

NEW ISSUE

STANDARD & POOR'S RATING: "A+" (Underlying) "AAA negative outlook" (Insured) **

In the opinion of Bond Counsel, (A) under existing law and assuming, among other matters, the accuracy of certain representations and compliance with the tax covenants described herein, interest on the Series 2010A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed under the Code and is not included in adjusted gross earnings when calculating corporate federal alternative minimum taxable income; and (B) interest on the 2010B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that under existing statutes, including the Act, interest on the Series 2010 Bonds 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 the caption "PART 15 - TAX MATTERS 2010A BONDS" and "PART 16- TAX MATTERS 2010B BONDS" herein.

The Series 2010A Bonds will be designated as or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$6,410,000

SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

CUSIP BASE: 80647N

\$1,050,000 General Resolution Bonds, Series 2010A (Tax-Exempt)

(referred to herein as the "2010A Bonds")

Dated: June 17, 2010

Due: August 1, 2011-2033

MATURITIES

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>
2011	\$ 25,000	3.00%	1.33%	BR0	2014	\$ 35,000	2.00%	2.56%	BU3	2017	\$ 35,000	3.00%	3.54%	BX7
2012	35,000	3.00	1.70	BS8	2015	35,000	2.25	2.89	BV1	2018	40,000	3.25	3.73	BY5
2013	35,000	2.00	2.16	BT6	2016	35,000	2.75	3.26	BW9	2019	40,000	3.50	3.93	BZ2

\$780,000 Term Bonds

\$130,000 4.00 % Term Bond Due August 1, 2022 to Yield 4.34% - CUSIP CC2

\$395,000 4.625% Term Bond Due August 1, 2030 to Yield 4.83% - CUSIP CD0

\$210,000 5.00% Term Bond Due August 1, 2033 to Yield 4.98% - CUSIP CE8

And

\$5,360,000 General Resolution Bonds, 2010B (Federally Taxable)

(referred to herein as the "2010B Bonds")

Dated: June 17, 2010

Due: August 1, 2011-2033

MATURITIES

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>
2011	\$ 95,000	1.715%	1.715%	CF5	2014	\$ 145,000	3.747%	3.747%	CJ7	2018	\$ 170,000	5.004%	5.004%	CN8
2012	135,000	2.346	2.346	CG3	2015	150,000	3.997	3.997	CK4	2019	180,000	5.154	5.154	CP3
2013	140,000	3.063	3.063	CH1	2016	155,000	4.504	4.504	CL2	2020	190,000	5.304	5.304	CQ1
					2017	165,000	4.704	4.704	CM0					

\$3,835,000 Term Bonds

\$1,120,000 6.104% Term Bond Due August 1, 2025 to Yield 6.104% - CUSIP CR9

\$2,715,000 6.791% Term Bond Due August 1, 2033 to Yield 6.791% - CUSIP CS7

(collectively referred to herein as the "Series 2010 Bonds")

** The scheduled payment of principal of and interest on the Series 2010 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2010 Bonds by ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) See "APPENDIX - F - BOND INSURANCE" herein.



The Schenectady Metroplex Development Authority \$1,050,000 General Resolution Bonds, Series 2010A (Tax-Exempt) (the "2010A Bonds") and \$5,360,000 General Resolution Bonds, Series 2010B (Federally Taxable) (the "2010B Bonds") (collectively referred to herein as the "Series 2010 Bonds") are special obligations of the Schenectady Metroplex Development Authority ("Metroplex" or the "Authority"). The Bonds 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 21, 2001 (the "General Resolution") and the Sixth Supplemental Bond Resolution adopted by the members of the Board of the Authority on October 14, 2009 authorizing the issuance of the 2010A Bonds and the Fifth Supplemental adopted by the members of the Board of the Authority on April 9, 2008 and Seventh Supplemental Bond Resolution adopted by the members of the Board of the Authority on October 14, 2009 authorizing the issuance of the 2010B Bonds. The Bonds are being issued to finance Capital Projects as described herein. See "PART 5 - THE PROJECT" herein.

The Series 2010 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described herein under the heading “Redemption Prior to Maturity” in “PART 6 – DESCRIPTION OF THE SERIES 2010 BONDS” herein.

The Series 2010 Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2010 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Series 2010 Bonds. Interest on the Series 2010 Bonds will be payable on February 1, 2011 and semi-annually thereafter on February 1 and August 1 in each year until maturity. The principal and interest of the Series 2010 Bonds 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 Series 2010 Bonds, as described herein.

The Series 2010 Bonds are offered when, as and if issued and received by the Underwriter and subject to the receipt of the respective unqualified legal opinion as to the validity of the Series 2010 Bonds of Hiscock & Barclay, LLP, Bond Counsel, of Albany, New York. Certain legal matters will be passed on from the Underwriter by its counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed on from the Authority by its counsel, Whiteman Osterman & Hanna LLP, Albany, New York. Certain legal matters will be passed on for the Trustee by its counsel, Hodgson Russ LLP, Buffalo, New York. It is anticipated that the Series 2010 Bonds will be available for delivery in New York, New York on or about June 17, 2010.

RBC CAPITAL MARKETS

June 9, 2010

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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 Bonds 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 in accordance with, and as a part of its responsibilities under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKETS. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT
RELATING TO
SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

\$1,050,000 General Resolution Bonds, Series 2010A (Tax-Exempt)

and

\$5,360,000 General Resolution Bonds, 2010B (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 General Resolution Bonds, Series 2010A (Tax-Exempt), in the aggregate principal amount of \$1,050,000 (the “2010A Bonds”) and General Resolution Bonds, 2010B (Federally Taxable), in the aggregate principal amount of \$5,360,000 (the “2010B Bonds”) (collectively referred to herein as the “Series 2010 Bonds”).

The Authority is a body corporate and politic of the State of New York (the “State”) constituting a public benefit corporation. The Series 2010A Bonds 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 of the Authority adopted on December 12, 2001 (the “General Resolution”), the Sixth Supplemental Bond Resolution of the Authority authorizing the issuance of the Series 2010A Bonds adopted on October 14, 2009 (the “Sixth Supplemental Resolution”) and the Certificate of Determination to be executed by the Chairman of the Authority and dated June 17, 2010 (the “Series 2010A Bond Certificate of Determination”) (the General Resolution, the Sixth Supplemental Resolution and the Series 2010A Certificate of Determination are sometimes collectively referred to herein as the “Series 2010A Bond Resolutions”).

The Series 2010B Bonds are authorized to be issued pursuant to the Act, the General Resolution of the Authority adopted on December 12, 2001 (the “General Resolution”), the Fifth Supplemental Bond Resolution adopted by the members of the Board of the Authority on April 9, 2008 (the “Fifth Supplemental Resolution”) and the Seventh Supplemental Bond Resolution adopted by the members of the Board of the Authority on October 14, 2009 (the “Seventh Supplemental Resolution”) authorizing the issuance of the 2010B Bonds and the Certificate of Determination to be executed by the Chairman of the Authority and dated June 17, 2010 (the “Series 2010B Bond Certificate of Determination”) (the General Resolution, the Fifth Supplemental Bond Resolution, the Seventh Supplemental Bond Resolution and the Series 2010B Certificate of Determination are sometimes collectively referred to herein as the “Series 2010B Bond Resolutions”).

