate amount set forth in (3) for each Fiscal Year set forth pursuant to said (3).

*Parity Debt and Subordinated Indebtedness.* The General Resolution contains provisions for the issuance by the Authority of Parity Debt and Subordinated Indebtedness. The pledge of and lien on Pledged Property granted to holders of the bonds and notes also is made for the equal and proportionate benefit of holders of Parity Debt. Parity Debt includes (i) reimbursement obligations to a credit facility provider resulting from the issuance of a credit facility applicable to a series of bonds, (ii) to the extent permitted by law, payment obligations to a provider of an interest rate swap (exclusive of termination or other fees) pursuant to an interest rate swap agreement applicable to a series of bonds and (iii) interest on BANs and other authorized notes.

Subordinated Indebtedness is defined in the General Resolution to mean any evidence of indebtedness payable out of amounts available in the Subordinated Indebtedness Fund established under the General Resolution and may include principal and premium, if any, on BANs and any termination payments under any interest rate swap. The Authority does not currently have any Subordinated Indebtedness outstanding.

## **PART 10 – COVENANT BY THE STATE**

The Act states that the State pledges and agrees with the holders of the Authority’s bonds and notes secured by a pledge that the State will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements with the holders of the Authority’s bonds and notes, or in any way impair the rights and remedies of the holders of such bonds and notes until such bonds and notes and interest thereon, and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such bonds or notes are fully paid and discharged. The State has the right to amend, repeal, modify or otherwise alter the provisions of State law relating to the Sales Tax.

## **PART 11 – LEGALITY FOR INVESTMENT AND DEPOSIT**

The Notes are legal investments under present provisions of State law in which all public officers and bodies of the State and all municipalities, 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 authorized or who may become 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.

The Notes may be deposited with and may be received by all public officers and bodies of the State and all municipalities for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

## **PART 12 – TAX MATTERS - 2018A NOTES**

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with the covenants, and the accuracy of the representations by the Authority (and its successors), interest on the 2018A Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code

of 1986, as amended (the “Code”). Bond Counsel is also of the opinion that interest on the 2018A Notes is not an “item of tax preference” for purposes of the individual and corporate alternative minimum taxes imposed under the Code; provided, however, interest on the 2018A Notes will be included in the calculation of adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018. Bond Counsel is further of the opinion that interest on the 2018A Notes is exempt, under existing statutes, from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York).

The Code imposes various requirements that must be met in order that interest on the 2018A Notes will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the 2018A Notes and the rebate of certain earnings in respect of such investments to the United States. Failure to comply with the requirements of the Code may cause interest on the 2018A Notes to be included in gross income for purposes of federal income tax retroactive to the date of original execution and delivery of the 2018A Notes, regardless of the date on which the event causing such inclusion occurs. The Authority has covenanted in the Resolutions and Arbitrage and Use of Proceeds Certificate to comply with the requirements of the Code and has made representations in such documents addressing various matters relating to the requirements of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy of such representations made by the Authority (and its successors).

Certain requirements and procedures contained or referred to in the Resolutions and Arbitrage and Use of Proceeds Certificate and other relevant documents may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. The opinion of Bond Counsel states that no opinion is rendered as to the exclusion from gross income of interest on the 2018A Notes for purposes of federal income taxation on or after the date on which any change occurs or action is taken or omitted under the Resolutions and Arbitrage and Use of Proceeds Certificate or under any other relevant documents without the advice or approval of, or upon the advice or approval of any bond counsel other than Barclay Damon LLP.

Prospective purchasers of the 2018A Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of the 2018A Notes may have collateral federal income tax consequences for certain taxpayers, including financial institutions, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the 2018A Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The 2018A Notes will be designated as or deemed designated as “qualified tax exempt obligations” pursuant to Section 265(b)(3) of the Code.

Interest paid on tax-exempt obligations is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. Interest on the 2018A Notes may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the 2018A Notes and will be allowed as a refund or credit against such owner’s federal income tax liability (or the federal income tax liability of the beneficial owner of the 2018A Notes, if other than the registered owner).

