

## BOND PURCHASE AGREEMENT

\$20,380,000

Schenectady Metroplex Development Authority  
General Resolution Refunding Bonds,  
Series 2015 (Federally Taxable)

April 23, 2015

Schenectady Metroplex Development Authority  
433 State Street  
Schenectady, New York 12305

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC (the “*Underwriter*” or “*RBCCM*”) offers to enter into the following agreement (this “*Agreement*”) with the Schenectady Metroplex Development Authority (the “*Issuer*”) which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer’s written acceptance hereof on or before 5:00 p.m., New York City time, on April 23, 2015 and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Resolution (as defined herein) or in the Official Statement (as defined herein).

1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer’s General Resolution Refunding Bonds, Series 2015 (Federally Taxable) in the aggregate principal amount of \$20,380,000 (the “*Bonds*”).

The principal amount of the Bonds to be issued, the dated date therefor, the maturities, sinking fund and optional redemption provisions and interest rates per annum are set forth in Schedule I hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the General Bond Resolution adopted by the members of the Issuer on December 12, 2001 (the “General Bond Resolution”) and a Twelfth Supplemental Bond Resolution adopted by the members of the Issuer on April 15, 2015 (the “Twelfth Supplemental Resolution” and, together with the General Resolution, the “Bond Resolution”).

The purchase price for the Bonds shall be \$20,308,038.63 plus interest accrued on the Bonds from the dated date of the Bonds to the Closing Date (as hereinafter defined), if any. The purchase price includes an underwriting discount of \$71,961.37.

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm’s

length, commercial transaction between the Issuer and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the Underwriter is acting solely in their capacity as an underwriter for its own account, (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

## 2. Public Offering.

(a) The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not to exceed the public offering prices set forth on the cover of the Official Statement and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover of the Official Statement.

(b) The Issuer authorizes the Underwriter to use copies of the Official Statement and the information contained therein, including supplemental material relating to the Bonds or the Issuer, provided to the Underwriter by the Issuer (which will be provided to the Underwriter at the reasonable request of the Underwriter) which may be distributed with the Official Statement, and copies of the escrow contract dated as of the Closing Date (defined herein) (the "Escrow Contract") between the Issuer and Manufacturers and Traders Trust Company, as escrow holder (the "Escrow Holder"), this Agreement and the Bond Resolution in connection with the public offering and sale of the Bonds and agrees not to further supplement or amend or cause to be supplemented or amended any of the foregoing at any time prior to the Closing without the prior written consent of the Underwriter.

## 3. The Official Statement.

(a) Attached hereto as Exhibit A is either a draft of the final Official Statement or a copy of the Preliminary Official Statement dated April 16, 2015 (the "*Preliminary Official Statement*"), including the cover page and appendices thereto, of the Issuer relating to the Bonds. Such draft of the final Official Statement or copy of the Preliminary Official Statement is hereinafter referred to as the "*Official Statement*."

(b) The Preliminary Official Statement has been prepared by the Issuer for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was deemed final by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 (the "*Rule*") under the Securities Exchange Act of 1934, as amended (the "*Securities Exchange Act*").



(c) The Issuer represents that the representatives of the Issuer have reviewed and approved the information in the Official Statement and hereby authorizes the Official Statement to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer's acceptance of this Agreement (but, in any event, not later than within seven (7) business days after the Issuer's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to timely file the Official Statement with the MSRB. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

4. Representations, Warranties, and Covenants of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is a public benefit corporation of the State of New York (the "State") duly created, organized and existing under the laws of the State, specifically Title 28-B of Article 8 of the Public Authorities Law of the State, as amended (the "Act"), and has full legal right, power and authority under the Act, and at the date of the Closing will have full legal right,



power and authority under the Act and the Bond Resolution (i) to enter into, execute and deliver this Agreement, the Bond Resolution and the Continuing Disclosure Undertaking (the “*Undertaking*”) as described in Section 6(h)(iii) hereof and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Bond Resolution, the Escrow Contract, the Undertaking and the other documents referred to in this clause are hereinafter referred to as the “*Issuer Documents*”), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Resolution and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; the Bonds, when issued, delivered and paid for, in accordance with the Bond Resolution and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Resolution and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; and upon the issuance, authentication and delivery of the Bonds as aforesaid, the Bond Resolution will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Bond Resolution;

(d) The Issuer will apply the proceeds from the sale of the Bonds for the purposes specified in the Bond Resolution and the Escrow Contract;

(e) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds, the Issuer Documents and the adoption of the Bond Resolution and compliance on the Issuer’s part with the provisions contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation,



judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Resolution;