The Series 2010A Bonds, the Series 2010B Bonds and any additional bonds heretofore or hereafter issued by the Authority pursuant to the General Resolution are sometimes collectively referred to herein as the “Bonds.”

Sources available to pay debt service on the Bonds, which are general obligations of the Authority, include (1) certain sales and compensating use taxes (the “Sales Tax”) within the County of Schenectady (the “County”), but only upon transfer by the County from the Schenectady Metroplex Development Support Fund (held by the County) to Manufacturers and Traders Trust Company, as trustee (the “Trustee”) and (ii) any moneys or securities held in the funds established under the General Resolution (other than the Rebate Fund and except as further provided in the General Resolution). See “PART 7 – PAYMENT OF AND SECURITY FOR THE SERIES 2010 BONDS” and “APPENDIX - D – SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION.” The Series 2010 Bonds are not obligations of either the State or the County.

PART 2 – SOURCES AND USES OF FUNDS

The proceeds of the 2010A Bonds are expected to be used as follows:

<u>Sources</u>	
Par amount of the 2010A Bonds	\$ 1,050,000.00
Original Issue (Discount)	19,584.85
Other Sources of Funds	<u>38,100.69</u>
TOTAL SOURCES	\$ 1,068,515.84
<u>Uses</u>	
Total Underwriter's Discount	\$ 5,517.80
Costs of Issuance	19,375.39
Deposit to Debt Service Reserve Fund	43,622.65
Payment of 2009B Notes	<u>1,000,000.00</u>
TOTAL USES	\$ 1,068,515.84

The proceeds of the 2010B Bonds are expected to be used as follows:

<u>Sources</u>	
Par amount of the 2010B Bonds	\$ 5,360,000.00
Original Issue (Discount)/Premium	<u>\$ 0.00</u>
TOTAL SOURCES	\$ 5,360,000.00
<u>Uses</u>	
Total Underwriter's Discount	\$ 28,596.40
Costs of Issuance	107,282.46
Deposit to Debt Service Reserve Fund	222,683.23
Payment of 2009A Notes and 2009C Notes	5,000,000.00
Other Uses of Funds	<u>1,437.91</u>
TOTAL USES	\$ 5,360,000.00

PART 3 – BOOK ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2010 Bonds. As such, the Bonds 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 Bond certificate will be issued for each maturity of each series of the Series 2010 Bonds.

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. 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”). DTC has Standard & Poor’s highest rating: AAA. 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 and www.dtc.org.

Purchases of Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 Series 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 Bonds 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 Series 2010 Bonds 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 Series 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010 Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Series 2010 Bonds within a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Principal and interest payments on the Series 2010 Bonds 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 Series 2010 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, Bond 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, Series 2010 Bond 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 SERIES 2010 BONDS; (C) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS, (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE SERIES 2010 BONDS; 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 SERIES 2010 BONDS.

PART 4 - CERTIFICATED BONDS

DTC may discontinue providing its services with respect to the Series 2010 Bonds 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 transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Series 2010 Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof. Principal of the Series 2010 Bonds when due will be payable upon presentation at the principal corporate trust office of the Trustee. Interest on the Series 2010 Bonds will remain payable on February 1, 2011 and semi-annually thereafter on August 1 and February 1 in each year to maturity. Such interest will be payable by check drawn on the Trustee and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the Trustee as of the fifteenth business day of the calendar month preceding each such interest payment date. Series 2010 Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the Trustee for Series 2010 Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the respective Bond Certificate of Determinations of the Chairman of the Authority authorizing the sale of the Series 2010 Bonds and fixing the details thereof and in accordance with the Act and the General Resolution. The Trustee shall not be obligated to make any such transfer or exchange of Series 2010 Bonds between the fifteenth business day of the calendar month preceding an interest payment date and such interest payment date.

PART 5 – THE PROJECT

The Series 2010A Bonds will retire the Authority's \$1,000,000 2009B Bond Anticipation Notes maturing June 18, 2010 and provide new monies to fund the Debt Service Reserve Fund at the Debt Service Reserve Fund Requirement and to pay the cost of issuance of the Series 2010A Bonds.

The proceeds of the Series 2009B Bond Anticipation Notes were used to provide grants for certain projects (the "Series 2010A Capital Project"), consisting of the funding of public improvement and façade projects within the Metroplex service district in the City of Schenectady (the "City"), including: (i) the improvement and extension of Van Guysling Avenue in the City to enhance access to a 4-acre commercial area; (ii) construction of new paving and sidewalks, replacement of curbing, planting of trees and replacement of lighting on Union Street from Woodland Avenue to the City boundary; (iii) exterior building improvements to commercial property owners in and around the central business district of the City; and (iv) a County-wide commercial property façade program for certain commercial property owners located within the business corridors throughout the County.

The Series 2010B Bonds will retire the Authority's \$2,000,000 2009A Bond Anticipation Notes and \$3,000,000 2009C Bond Anticipation Notes, each maturing June 18, 2010 and provide new monies to fund the Debt Service Reserve Fund at the Debt Service Reserve Fund Requirement and to pay the cost of issuance of the Series 2010B Bonds.

The proceeds of the Series 2009A Bond Anticipation Notes were used to repay the outstanding principal of the 2008A Bond Anticipation Notes. The 2008A Bond Anticipation and the Series 2009C Bond Anticipation Notes were used to provide grants for certain projects (the "Series 2010B Capital Project"), consisting of the funding of urban commercial real estate development projects within the Metroplex service district in the City and public improvement and façade projects with the Metroplex service district, including: (i) construction at 564 Broadway of a single-story 16,750 square foot building for use as a retail showroom, warehouse and office facility; (ii) renovation of approximately 17,560 square feet of space located at 411 State Street in the City for use as a Paul Mitchell salon and school, including classrooms, reception and customer service areas, offices and storage; (iii) interior and exterior building improvements to buildings located at 419-433 State Street for use as a commercial and recreational facility and (iv) an urban commercial real estate development project within the Metroplex service district consisting of the redevelopment of the property located at 447, 453, 457, 463 and 469 State Street and 150 Clinton Street, including certain building demolition, environmental remediation, site improvements, building renovation and renovation and rehabilitation and building construction; (v) exterior building improvements to commercial property owners in and around the central business district of the City; and (vi) a County-wide commercial property facade program for certain commercial property owners located within the business corridors throughout the County.