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents Bond Counsel’s judgment as to the proper treatment of the 2018A Notes for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

Bond Counsel’s engagement with respect to the 2018A Notes ends with the issuance of the 2018A Notes and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Bondholders regarding the tax-exempt status of the 2018A Notes in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and its appointed counsel, including the Bondholders, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2018A Notes for audit, or the course or



result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2018A Notes, and may cause the Authority or the Bondholders to incur significant expense.

Legislation considered by the Federal government, or the New York State Legislature, or court decisions may affect the 2018A Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2018A Notes will not have an adverse effect on the tax-exempt status of interest on the 2018A Notes or the market value or marketability of the 2018A Notes.

### **PART 13 – TAX MATTERS - 2018B NOTES**

In the opinion of Barclay Damon LLP, Bond Counsel to the Authority, interest on the 2018B Notes is included in gross income for federal income tax purposes under the Code. In addition, in the opinion of Bond Counsel, under existing statutes, interest on the 2018B Notes is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Holders of the 2018B Notes should consult their own tax advisors with respect to their particular circumstances.

The following discussion is a brief summary of certain federal income tax consequences of the acquisition, ownership and disposition of 2018B Notes by original purchasers of the 2018B Notes who are “U.S. Holders”, as defined herein. This summary (i) is based on the Code, Treasury regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the 2018B Notes will be held as “capital assets;” and (iii) does not discuss all of the federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the 2018B Notes as a position in a “hedge” or “straddle,” holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire 2018B Notes in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Holders of 2018B Notes should consult with their own tax advisors concerning the federal income tax and other consequences with respect to the acquisition, ownership and disposition of the 2018B Notes as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

#### Disposition and Defeasance

Upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a 2018B Note, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder’s adjusted tax basis in the 2018B Note.

For federal income tax purposes, the defeasance of 2018B Notes pursuant to the Resolutions could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the 2018B Notes subsequent to any such defeasance could also be affected.

#### Backup Withholding and Information Reporting

In general, interest paid on taxable obligations is subject to information reporting to the IRS. Interest on the 2018B Notes may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the 2018B Notes and will be allowed as a refund or credit against such owner’s federal income tax liability (or the federal income tax liability of the beneficial owner of the 2018B Notes, if other than the registered owner).

#### U.S. Holders

The term “U.S. Holder” means a beneficial owner of 2018B Note that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

## Legislation

Legislation considered by the Federal government, or the New York State Legislature, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the 2018B Notes under state law and could affect the market value or marketability of the 2018B Notes.

## **PART 14 – LITIGATION**

There is no pending litigation (i) restraining or enjoining the issuance or delivery of the Notes or questioning or affecting the validity of the Notes or the proceedings and authority under which they are issued, (ii) contesting the creation, organization or existence of the Authority, or the title of the directors or officers of the Authority to their respective offices; or (iii) questioning the right of the Authority to adopt the Resolutions and to pledge the Revenues and funds and other moneys and securities purported to be pledged by the Resolutions in the manner and to the extent provided in the Resolutions.

## **PART 15 – RATINGS**

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), has assigned their rating of "SP-1+" to the Notes.

S&P has assigned its rating of "A+" with a stable outlook to the Authority's outstanding Bonds. Such ratings reflect only the view of such rating agency, and any desired explanation of the significance of such ratings should be obtained from Standard & Poor's Credit Market Services, 55 Water Street – 38th Floor, New York, New York 10041, (212) 438-7983.

Moody's Investors Service ("Moody's") has assigned their underlying rating of "A1" (no outlook) to the Authority's outstanding Bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 99 Church Street - 9th Floor, New York, New York 10007, Phone:(212)553-0038,Fax:(212)-553-1390.

Such ratings reflect only the view of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same. There can be no assurance that such ratings will continue for any specified period of time or that such ratings will not be revised downward or withdrawn by the rating agency furnishing the same if, in its judgment, circumstances so warrant.