(f) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds and the approval of the terms of the Bonds by the New York State Comptroller in accordance with the Act;

(g) The Bonds conform to the descriptions thereof contained in the Official Statement under the caption “PART 6 – DESCRIPTION OF THE SERIES 2015 BONDS”; the Bond Resolution conforms to the description thereof contained in the Official Statement under the caption “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION AND SUPPLEMENTAL RESOLUTION” and “PART 8 – PAYMENT OF AND SECURITY FOR THE SERIES 2015 BONDS”; the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the caption “PART 3 – SOURCES AND USES OF BOND PROCEEDS” and the Undertaking conforms to the description thereof contained in the Official Statement under the caption PART 20 – CONTINUING DISCLOSURE UNDERTAKING.

(h) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer after due inquiry, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of taxes pledged to the payment of principal of and interest on the Bonds pursuant to the Bond Resolution or in any way contesting or affecting the validity or enforceability of the Bonds, the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(i) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated



therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(k) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(l) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Resolution and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for State income tax purposes of the interest on the Bonds;

(m) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter promptly of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(n) The financial statements of, and other financial information regarding the Issuer, in the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer. Except as disclosed on Exhibit B attached hereto, the Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer;

(o) Prior to the date hereof, the Issuer was advised in writing by the Underwriter in accordance with the requirements of Rule G-17 of the MSRB that:



(i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;

(ii) the Underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the Issuer and it has financial and other interests that differ from those of the Issuer;

(iii) unlike a municipal advisor, the Underwriter does not have a fiduciary duty to the Issuer under federal securities laws and is, therefore, not required by federal law to act in the best interest of the Issuer without regard to its own financial or other interests;

(iv) the Underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable;

(v) the Underwriter will review the Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction;

(vi) the Underwriter did not recommend that the Issuer not retain a municipal advisor within the meaning of Section 15B of the Securities and Exchange Act; and

(vii) the Underwriter did disclose to the Issuer that its underwriting compensation will be contingent on the closing of a transaction and the size of a transaction, which presents a conflict of interest, because it may cause the Underwriter to recommend a transaction that it is unnecessary or to recommend that the size of the transaction be larger than is necessary. The Underwriter did disclose to the Issuer that it was not aware of any other potential or actual conflicts of interest.

(p) Prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Underwriter; and

(q) Any certificate signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Agreement shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

## 5. Closing.

(a) At 10:00 a.m. New York City time, on May 7, 2015, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter (the "*Closing*"), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter



mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Agreement by a certified or bank cashier's check or checks or wire transfer payable in immediately available funds to the order of the Issuer. Payment for the Bonds as aforesaid shall be made at the offices of Bond Counsel, or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Bonds shall be made to The Depository Trust Company, New York, New York. The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Resolution, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

6. Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and counsel to the Issuer to deliver their respective opinions referred to hereafter;

(d) At or prior to the Closing, the Bond Resolution shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the trustee shall have duly authenticated the Bonds;

(e) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that, in the



judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(f) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(h) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(i) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Issuer by its Chairman, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(ii) The Bond Resolution with such supplements or amendments as may have been agreed to by the Underwriter;

(iii) The Undertaking of the Issuer which satisfies the requirements of Section (b)(5)(i) of the Rule;

(iv) The approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached to the Official Statement;

(v) The supplemental opinion of Bond Counsel addressed to the Underwriter, substantially to the effect that:

(A) The Bond Resolution has been duly adopted and is in full force and effect;

(B) The Bonds are exempted securities under the Securities Act of 1933, as amended (the "*Securities Act*"), and the Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*"), and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the Securities Act or to qualify the Bond Resolution under the Trust Indenture Act ;

(C) The statements and information contained in the Official Statement under the captions "PART 1 – INTRODUCTION," "PART 2 – AUTHORIZATION AND PLAN OF REFUNDING," "PART 5 – CERTIFICATED BONDS," "PART 6 – DESCRIPTION OF THE SERIES 2015 BONDS," "PART 8 – PAYMENT OF AND SECURITY FOR THE SERIES 2015 BONDS," "PART 13 – COVENANT BY THE STATE," "PART 15 – LEGALITY FOR INVESTMENT AND DEPOSIT," "PART 16 – TAX MATTERS," "APPENDIX C –



DEFINITIONS” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION AND THE SUPPLEMENTAL RESOLUTION” fairly and accurately summarize the matters purported to be summarized therein; and