PART 6 – DESCRIPTION OF THE SERIES 2010 BONDS

The Series 2010 Bonds initially will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for DTC. Principal and premium, if any, and interest on the Series 2010 Bonds will be payable through the Trustee, as paying agent.. Purchases of beneficial interests from DTC in the Series 2010 Bonds will be made in book-entry-only form in the principal amount of \$5,000 or any integral multiple thereof. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2010 Bonds, the Series 2010 Bonds will be held in the book-entry-only system described below and the principal and premium, if any, and interest on the Series 2010 Bonds will be paid through the facilities of DTC. Beneficial owners of the Series 2010 Bonds will not receive certificates representing their ownership interests in such Series 2010 Bonds, except in the event that use of the book-entry-only system is discontinued. (See “BOOK-ENTRY-ONLY SYSTEM” herein.)

Redemption Prior to Maturity – Series 2010A Bonds

General Optional Redemption

The Series 2010A Bonds maturing on or before August 1, 2020 will not be subject to optional redemption prior to maturity. The Series 2010A Bonds maturing on or after August 1, 2021 will be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Authority on August 1, 2020 or on any date thereafter at par (100.0%) plus accrued interest to the date of redemption.

If less than all of the Series 2010A Bonds of any maturity are to be redeemed, the particular Series 2010A Bonds of such maturity to be redeemed will be selected by the Authority by lot in any customary manner of selection as determined by the Chairman of the Authority. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Series 2010A Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Mandatory Sinking Fund Installment Redemption – Series 2010A Bonds

The Series 2010A Bonds maturing on August 1, 2022 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing August 1, 2020 and on each August 1 thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, in the years and in the principal amounts listed below:

<u>Sinking Fund Installment Payment Date</u>	<u>Sinking Fund Installment</u>
2020	\$40,000
2021	45,000
2022	45,000*

* Maturity.

The Series 2010A Bonds maturing on August 1, 2030 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing August 1, 2023 and on each August 1 thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, in the years and in the principal amounts listed below:

<u>Sinking Fund Installment Payment Date</u>	<u>Sinking Fund Installment</u>	<u>Sinking Fund Installment Payment Date</u>	<u>Sinking Fund Installment</u>
2023	\$40,000	2027	\$50,000
2024	45,000	2028	55,000
2025	45,000	2029	55,000
2026	50,000	2030	55,000*

* Maturity.

The Series 2010A Bonds maturing on August 1, 2033 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing August 1, 2031 and on each August 1 thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, in the years and in the principal amounts listed below:

<u>Sinking Fund Installment Payment Date</u>	<u>Sinking Fund Installment</u>
2031	\$65,000
2032	70,000
2033	75,000*

* Maturity

Redemption Prior to Maturity – Series 2010B Bonds

General Optional Redemption

The Series 2010B Bonds maturing on or before August 1, 2020 will not be subject to optional redemption prior to maturity. The Series 2010B Bonds maturing on or after August 1, 2021 will be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Authority on August 1, 2020 or on any date thereafter at par (100.0%) plus accrued interest to the date of redemption.

If less than all of the Series 2010B Bonds of any maturity are to be redeemed, the particular Series 2010B Bonds of such maturity to be redeemed will be selected by the Authority by lot in any customary manner of selection as determined by the Chairman of the Authority. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Series 2010B Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Mandatory Sinking Fund Installment Redemption – Series 2010B Bonds

The Series 2010B Bonds maturing on August 1, 2025 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing August 1, 2021 and on each August 1 thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, in the years and in the principal amounts listed below:

<u>Sinking Fund Installment Payment Date</u>	<u>Sinking Fund Installment</u>
2021	\$200,000
2022	210,000
2023	225,000
2024	235,000
2025	250,000*

* Maturity

The Series 2010B Bonds maturing on August 1, 2033 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing August 1, 2026 and on each August 1 thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, in the years and in the principal amounts listed below:

<u>Sinking Fund Installment Payment Date</u>	<u>Sinking Fund Installment</u>	<u>Sinking Fund Installment Payment Date</u>	<u>Sinking Fund Installment</u>
2026	\$265,000	2030	\$345,000
2027	285,000	2031	370,000
2028	305,000	2032	395,000
2029	325,000	2033	425,000*

* Maturity

PART 7 – PAYMENT OF AND SECURITY FOR THE SERIES 2010 BONDS

Sources of Payment

The Series 2010 Bonds are general obligations of the Authority payable 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 the Bonds and the Parity Debt. The lien established under the General Resolution applies to, and was made for, the equal and proportionate benefit of holders of the Bonds issued under the General Resolution and any Parity Debt.

The Pledged Property includes all of the Authority's right, title and interest in and to (1)(a) the Revenues and Funds (other than the Excess Revenues, the Rebate 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 Tax 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 Bonds, 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 4.25% 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.

Quarterly Payments to the Authority

Seventy percent (70%) of the Sales Tax that is deposited in the Support Fund 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 Schenectady County real property tax abatement and economic development fund; the Authority has no claims to the amounts transferred to the tax abatement and economic development fund.

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

The owners of the Bonds do not have any lien on Sales Tax 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 Bonds 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 Series 2010 Bonds 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 Series 2010 Bonds.

Flow of Funds

Under the General Resolution, all Revenues of the Authority are deposited into the Revenue Fund (which is 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 payment is required to be applied, *first*, to the Debt Service Fund (to be held by the Trustee), *second*, to funds established in connection with Parity Debt, *third*, to the Subordinated Indebtedness Fund (to be held by the Trustee), and *fourth*, to the Rebate Fund (to be 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 established in connection with the Bonds, 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.

Events of Default and Acceleration

The following are events of default under the Resolutions:

(1) payment of principal, Sinking Fund Installments, interest or premium on any Bond shall not be made when the same shall have become due, whether at maturity or upon call for redemption or otherwise, which failure to pay shall continue for a period of five (5) Business Days; or

(2) the Authority shall fail or refuse to deposit in the Debt Service Reserve Fund or any debt service reserve fund established in connection with Variable Interest Rate Bonds or Parity Debt the amounts received by the Authority for deposit in such Funds, respectively; or

(3) the Trustee shall have withdrawn amounts from the Debt Service Reserve Fund or amounts from a debt service reserve fund established in connection with Variable Interest Rate Bonds or Parity Debt resulting in a deficiency therein, and the Debt Service Reserve Fund or the debt service reserve fund established in connection with Variable Interest Rate Bonds shall not be restored to the applicable Debt Service Reserve Fund Requirement within twelve (12) months thereafter; or

(4) the State shall have enacted a moratorium or other similar law affecting payment of the Bonds; or

(5) the Director of Finance of the County shall fail or refuse to comply with any of the provisions of Section 2661(9) of the Act relating to security for or payment of the Bonds; or

(6) failure by the Authority to observe any of the covenants, agreements or conditions on its part contained in the Resolution or in the Bonds contained, and failure to remedy the same for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been received by the Authority from the Trustee or by the Authority and the Trustee from the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding; provided that, if such default cannot be corrected within such thirty (30) day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within such period and is diligently pursued until the default is corrected; or

Notwithstanding any other provision of the Resolutions, pursuant to Sections 2669-a and 2669-b of the Act, the following events shall not constitute an Event of Default: (1) any action on the part of the State to amend, repeal, modify or otherwise alter any statutes imposing or relating to taxes or fees or appropriations relating thereto; or (2) (a) any action by Schenectady County to repeal the sales and compensating use tax imposed under Section 1210-C of the New York Tax Law, provided Schenectady County imposes sales and use taxes pursuant to Section 1210-C of the New York Tax Law at a rate not less than one-half of one percent ($\frac{1}{2}$ of 1%) or (b), if such taxes are not imposed under Section 1210-C of the New York Tax Law, to reduce the rate of, amend, modify or otherwise alter any sales and compensating use tax imposed under Sections 1210 of the New York Tax Law to a rate not less than one-half of one percent, or to amend, modify, repeal or otherwise alter other taxes or fees or appropriation relating thereto.