## **PART 16 – CERTAIN LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Barclay Damon LLP, Albany, New York, Bond Counsel to the Authority. Bond Counsel's opinion will be in substantially in the form attached hereto as APPENDIX – E. Certain legal matters will be passed on for the Authority by its counsel, Whiteman Osterman & Hanna LLP, Albany, New York.

## **PART 17 – EVENT NOTICES**

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, the Authority has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Authority
- (m) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the Authority does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the securities.

The Authority may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Authority determines that any such other event is material with respect to the Notes; but the Authority does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The Authority reserves the right to terminate its obligation to provide the aforescribed notices of events, as set forth above, if and when the Authority no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The Authority acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Authority's obligations under its material event notices undertaking and any failure by the Authority to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

A Continuing Disclosure Undertaking Certificate to this effect will be provided to the purchaser of the Notes at the closing.

## **PART 18 - HISTORICAL CONTINUING DISCLOSURE COMPLIANCE**

Subject to the following paragraphs, the Authority is in compliance, in all material respects, with all previous undertakings made pursuant to Rule 15c2-12 for the past five years.

Pursuant to prior disclosure undertakings, the Authority was required to file its annual financial information and operating data (the "AFIOD") and audited financial statements within 120 days after the end of its fiscal year. For the fiscal years ending December 31, 2015, the Authority's AFIOD filings were made more than 120 days but within six months after the end of each fiscal year. The Authority timely filed its audited financial statements.

The Authority timely filed its AFIOD and audited financial statements for fiscal year 2013; however, the information under the captions "Sales Tax and Collection", "Debt Service Coverage Ratio" and "Historical Revenues and Expenses" did not include fiscal year 2013 information. Such information for 2013 was subsequently included and is available in the Authority's fiscal year 2014 filing.

The Authority did not file material event notices with respect to rating changes for Ambac Assurance Corporation which insured the Authority's Series 2006 Bonds. In addition, certain of the Authority filings were not linked to all of the Authority's CUSIP numbers. Notice of failure to timely file and failure to file was submitted to EMMA on April 16, 2015 and December 11, 2017.

#### **PART 19 – MUNICIPAL ADVISOR**

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Authority on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the Authority and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Authority or the information set forth in this Official Statement or any other information available to the Authority with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Authority to Fiscal Advisors are partially contingent on the successful closing of the Notes.

#### **PART 20 - UNDERWRITING**

The Notes are being purchased by RBC Capital Markets, LLC (the "Underwriter") for reoffering to the public.

The purchase contract for the Notes provides that the Underwriter will purchase all of the 2018A Notes, if any are purchased, at a purchase price equal to \$6,378,984.70 (being the par amount of the 2018A Notes plus an original issue premium of \$113,730.80, less an underwriter's fee for the transaction of \$14,746.10).

The purchase contract for the Notes provides that the Underwriter will purchase all of the 2018B Notes, if any are purchased, at a purchase price equal to \$1,719,956.06 (being the par amount of the 2018B Notes plus an original issue premium of \$14,090.40, less an underwriter's fee for the transaction of \$4,134.34).

The Underwriter is initially offering the Notes to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Notes to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority.

#### **PART 21 – MISCELLANEOUS**

Any statements made in this Official Statement involving matters of opinions or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Act and the Resolutions are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to the Act and Resolutions for full and complete statements of such provisions. Copies of the Act and the Resolutions are available at the office of the Trustee.

The agreements of the Authority with holders of the Notes are fully set forth in the Resolutions. Neither any advertisement of the Notes nor this Official Statement is to be construed as a contract with purchasers of the Notes.

The execution and delivery of this Official Statement have been duly authorized by the Authority.