(D) Based on the examinations which they have made as Bond Counsel and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy or completeness of the statements in the Official Statement other than those described in subparagraph (C) of this subsection above, such counsel has no reason to believe that the Official Statement as of its date and as of the date hereof contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical data included in the Official Statement and except for information regarding the Depository and its book-entry system, in each case as to which no view need be expressed);

(vi) An opinion, dated the date of the Closing and addressed to the Underwriter, of counsel for the Underwriter, to the effect that:

(A) the Bonds are exempt securities under the Securities Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the Securities Act and the Bond Resolution need not be qualified under the Trust Indenture Act; and

(B) based upon their participation in the preparation of the Official Statement as counsel for the Underwriter and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding the Depository and its book-entry system, in each case as to which no view need be expressed);

(vii) An opinion of the Issuer’s Counsel, addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(viii) A certificate, dated the date of Closing, of the Issuer to the effect that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) except as expressly disclosed therein, no litigation or



proceeding against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting revenues, including payments on the Bonds, pursuant to the Bond Resolution, and other income or the anticipated receipt of Pledged Revenues or the levy or collection of the taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iii) the resolutions of the Issuer authorizing the execution, delivery and/or performance of the Official Statement, the Bonds and Issuer Documents have been duly adopted by the Issuer, are in full force and effect and have not been modified, amended or repealed, and (iv) to the best of its knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(ix) Any other certificates and opinions required by the Bond Resolution for the issuance thereunder of the Bonds;

(x) Evidence satisfactory to the Underwriter that the Bonds have been rated "A+" by Standard & Poors Credit Market Services and "A1" by Moody's Investors Service and that such ratings are in effect as of the date of Closing;

(xi) A copy of the New York State Comptroller's approval of the terms of sale of the Bonds;

(xii) A refunding verification report from Causey, Demgen & Moore P.C. or other independent certified public accountant or firm of independent certified public accountants acceptable to the Underwriter attesting to the fact that moneys and Government Obligations (as defined in the Escrow Contract) on deposit pursuant to the Escrow Contract will be sufficient and will generate receipts sufficient to pay the Refunded Bonds;

(xiii) A certificate of the Escrow Holder dated the Closing Date, to the effect that:

(A) The Escrow Holder is a bank or trust company which is authorized to transact business under the laws of the State,



and has corporate power and authority, to execute and deliver the Escrow Contract and to accept and execute the trusts created under the Escrow Contract where required;

(B) The execution and delivery of the Escrow Contract has been duly authorized by the Escrow Holder, the Escrow Contract has been duly executed and delivered by the Escrow Holder and the trusts created thereunder have been accepted on behalf of the Escrow Holder by officers of the Escrow Holder pursuant to such authority and the Escrow Contract, upon delivery thereof by the Escrow Holder, will constitute an enforceable obligation of the Escrow Holder;

(C) There is no action, suit, proceeding, inquiry or investigation, at law or in equity or by court, public board or body, pending or threatened, to the Escrow Holder's knowledge, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Escrow Contract with respect to the duties of the Escrow Holder thereunder; and

(D) The execution and delivery of the Escrow Contract and the performance by the Escrow Holder of its obligations thereunder do not violate or constitute a default under any court order or any agreement, indenture, mortgage, lease, note or other agreement or instrument which is binding upon the Escrow Holder; and

i. Such additional legal opinions, certificates, instruments and other documents as the Underwriter or counsel to the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Sections 4, 7 and 9(c) hereof shall continue in full force and effect.



7. Indemnification.

(a) The Issuer will indemnify and hold harmless the Underwriter against any losses, claims, damages or liabilities to which the Underwriter may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Official Statement or Official Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Underwriter for any legal or other expenses reasonably incurred by the Underwriter in connection with investigating or defending any such action or claim; provided, however, that the Issuer shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Official Statement or Official Statement or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Issuer by the Underwriter expressly for use therein.

(b) The Underwriter will indemnify and hold harmless the Issuer against any losses, claims, damages or liabilities to which the Issuer may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the section entitled "UNDERWRITING" in the Preliminary Official Statement or Official Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission or alleged omission was made in the Underwriting section of the Preliminary Official Statement or Official Statement or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Issuer by the Underwriter expressly for use therein; and will reimburse the Issuer for any legal or other expenses reasonably incurred by the Issuer in connection with investigating or defending any such action or claim.