Remedies

Upon the occurrence and continuance of any Event of Default specified in (1) above, the Trustee shall, and upon the occurrence and continuance of any other Event of Default specified above, the Trustee may, and upon written request of the Holders of not less than a majority in aggregate principal amount of such Bonds then Outstanding, shall:

- (1) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the Holders of the Bonds under the Resolution;
- (2) bring suit upon such Bonds;
- (3) by action or suit in equity, require the Authority to account as if it were the trustee of an express trust for the Holders of such Bonds;
- (4) by action or suit in equity, enjoin any acts or things which may be an unlawful violation of the rights of the Holders of such Bonds; or
- (5) declare all such Bonds due and payable, and, if all defaults shall be made good, with the consent of the Holders of not less than a majority in aggregate principal amount of such Bonds then Outstanding, annul such declaration and its consequences. Before declaring the principal of such bonds due and payable, the Trustee shall first give thirty (30) days' notice in writing to the Authority.

The Trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth in the Resolutions or incident general representation of the Holders of the Bonds in the enforcement and protection of their rights.

Sales 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.

The Act provides that one-half of one percent (.5%) of the 4.25% sales and compensating use taxes received by the County will be deposited in the Support Fund. 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.

The following table sets forth the Sales Tax collected by the County for the last fifteen fiscal years and estimated collection for 2009 and 2010:

Fiscal Year Ending <u>December 31</u>	<u>Amount</u>
1994	\$ 43,439,508
1995	41,559,739
1996	42,617,499
1997	44,355,811
1998*	45,900,782
1999	54,683,932
2000	61,266,648
2001	61,551,810
2002	66,400,746
2003**	70,824,112
2004	75,787,290
2005	78,692,540
2006	81,834,041
2007	80,629,935
2008	82,654,851
2009	80,265,366
2010 (budgeted)	83,160,000

* Beginning on September 1, 1998, an additional 0.25% sales tax was imposed in Schenectady County. This additional tax is effective from September 1, 1998 through August 31, 2033. The Act provides that one-half of one percent (.5%) of the 4.25% sales and compensating use taxes received by the County will be deposited in the Authority's Support Fund.

** Effective June 2003 the local sales tax increased by ½%.

SOURCE: Annual Reports of the County.

PART 8 – 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 New York 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 of New York, 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 Schenectady County, each of whom is appointed by majority vote of the Schenectady County Legislature. Two of the Board members are nominated by the City of Schenectady - one each upon the recommendation of the Mayor and the City Council; one member is nominated by each of three different townships within Schenectady County; one member is nominated upon the joint recommendation of the supervisors of two townships in Schenectady County; one member is nominated by the minority leader of the Schenectady County Legislature; two are nominated by the chairman of the Schenectady County Legislature; and two are nominated by joint recommendation of the Schenectady 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.

The Authority is statutorily entitled to receive, for the period beginning September 1, 1998 and ending August 31, 2033, one half of one percent of the 4.25% sales and compensating use tax levied by Schenectady County, 70% of which accrues to the Authority's general fund, which may be used to support all of its statutorily authorized purposes and powers. All remaining sales tax revenue received by Authority is transferred to the Schenectady County Real Property Tax Abatement and Economic Development Fund. 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.

Sales Tax

The primary source of security for the Series 2010 Bonds will be receipts of the sales tax revenues received by the County for the benefit of the Authority. The generation of revenues from the sales 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 are 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 debt service on the Series 2010 Bonds.

Historical information regarding the sales tax base and sales tax collections of the County is included herein, and while the Authority has no reason to expect that receipts of the sales tax revenues from the County will ever be insufficient to pay its outstanding debt secured by such revenues, it make no representation that, over the term of the Series 2010 Bonds, sales and services within the County will provide sufficient sales tax revenues to pay principal and interest when due.

Debt Service Coverage Ratio

The Authority has covenanted that sales tax revenues less operating expenses will be equal to at least 1.25x aggregate annual debt service. The Authority's debt service coverage ratio for each of the past 5 fiscal years is as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Sales Tax Revenue	\$ 6,929,852	\$ 7,190,162	\$ 7,200,227	\$ 7,502,018	\$ 7,042,417
Operating Expenses	<u>755,900</u>	<u>784,245</u>	<u>908,954</u>	<u>958,661</u>	<u>894,694</u>
Available to Service Debt	\$ 6,173,952	\$ 6,405,917	\$ 6,291,273	\$ 6,543,357	\$ 6,147,723
Total Debt Service	\$ 1,980,510	\$ 2,867,628	\$ 3,837,815	\$ 3,834,679	\$ 3,838,729
Debt Service Coverage	3.12x	2.23x	1.64x	1.71x	1.60x

Board Members

The current members of the Board are as follows:

<u>Name</u>	<u>Occupation</u>
Ray Gillen, Chair	Director of Economic Development, Schenectady County
Bradley G. Lewis, Vice Chair	Professor of Economics, Union College
Robert L. Wall, Secretary	Former Town Supervisor, Town of Duanesburg
Sharon A. Jordan, Treasurer	Director of Operations, City of Schenectady
Edward L. Capovani	Co-founder, Capovani Brothers
William R. Chapman	Chief, Corrections, Program Research, NYS Dept. of Corrections
Neil M. Golub	President and CEO, Golub Corporation
Janet Hutchison	Proprietor, The Open Door Bookstore
Robert J. Mantello	First V.P., Bricklayers and Allied Craftsmen Local 2
Gary McCarthy	Confidential Investigator, Schenectady County DA's Office
Patrick J. Saccocio	Attorney, Parisi, Coan & Saccocio PLLC

THE ACT PROVIDES THAT NEITHER THE MEMBERS OF THE BOARD OF THE AUTHORITY NOR ANY PERSON EXECUTING THE SERIES 2010 BONDS SHALL BE LIABLE PERSONALLY ON THE SERIES 2010 BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF.

PART 9 – THE COUNTY

Schenectady 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.