**SCHENECTADY METROPLEX  
DEVELOPMENT AUTHORITY**

**December 12, 2018**

*/s/* \_\_\_\_\_ **Ray Gillen**  
**Chair**

## SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

## Balance Sheets

December 31st

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,196,573	\$ 2,658,446	\$ 2,531,291	\$ 4,165,018
Cash, restricted	5,546,845	3,308,944	713,557	4,588,321
Investment reserves, restricted	-	-	1,318,170	1,329,148
Sales tax receivable	3,522,507	3,424,250	3,524,898	3,861,441
Loans receivable, net	1,017,094	677,250	582,132	470,684
Notes receivable, net	58,774	-	-	-
Grants receivable	578,021	550,000	675,000	-
CDBG receivable	14,244	-	-	-
Other receivable	14,986	60,934	10,183	25,008
Interest receivable	19,069	3,271	7,188	7,835
Bond issuance costs, current portion	-	-	-	-
Prepaid expenses	87,268	86,890	56,349	88,936
<b>TOTAL CURRENT ASSETS</b>	<u>\$ 14,055,381</u>	<u>\$ 10,769,985</u>	<u>\$ 9,418,768</u>	<u>\$ 14,536,391</u>
<b>CAPITAL ASSETS, net</b>	31,298	29,706	26,570	24,130
<b>OTHER ASSETS</b>				
Loans receivable, long term portion	9,738,668	9,146,589	8,623,786	6,238,791
Notes receivable, less current installments, net	250,000	250,000	250,000	250,000
CDBG receivable, less current installments, net	335,446	310,000	210,000	-
Bond issuance costs, net of amortization	-	-	-	-
Investment reserves, restricted	3,994,997	4,343,338	2,636,058	2,654,096
Total other assets	14,319,111	14,049,927	11,719,844	9,142,887
<b>TOTAL ASSETS</b>	<u>\$ 28,405,790</u>	<u>\$ 24,849,618</u>	<u>\$ 21,165,182</u>	<u>\$ 23,703,408</u>
<b>DEFERRED OUTFLOWS, NET</b>				
Deferred Outflow resulting from refunding of debt, net	475,843	1,409,805	1,460,435	1,232,956
<b>TOTAL ASSETS</b>	<u>\$ 28,881,633</u>	<u>\$ 26,259,423</u>	<u>\$ 22,625,617</u>	<u>\$ 24,936,364</u>
<b>CURRENT LIABILITIES</b>				
Current installments of bonds payable	\$ 2,585,000	\$ 2,945,000	\$ 3,040,000	\$ 3,110,000
Bond Anticipation notes payable	-	-	-	-
Grants Payable	225,469	490,599	345,716	-
Unearned Revenue	417,313	419,809	319,832	-
Premium on bonds, new of amortization, current portion	90,172	90,172	90,172	184,856
Due to Schenectady County	50,240	52,495	54,853	57,315
Accounts payable and accrued interest	891,345	195,513	624,567	314,608
Accrued interest	1,067,811	838,227	804,439	776,594
Net Pension Liability	-	41,194	196,107	-
Escrow payable	800,000	463,600	-	-
Total current liabilities	6,127,350	5,536,609	5,475,686	4,443,373
<b>LONG TERM DEBT</b>				
Bonds payable, long term portion	52,885,000	50,865,000	47,825,000	44,715,000
Bond Anticipation Note Payable	-	-	-	8,045,000
Net Pension Liability	-	-	-	110,567
Due to Schenectady County	811,325	758,830	703,977	646,662
Premium on sale of bonds, net of amortization, less current portion	1,219,778	1,129,280	1,038,783	947,959
Total long-term liabilities	54,916,103	52,753,110	49,567,760	54,465,188
<b>TOTAL LIABILITIES</b>	<u>61,043,453</u>	<u>58,289,719</u>	<u>55,043,446</u>	<u>58,908,561</u>
Deferred inflows related to net pension liability	-	-	23,245	18,259
<b>NET ASSETS</b>				
Investment in Capital Assets	\$ 31,298	\$ 29,706	\$ 26,570	\$ 24,130
Restricted	8,741,842	7,188,682	4,667,785	8,571,565
Unrestricted	(40,934,960)	(39,248,684)	(37,135,429)	(42,586,151)
<b>TOTAL NET ASSETS</b>	<u>(32,161,820)</u>	<u>(32,030,296)</u>	<u>(32,441,074)</u>	<u>(33,990,456)</u>
<b>TOTAL LIABILITIES and NET ASSETS</b>	<u>\$ 28,881,633</u>	<u>\$ 26,259,423</u>	<u>\$ 22,625,617</u>	<u>\$ 24,936,364</u>

Source: Audited Reports. This Appendix is not itself audited.

## SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

## Revenues, Expenditures and Changes in Net Assets

December 31st

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Operating Revenues</u>				
Sales tax revenues	\$ 8,308,746	\$ 8,242,669	\$ 8,268,508	\$ 8,891,405
Other operating income	29,896	33,174	104,300	189,595
Total Operating Revenues	<u>\$ 8,338,642</u>	<u>\$ 8,275,843</u>	<u>\$ 8,372,808</u>	<u>\$ 9,081,000</u>
<u>Operating Expenses</u>				
Payroll	456,348	472,082	509,534	549,259
Payroll taxes	38,627	40,485	42,200	44,973
Pension plan	94,067	35,552	75,071	85,239
Health Insurance	67,409	56,448	56,963	55,114
Other Employee benefits	5,309	5,259	8,433	5,648
Accounting	65,425	66,400	66,150	69,450
Advertising	12,857	5,244	5,750	14,861
Automobile	5,277	1,086	566	1,079
Consulting	5,470	13,809	6,600	6,800
Depreciation and amortization	20,633	20,846	10,681	10,179
Dues and subscriptions	5,441	5,323	4,418	7,325
Educational training	-	-	-	-
Hosting and travel	4,740	5,081	3,247	3,010
Insurance	48,288	52,825	57,130	63,667
Legal	51,016	48,645	69,990	137,806
Office supplies	12,371	8,504	18,613	11,223
Postage	1,428	849	1,002	870
Rent	56,517	56,517	56,517	56,517
Repairs and maintenance	20,555	21,358	21,169	25,732
Resource data	44,624	43,100	49,036	48,766
Telephone	26,657	22,310	23,299	22,718
Total Operating Expenses	<u>\$ 1,043,059</u>	<u>\$ 981,723</u>	<u>\$ 1,086,369</u>	<u>\$ 1,220,236</u>
Net Operating Revenues	<u>7,295,583</u>	<u>7,294,120</u>	<u>7,286,439</u>	<u>7,860,764</u>
<u>Other Revenue:</u>				
Investment Earnings	70,650	64,152	84,437	125,519
Investment expense	(2,621,461)	(2,109,632)	(2,149,812)	(2,064,984)
Amortization of bond issuance costs	(216,703)	(200,145)	0	(74,933)
Debt service fees	(11,800)	(13,500)	(10,500)	(9,500)
Miscellaneous revenue	10,948	10,556	7,337	26,933
Total other revenues	<u>(2,768,366)</u>	<u>(2,248,569)</u>	<u>(2,068,538)</u>	<u>(1,996,965)</u>
Increase in net assets	<u>4,527,217</u>	<u>5,045,551</u>	<u>5,217,901</u>	<u>5,863,799</u>
<u>NET ASSETS</u>				
Net Assets- beginning of year	(28,092,326)	(32,216,923)	(32,030,296)	(32,441,074)
Effect of adoption of GASB 68 and 71	(55,103)	-	-	-
Project grants and expenditures, net of project grant revenues	<u>(8,596,711)</u>	<u>(4,858,924)</u>	<u>(5,628,679)</u>	<u>(7,413,181)</u>
Net Assets - end of year	<u>\$ (32,216,923)</u>	<u>\$ (32,030,296)</u>	<u>\$ (32,441,074)</u>	<u>\$ (33,990,456)</u>

Source: Audited Reports. This Appendix is not itself audited.

## SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

## Statements of Cash Flows

December 31st

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>CASH FLOWS (USED) BY OPERATING ACTIVITIES</u></b>				
Cash received from sales tax revenues	\$ 8,140,974	\$ 8,144,412	\$ 8,218,611	\$ 9,890,037
Cash received from other sources	39,896	183,740	104,300	189,595
Cash paid to suppliers and other vendors	(375,861)	(355,932)	(361,379)	(508,059)
Issuance of loans receivable	(350,000)	(487,850)	(347,931)	(6,767)
Repayment of loans receivable	1,852,367	698,911	744,653	2,240,793
Repayment of notes receivable	61,879	58,774	-	-
Cash paid for salaries	(456,348)	(472,082)	(509,534)	(549,259)
Cash paid for salaries and employee benefits	(200,103)	(132,485)	(174,234)	(185,326)
	<u>8,712,804</u>	<u>7,637,488</u>	<u>7,674,486</u>	<u>11,071,014</u>
<b><u>CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING</u></b>				
Proceeds from bond anticipation note issuance	-	-	-	8,045,000
Proceeds from bond issue	17,470,000	-	-	-
Debt service fees	(11,800)	(13,500)	(10,500)	(9,500)
Bond issuance costs	(216,703)	-	-	(74,933)
Repayment of bond principal	(1,825,000)	(3,210,000)	(2,945,000)	(3,040,000)
Repayment of bond anticipation note	(5,000,000)	-	-	-
Repayment of amounts due to the County of Schenectady	(48,081)	(50,240)	(52,495)	(54,853)
Interest paid	(1,971,256)	(2,429,714)	(2,183,600)	(1,998,145)
	<u>8,397,160</u>	<u>(5,703,454)</u>	<u>(5,191,595)</u>	<u>2,867,569</u>
<b><u>CASH FLOWS FROM CAPITAL ACTIVITIES</u></b>				
Purchase of office furniture and equipment	(7,507)	(19,254)	(7,545)	(7,739)
<b><u>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</u></b>				
Change in cash, restricted	(4,746,845)	2,237,901	2,595,387	(3,874,764)
Proceeds (purchase) of investment reserves, restricted, net	(1,267,415)	67,552	389,110	(29,016)
Issuance of loans receivable	-	-	-	-
Repayment of loans receivable	-	-	-	-
Issuance of note receivable	-	-	-	-
Repayment of note receivable	-	-	-	-
Investment earnings received	56,578	79,950	80,520	124,872
Miscellaneous revenue	10,948	10,556	7,337	26,933
Project grants and expenditures paid, net of project grant revenues received	(9,305,156)	(4,848,866)	(5,674,855)	(8,545,142)
	<u>(15,251,890)</u>	<u>(2,452,907)</u>	<u>(2,602,501)</u>	<u>(12,297,117)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,850,567	(538,127)	(127,155)	1,633,727
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,346,006</u>	<u>3,196,573</u>	<u>2,658,446</u>	<u>2,531,291</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>3,196,573</u></u>	<u><u>2,658,446</u></u>	<u><u>2,531,291</u></u>	<u><u>4,165,018</u></u>
<b><u>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>				
Net operating revenues	\$ 7,295,583	\$ 7,294,120	\$ 7,286,439	\$ 7,860,764
Change in prepaid expenses	(9,886)	378	30,574	(32,587)
Adjustments to reconcile net operating revenues to net cash provided (used) by operating activities	-	-	-	-
Depreciation and amortization	20,633	20,846	10,681	10,179
Change in loan receivable	1,564,246	269,835	396,722	2,234,026
Change in accounts receivable	(157,772)	52,309	(49,897)	998,632
	<u>8,712,804</u>	<u>7,637,488</u>	<u>7,674,519</u>	<u>11,071,014</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>				
Noncash project expenditures	\$ -	\$ -	\$ -	\$ -
2012 Bond refunding proceeds placed in escrow	-	20,274,137	-	-
2012 Bond refunding proceeds used to pay bond issuance costs	-	201,121	-	-
Redeemed/defeased bonds	-	19,250,000	-	-

Source: Audited Reports. This Appendix is not itself audited.