In 2000, the population of the County was 146,555, a slight decrease from the 1990 population. The County's 2008 population according to the U.S. Census is estimated at 151,427. 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

	Annual Averages							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Schenectady County	3.8%	3.9%	4.5%	4.2%	4.2%	4.2%	5.0%	7.2%
State of New York	6.2%	6.4%	5.8%	5.0%	4.6%	4.5%	5.3%	8.4%

2010 Monthly Figures

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Schenectady County	8.2%	8.1%	7.5%	6.9%	N/A
New York State	9.4%	9.3%	8.8%	8.2%	N/A

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 1990, 2000 and 2008 Census reports.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>1990</u>	<u>2000</u>	<u>2008</u>	<u>1990</u>	<u>2000</u>	<u>2008</u>
County of:						
Schenectady	\$ 15,378	\$ 21,992	\$ 27,469	\$ 38,793	\$ 53,670	\$ 71,025
State of:						
New York	\$ 16,501	\$ 23,389	\$ 30,804	\$ 39,741	\$ 51,691	\$ 67,229

Source: U.S. Census Bureau.

Larger Taxpayers

The table below sets forth the County's largest real estate taxpayers, based on appraised real property values in 2009.

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuation</u>
General Electric Company	Industrial	\$ 385,394,984
National Grid	Public Utility	198,789,558
Buffalo-Niskayuna Assoc.	Industrial	52,900,000
Golub Corp.	Supermarkets	50,860,526
Rotterdam Square	Shopping Center	48,947,368
Verizon	Public Utility	46,842,189
Schenectady International	Industrial	34,216,211
Niagara Mohawk	Utility	31,670,619
Rotterdam Ventures	Commercial	29,473,684
Altamount Avenue	Various	28,814,632
Dominion Transmission Co.	Industrial	20,783,133
WalMart Stores, Inc.	Shopping Center	17,536,941
Target Corporation	Shopping Center	16,875,000
Rotterdam Rail LLC	Utility	16,842,105
Home Depot	Retail Outlet	14,334,219
		<u>\$ 994,281,169</u> ⁽¹⁾

⁽¹⁾ Represents 9.73% of the 2009 Full Valuation of \$10,219,831,423.

Recent and Future Development Projects

Recent and proposed developments in the County are as follows:

- A new battery plant at the G.E. Main Plant, a \$150 million project expected to open in 2011
- A \$40 million new building recently opened at the G.E. Main Plant for alternative energy with 600 employees. The division relocated from Sacramento
- Schenectady Light Opera plans to move downtown to the entertainment area into St. John's Church
- Paul Mitchell Salon and School (17,560 sq. ft. classrooms, reception, offices and storage) opened in Spring 2010.
- Marcella's Appliance has moved its retail store to a new location in downtown Schenectady (16,750 sq. ft. for retail showroom, warehouse and offices)
- City Center is being renovated and currently houses a new YMCA and offices of MVP Health Care and the anticipated future home of additional retail and restaurant space.
- Two nursing home projects in Glenville and Schenectady both estimated at \$40 million

Partial Listing of Larger Employers

<u>Name</u>	<u>Type</u>	<u>Estimated Number of Employees</u>
General Electric Power Systems	Home Office Power Systems	4,000
Ellis Hospital	Health Care	3,300
Schenectady City School District	Education	2,790
Knolls Atomic Power Laboratory	Research Laboratory	2,600
Golub Corporation/Price Choppers	Food Distribution/Supermarkets	2,473
GE Research & Development	Commercial Physical Research	2,000
Developmental Services	State Gov't Social/Human Resources	1,600
County of Schenectady	Local Government	1,385
New York Air National Guard	Military	1,300
MVP Health Plan	Health Maintenance and Insurance	1,100
Union College	Education	851
Niskayuna Central School District	Education	806
Trustco	Banking	755
City of Schenectady	Local Government	685

Source: Schenectady County's Department of Economic Planning & Development, 2009

PART 10 - DEBT SERVICE PAYMENT REQUIREMENTS

The following table shows the annual debt service payments for all of the Authority's debt service requirements on the Authority's outstanding Bonds.

	Series <u>2001</u>	Series <u>2004</u>	Series <u>2005A</u>	Series <u>2005B</u>	Series <u>2006</u>	Series <u>2010A</u>	Series <u>2010B</u>	Total Debt <u>Service</u>
2010	\$655,619	\$1,050,113	\$852,665	\$381,780	\$899,128			\$3,839,304
2011	658,756	1,052,312	852,556	379,570	897,199	\$72,884	\$449,463	4,362,741
2012	655,944	1,048,513	851,526	382,059	899,432	76,919	449,229	4,363,620
2013	656,444	1,051,987	854,664	378,983	895,415	75,869	451,062	4,364,423
2014	654,406	1,051,588	851,453	380,599	895,579	75,169	451,774	4,360,567
2015	656,294	1,047,300	852,213	381,606	899,499	74,469	451,340	4,362,721
2016	656,838	1,051,425	851,675	382,012	896,974	73,681	450,345	4,362,950
2017	656,038	1,050,825	854,675	381,828	898,256	72,719	453,364	4,367,703
2018	653,894	1,050,825	851,425	380,888	897,547	76,669	450,602	4,361,849
2019	655,406	1,049,625	852,175	379,401	895,470	75,369	452,095	4,359,541
2020	655,306	1,047,225	851,675	382,367	897,026	73,969	452,818	4,360,386
2021	658,594	1,049,425	853,320	379,513	896,941	77,369	452,740	4,367,901
2022		1,049,825	848,375	381,111	895,215	75,569	450,532	3,700,627
2023		1,048,425	852,105	381,499	895,933	68,769	452,714	3,699,445
2024		1,050,225	853,980	381,044	899,684	71,919	448,980	3,705,832
2025			854,000	379,746	896,187	69,838	449,636	2,649,406
2026			852,165	382,605	895,723	72,756	449,376	2,652,625
2027			848,475	379,340	898,011	70,444	451,380	2,647,649
2028			852,930	380,232	897,770	73,131	452,025	2,656,088
2029						70,588	451,313	521,900
2030						68,044	449,242	517,286
2031						75,500	450,813	526,313
2032						77,250	450,686	527,936
2033						78,750	453,862	532,612

Note: The Authority currently has \$6.0 million in outstanding Bond Anticipation Notes, due June 18, 2010 which will be repaid with a portion of the proceeds of the Series 2010 Bonds.

PART 11 – 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 \$75 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 \$75 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 paragraph (3) for each Fiscal Year set forth pursuant to said paragraph (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 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.

PART 12 – 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 13 - BOND INSURANCE RISK FACTORS

In the event of default of the payment of principal or interest with respect to the Series 2010 Bonds when all or some becomes due, any owner of the Series 2010 Bonds shall have a claim under the Assured Guaranty Municipal Corp. (formerly known as Financial Surety Assurance Inc.) (“AGM”) applicable Financial Guaranty Insurance Policy (the “Policy”) for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. See “APPENDIX – F – BOND INSURANCE”.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of AGM without appropriate consent. AGM may direct and must consent to any remedies and AGM’s consent may be required in connection with amendments to any applicable bond documents.

In the event AGM is unable to make payment of principal and interest as such payments become due under the Policy, the Series 2010 Bonds are payable solely from the moneys received pursuant to the General Resolution. In the event AGM becomes obligated to make payments with respect to the Series 2010 Bonds, no assurance is given that such event will not adversely affect the market price of the Series 2010 Bonds or the marketability (liquidity) for the Series 2010 Bonds.

The long-term ratings on the Series 2010 Bonds are dependent in part on the financial strength of AGM and its claims paying ability. AGM’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of AGM and of the ratings on the Series 2010 Bonds insured by AGM will not be subject to downgrade and such event could adversely affect the market price of the Series 2010 Bonds or the marketability (liquidity) for the Series 2010 Bonds. See “PART – 18 – RATINGS” herein.

The obligations of AGM are contractual obligations and in an event of default by AGM, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Authority nor the Underwriter have made independent investigation into the claims paying ability of AGM and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Authority to pay principal and interest on the Series 2010 Bonds and the claims paying ability of AGM, particularly over the life of the investment. See “APPENDIX - F- BOND INSURANCE” herein for further information provided by AGM and the Policy, which includes further instructions for obtaining current financial information concerning AGM

PART 14 – LEGALITY FOR INVESTMENT AND DEPOSIT

The Series 2010 Bonds 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 Series 2010 Bonds 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 15 – TAX MATTERS SERIES 2010A BONDS

In the opinion of Hiscock & Barclay, LLP, Albany, New York, Bond Counsel, under existing law and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants by the Authority, (1) interest on the Series 2010A Bonds is excluded from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); (2) interest on the Series 2010A Bonds is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed under the Code and is not included in adjusted current earnings when calculating corporate federal alternative minimum taxable income; and (3) interest on the Series 2010A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the 2010A Bond from gross income for federal income tax purposes is dependent, among other things, on compliance with the applicable requirements of the Code that must be met subsequent to the issuance and delivery of the Series 2010A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Non-compliance with such requirements could cause the interest on the Series 2010A Bonds to be included in gross income retroactive to the date of issuance of the Series 2010A Bonds. Those requirements include, but are not limited to, provisions that prescribe yield and other limits within which the proceeds of the Series 2010A Bonds are to be invested and require, under certain circumstances, that certain investment earnings on the foregoing be rebated on a periodic basis to the Treasury Department of the United States of America. The Authority will covenant in the Tax Certificates as to Arbitrage and Instructions as to Compliance with Provisions of Section 103(a) of the Code, that, to maintain the exclusion of interest on the Series 2010A Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, and for no other purpose, the Authority shall comply with each applicable provision of the Code.

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Series 2010A Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of the Series 2010A Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of the Series 2010A Bonds is expected to be the initial public offering price set forth on the cover page of this Official Statement. Bond Counsel further is of the opinion that, for any Series 2010A Bond having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2010A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment. Owners of Discount Bonds should consult their own tax advisers with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Counsel also has advised that (1) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, the Code provides that such insurance company's deduction for loss is reduced by 15% of the sum of certain items, including interest on the Series 2010A Bonds; (2) interest on the Series 2010A Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (3) passive

investment income, including interest on the Series 2010A Bonds, may be subject to federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (4) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Series 2010A Bonds; and (5) under Section 32 (i) of the Code, receipt of investment income, including interest on the Series 2010A Bonds, may disqualify the recipient thereof from obtaining the earned income credit.

The Series 2010A Bonds 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 in a manner similar to interest paid on taxable obligations. Although the reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Series 2010A Bonds to be subject to backup withholding if such interest is paid to an owner who either (a) fails to provide certain identifying information (such as the owner's taxpayer identification number) in the required manner or (b) has been identified by the Internal Revenue Service ("IRS") as having failed to report all interest and dividends required to be shown on its income tax returns. Amounts withheld under the backup withholding rules from a payment to a owner would be allowed as a refund or a credit against such owner's federal income tax liability provided the required information is furnished to the IRS.

A Bondholder's federal, state and local tax liability may otherwise be affected by the ownership or disposition of the Series 2010A Bonds. Bond Counsel has expressed no opinion regarding any such other tax consequences. Each purchaser of the Series 2010A Bonds should consult its tax adviser regarding the impact of the foregoing and other provisions of the Code on its individual tax position.

The opinion of Bond Counsel set forth above with respect to the federal income tax treatment of interest paid on the Series 2010A Bonds is based upon the current provisions of the Code. Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2010A Bonds under federal or state law and could affect the market price for, or the marketability of, the Series 2010A Bonds. Prospective purchasers of the Series 2010A Bonds should consult their own tax advisers regarding the foregoing matters. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2010A Bonds may affect the tax status of interest on the Series 2010A Bonds.

PART 16 – TAX MATTERS SERIES 2010B BONDS

In the opinion of Bond Counsel, interest on the Series 2010B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that interest on the Series 2010B Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other federal or State tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on the Series 2010B Bonds.

The following discussion is a brief summary of certain United States federal income tax consequences of the acquisition, ownership and disposition of Series 2010B Bonds by original purchasers of the Series 2010B Bonds who are "U.S. Holders", as defined herein. This summary does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules.

Owners of Series 2010B Bonds should consult with their own tax advisers concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Series 2010B Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a 2010B Bond, 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 2010B Bond. The Authority may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Series 2010B Bonds to be deemed to be no longer outstanding under the Resolution (a "defeasance"). For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such U.S. Holder of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Series 2010B Bonds subsequent to any such defeasance could also be affected.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest and the proceeds of the sale of a Series 2010B Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of Series 2010B Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder, and which constitutes over-withholding, would be allowed as a refund or a credit against such U.S. Holder's United States federal income tax provided the required information is furnished to the IRS.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Series 2010B Bond 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 of 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.

IRS Circular 230 Disclosure

The advice under the caption, "Part 13 - Tax Matters Series 2010B Bonds", concerning certain income tax consequences of the acquisition, ownership and disposition of the Series 2010B Bonds, was written to support the marketing of the Series 2010B Bonds. To ensure compliance with requirements imposed by the IRS, Bond Counsel to the Authority informs you that (i) any federal tax advice contained in this Official Statement (including any attachments) or in writings furnished by Bond Counsel to the Authority is not intended to be used, and cannot be used by any Bondholder of Series 2010B Bonds, for the purpose of avoiding penalties that may be imposed on the Bondholder of Series 2010B Bonds under the Code, and (ii) Bondholders of Series 2010B Bonds should seek advice based on the Bondholder's particular circumstances from an independent tax adviser.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2010B Bonds under state law and could affect the market price or marketability of the Series 2010B Bonds. There can be no assurance that any such legislation, actions or decisions, if ever enacted, taken or rendered following the issuance of the Series 2010B Bonds, will not have an adverse effect on the tax-exempt status under state law, market price or marketability of the Series 2010B Bonds.

Prospective purchasers of the Series 2010B Bonds should consult their own tax advisers regarding the foregoing matters.

PART 17 – LITIGATION

There is no pending litigation (i) restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Series 2010 Bonds 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 18 – RATINGS

Standard & Poor's Credit Market Services ("S & P") has assigned its bond rating "AAA (negative outlook)" based upon the issuance by AGM Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM") of its standard form of Financial Guaranty Insurance Policy with respect to the Series 2010 Bonds. The significance of the AGM policy as well as its terms and conditions can be obtained from Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019 (for information concerning AGM Policy, see APPENDIX - F hereto).

The Authority has been assigned an underlying rating of "A+" by S&P. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised downward or withdrawn by the rating agency furnishing the same if, in its judgment, circumstances so warrant.

PART 19 – UNDERWRITING

The Series 2010 Bonds are being purchased by RBC Capital Markets Corporation (the “Underwriter”) for reoffering to the public. The purchase contract for the Series 2010 Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a purchase price equal to \$6,356,300.95 (being the par amount of the Series 2010 Bonds less a net original issue discount of \$19,584.85 less an underwriter’s discount for the transaction of \$34,114.20). The Underwriter is initially offering the Series 2010 Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Series 2010 Bonds 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.

PART 20 – CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2010 Bonds are subject to the approving legal opinion of Hiscock & Barclay, 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 from the Underwriter by its counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed on from the Authority by its counsel, Whiteman Osterman & Hanna LLP, Albany, New York. Hodgson Russ LLP, Buffalo, New York has acted as counsel for the Trustee.

PART 21 – CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements 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"), the Authority has agreed to provide, or cause to be provided,

- (i) 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, during any succeeding fiscal year in which the Series 2010 Bonds are outstanding certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced under the headings “Part 7 - Payment and Security for the Series 2010 Bonds – Sales Tax and Collection”, “Part 8 - The Authority”, “Part 9 - The County – Larger Taxpayers, Partial Listing of Larger Employers”, “Part 10 - Debt Service Payment Requirements” and “Part 16 - Litigation” and all Appendices and a copy of the audited financial statement (prepared in accordance with generally accepted accounting principles in effect at the time of audit) for the preceding fiscal year, if any; such information, data and audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if audited financial statements are prepared, sixty days following receipt by the Authority of audited financial statements for the preceding fiscal year, but, in no event, not later than the last business day of each such succeeding fiscal year.
- (ii) in a timely manner to EMMA 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 Series 2010 Bonds, if such event is material:
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties
 - (d) unscheduled draws on credit enhancements reflecting financial difficulties
 - (e) substitution of credit or liquidity providers, or their failure to perform
 - (f) adverse tax opinions or events affecting the tax-exempt status of the Series 2010 Bonds
 - (g) modifications to rights of Bondholders
 - (h) bond calls
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Series 2010 Bonds
 - (k) rating changes

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 Series 2010 Bonds; 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.

- (iii) in a timely manner to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The Authority reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the Authority no longer remains an obligated person with respect to the Series 2010 Bonds 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 Series 2010 Bonds (including holders of beneficial interests in the Series 2010 Bonds). The right of holders of the Series 2010 Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Authority's obligations under its continuing disclosure undertaking and any failure by the Authority to comply with the provisions of the undertaking will neither be a default with respect to the Series 2010 Bonds nor entitle any holder of the Series 2010 Bonds to recover monetary damages.

The Authority reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Authority, provided that, the Authority agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

The Authority is in compliance with all prior undertakings pursuant to the Rule.

PART 22 – FINANCIAL ADVISOR

In connection with the authorization and issuance of the Series 2010 Bonds, the Authority has retained Fiscal Advisors and Marketing, Inc., Syracuse, New York as financial advisor (the "Financial Advisor"). The Financial Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

PART 23 – 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.

Capitalized terms not defined herein shall have the meaning ascribed to those terms in the General Resolution and the Supplemental Resolution.

The agreements of the Authority with holders of the Series 2010 Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2010 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2010 Bonds.

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

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "APPENDIX – F, BOND INSURANCE" and Specimen Municipal Bond Insurance Policy".

SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

June 9, 2010

By: _____
RAY GILLEN
CHAIRMAN

SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

Balance Sheets

December 31st

	<u>2008</u> (Restated)	<u>2009</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 1,831,132	\$ 4,035,817
Cash, restricted	510,906	372,059
Accounts receivable	4,647,632	2,955,955
Loans receivable, current portion	1,310,184	1,024,418
Interest receivable	5,443	3,696
Bond issuance costs, current portion	65,473	81,723
Prepaid expenses	45,918	46,267
TOTAL CURRENT ASSETS	<u>\$ 8,416,688</u>	<u>\$ 8,519,935</u>
<u>CAPITAL ASSETS, net</u>	24,437	31,159
<u>OTHER ASSETS</u>		
Loans receivable, long term portion	14,909,335	14,563,623
Note receivable	550,000	550,000
Bond issuance costs, net of amortization	1,081,657	1,016,185
Investment reserves, restricted	<u>3,071,783</u>	<u>2,982,126</u>
Total other assets	19,612,775	19,111,934
TOTAL ASSETS	<u>\$ 28,053,900</u>	<u>\$ 27,663,028</u>
<u>CURRENT LIABILITIES</u>		
Current installments of bonds payable	\$ 1,655,000	\$ 1,730,000
Bond Anticipation notes payable	2,000,000	6,000,000
Premium on bonds, new of amortization, current portion	6,932	7,932
Due to Schenectady County	38,601	40,334
Accounts payable and accrued interest	217,193	188,600
Accrued interest	791,780	800,873
Escrow payable	<u>442,806</u>	<u>372,059</u>
Total current liabilities	5,152,312	9,139,798
<u>LONG TERM DEBT</u>		
Bonds payable, long term portion	42,065,000	40,335,000
Due to Schenectady County	1,082,178	1,041,844
Premium on sale of bonds, net of amortization, less current portion	<u>103,986</u>	<u>97,054</u>
Total long-term liabilities	43,251,164	41,473,898
TOTAL LIABILITIES	<u>48,403,476</u>	<u>50,613,696</u>
<u>NET ASSETS</u>		
Investment in Capital Assets	\$ 24,437	\$ 31,159
Restricted	3,139,883	2,982,126
Unrestricted	<u>(23,513,896)</u>	<u>(25,963,953)</u>
TOTAL NET ASSETS	<u>(20,349,576)</u>	<u>(22,950,668)</u>
TOTAL LIABILITIES and NET ASSETS	<u>\$ 28,053,900</u>	<u>\$ 27,663,028</u>

Source: 2009 Audited Report. This Appendix is not itself audited.

SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

Revenues, Expenditures and Changes in Net Assets

December 31st

	<u>2008</u> (Restated)	<u>2009</u>
<u>Operating Revenues</u>		
Sales tax revenues	\$ 7,475,620	\$ 7,039,985
Other operating income	36,600	44,521
Total Operating Revenues	<u>\$ 7,512,220</u>	<u>\$ 7,084,506</u>
<u>Operating Expenses</u>		
Payroll	\$ 418,392	\$ 431,581
Payroll taxes	33,845	36,294
Pension plan	30,307	27,159
Health Insurance	46,449	36,601
Other Employee benefits	4,538	5,084
Accounting	51,850	55,725
Advertising	49,522	40,178
Automobile	7,220	7,292
Consulting	13,800	300
Depreciation and amortization	14,859	12,101
Dues and subscriptions	4,405	5,067
Educational training	5,425	728
Hosting and travel	3,830	6,602
Insurance	23,330	20,180
Legal	130,629	105,072
Office supplies	19,677	9,103
Postage	4,144	3,963
Rent	36,332	36,332
Repairs and maintenance	19,821	19,632
Resource data	24,972	22,381
Telephone	15,314	13,329
Total Operating Expenses	<u>\$ 958,661</u>	<u>\$ 894,704</u>
Net Operating Revenues	<u>6,553,559</u>	<u>6,189,802</u>
Other Revenue:		
Investment Earnings	228,456	78,056
Investment expense	(2,352,254)	(2,329,646)
Amortization of bond issuance costs	(65,472)	(81,723)
Debt service fees	(16,000)	(21,300)
Miscellaneous revenue	8,331	9,987
Total other revenues	<u>(2,196,939)</u>	<u>(2,344,626)</u>
Increase in net assets	<u>4,356,620</u>	<u>3,845,176</u>
<u>NET ASSETS</u>		
Net Assets- beginning of year	(18,905,252)	(20,349,576)
Project grants and expenditures, net of project grant revenues	<u>(5,800,944)</u>	<u>(6,446,268)</u>
Net Assets - end of year	<u>\$ (20,349,576)</u>	<u>\$ (22,950,668)</u>

Source: 2009 Audited Report. This Appendix is not itself audited.

SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

Statements of Cash Flows

December 31st

	<u>2008</u> (Restated)	<u>2009</u>
<u>CASH FLOWS (USED) BY OPERATING ACTIVITIES</u>		
Cash received from sales tax revenues	\$ 7,528,059	\$ 7,300,194
Cash received from other sources	36,600	44,521
Cash paid to suppliers and other vendors	(414,809)	(350,968)
Cash paid for salaries and employee benefits	(528,993)	(531,635)
	<u>6,620,857</u>	<u>6,462,112</u>
<u>CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING</u>		
Proceeds from bond anticipation note issuance	2,000,000	4,000,000
Debt service fees	(16,000)	(21,300)
Bond issuance costs	-	(32,501)
Repayment of bond principal	(1,580,000)	(1,655,000)
Repayment of amounts due to the County of Schenectady	(36,942)	(38,601)
Interest paid	(2,306,662)	(2,320,553)
	<u>(1,939,604)</u>	<u>(67,955)</u>
<u>CASH FLOWS FROM CAPITAL ACTIVITIES</u>		
Purchase of office furniture and equipment	(4,298)	(18,823)
<u>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</u>		
Change in cash, restricted	(68,100)	68,100
Proceeds (purchase) of investment reserves, restricted, net	(47,407)	89,657
Issuance of loans receivable	(332,532)	(1,055,420)
Repayment of loans receivable	1,937,316	1,586,898
Issuance of note receivable	(250,000)	-
Investment earnings received	252,016	79,803
Miscellaneous revenue	1,399	4,055
Project grants and expenditures paid, net of project grant revenues received	(6,409,978)	(4,943,742)
	<u>(4,917,286)</u>	<u>(4,170,649)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(240,331)	2,204,685
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,071,463</u>	<u>1,831,132</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>1,831,132</u></u>	<u><u>4,035,817</u></u>
<u>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Net operating revenues	\$ 6,553,559	\$ 6,189,802
Adjustments to reconcile net operating revenues to net cash provided (used) by operating activities	14,859	12,101
Depreciation and amortization	52,439	260,209
Change in accounts receivable	6,620,857	6,462,112

Source: 2009 Audited Report. This Appendix is not itself audited.

SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

Schedules of Project Grants and Commitments

December 31st

	<u>2008</u> (Restated)	<u>2009</u>
<u>PROJECT GRANTS & EXPENDITURES</u>		
Advanced Energy Relocation	\$ -	\$ 50,410
Alco Redevelopment	21,947	47,104
Anthology Design Studio	-	25,000
Big House Schenectady	-	100,000
Bombers on State Street	71,400	232,915
Broadway Commerce Park - Phase 3	-	34,287
Canal Square Corridor Streetscape	34,871	13,057
Center City Redevelopment	-	460,000
Clinton Square	1,924,539	264,378
Countywide Façade Program	7,006	295,152
Dorp Salvage Demolition	-	50,000
Downtown Ambassador Program	-	21,955
Downtown Façade Program IV	379,452	115,943
Downtown Façade Program V	-	262,238
Downtown Parking	188,395	452,119
Downtown Special Assessment District	261,156	209,408
Fortitech Expansion	85,000	97,000
Foster Building	-	133,193
400 State Street	10,176	-
409 State Street	50,000	-
411 State Street	2,700	-
423 Liberty Street	444,869	94,874
440 State Street	16,792	12,803
447 State Street	125,860	141,825
451 Nott Street	369,970	-
453 State Street	6,280	4,006
GE Theater Façade	-	4,095
Griffins Greenhouse	321,778	3,222
Hampton Inn	10,060	-
Jay Street Arts Studio	-	26,867
Jay Street Lighting Project	-	376,402
LaSortoria II	333,262	15,464
Logical Net Relocation	71,975	-
Marcella Distribution Center	-	275,000
Marks Property Demolition	-	56,590
Mildred Elley	149,017	-
More Perrecca's Café	-	75,000
Nico's Pizzeria	60,600	-
Northeastern Fine Jewelry	80,000	-
Op-Tech Environmental	20,215	-
Parking Improvements 2008	483,043	-
Parking Program	1,322,010	1,201,253
Parking Remediation	62,129	7,715
Paul Mitchell School	-	20,527
Proctor's Block Streetscape	-	28,356
Rotterdam Corporate Park/Building 14	-	144,766
Schenectady County Chamber of Commerce/Convention Grants	45,000	85,000
Schenectady County Community Business Center IV-VII	113,375	25,000
Schenectady Green Market	5,000	20,000
Schenectady Light Opera	-	305,137
Sealed Air Retention	-	100,620
797 Broadway Façade	-	80,000
State Streetscape Phase II	14,403	-
Stockage View Apartments Facade Project	-	601
Union Graduate College Façade Project	-	60,130
Upper Union Street Façade Program	128,770	93,227
Upper Union Streetscape	-	308,551
Van Dyck Restoration Project	100,231	15,000
Van Guysling Avenue	-	272,323
Professional services and predevelopment costs	770,250	648,065
	<u>\$ 8,091,531</u>	<u>\$ 7,366,578</u>
<u>PROJECT GRANT REVENUES</u>	<u>(2,290,587)</u>	<u>(920,310)</u>
<u>NET PROJECT GRANTS</u>	<u>\$ 5,800,944</u>	<u>\$ 6,446,268</u>

Source: 2009 Audited Report. This Appendix is not itself audited.