(c) Promptly after receipt by an indemnified party pursuant to subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party or shall otherwise have an actual or potential conflict in such representation), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses or other counsel or any other expenses, in each case subsequently incurred by



such indemnified party, in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then the indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Underwriter on the other from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then the indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer on the one hand and the Underwriter on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Underwriter on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer bear to the total underwriting discounts and commissions received by the Underwriter. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer on the one hand or the Underwriter on the other and the parties' relative intent, knowledge, access to information and opportunity to correct and to prevent such statement or omission. The Issuer and the Underwriter agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Bonds were offered to the public exceeds the amount of any damages which the Underwriter have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged untrue statement or omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the Issuer under this Section shall be in addition to any liability which the Issuer may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Underwriter within the meaning of the Securities Act. The indemnity and contribution agreements contained in this Section and the representations and warranties of the Issuer contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Underwriter or any person controlling the Underwriter



or by or on behalf of the Issuer, its officers or directors or any other person controlling the Issuer and (iii) acceptance of and payment for any of the Bonds.

8. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) Legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the New York State Legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, state income taxation upon revenues or other income of the general character to be derived by the Issuer pursuant to the Bond Resolution, or upon interest received on obligations of the general character of the Bonds or, with respect to state taxation, of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the state income tax consequences of any of the transactions contemplated herein;

(b) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) Any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal or State officials authorized to do so;



(e) The New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter;

(f) Any amendment to the State Constitution or action by any state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property or income securities (or interest thereon);

(g) Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) There shall have occurred any materially adverse change in the affairs or financial condition of the Issuer;

(i) The United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) Any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) There shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations; and

(l) The purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

#### 9. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds, (ii) the fees and disbursements of Bond Counsel and counsel to the Issuer; (iii) the fees and disbursements of the Financial Advisor to the Issuer; (iv) the fees and disbursements of any Trustee, Paying Agent or any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (v) the fees and expenses of the Escrow Holder; and (vi) the fees for bond ratings. The Issuer shall also pay for any reasonable expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this



Agreement and the issuance of the Bonds, including but not limited to, meals, transportation, and lodging, if any, and any other miscellaneous closing costs.

(b) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(c) The Underwriter shall pay (i) the cost of preparation and printing of this Agreement, the Blue Sky Survey and Legal Investment Memorandum; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by it in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriter.

(d) If this Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Issuer shall be unable to perform its obligations under this Agreement, the Issuer will reimburse the Underwriter for all out-of-pocket expenses (including the fees and disbursements of counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder.

(e) In the event that the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds at the Closing as herein provided, the Underwriter shall pay to the Issuer an amount equal to 1% of the par amount of the Bonds as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriter and such amount shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults, and the Issuer shall have no further action for damages, specific performance or any other legal or equitable relief against the Underwriter.

10. Notices. Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing at 433 State Street, Schenectady, New York 12305, Attention: Chairman and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to RBCCM, 455 Patroon Creek Boulevard, Suite 207, Albany, New York 12206, Attention: Bradley A. Hopper, Director.

11. Parties in Interest. This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

12. Effectiveness. This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.



13. Choice of Law. This Agreement shall be governed by and construed in accordance with the law of the State.

14. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

15. Business Day. For purposes of this Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

16. Section Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

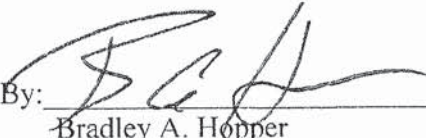
17. Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

[Remainder of page left blank intentionally]



If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

RBC CAPITAL MARKETS, LLC

By:   
Bradley A. Hopper  
Director

Approved and Agreed to:

at 1 o'clock p.m. E.S.T. this 23<sup>rd</sup> day of April, 2015

SCHENECTADY METROPLEX  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Ray Gillen  
Chair

[Signature page to Bond Purchase Agreement]



If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

RBC CAPITAL MARKETS, LLC

By: \_\_\_\_\_  
Bradley A. Hopper  
Director

Approved and Agreed to:

at 1 o'clock P.m. E.S.T. this 23<sup>rd</sup> day of April, 2015

SCHENECTADY METROPLEX  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Ray Gillen  
Chair

[Signature page to Bond Purchase Agreement]



**SCHEDULE I**

**SCHEDULE I TO BOND PURCHASE AGREEMENT**

**SCHEDULE OF MATURITIES, PRINCIPAL AMOUNTS,  
INTEREST RATES AND YIELDS  
FOR**

**\$20,380,000  
SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY  
GENERAL RESOLUTION REFUNDING BONDS,  
SERIES 2015 (FEDERALLY TAXABLE)**

<u>Maturity</u> <u>(August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2015	\$ 625,000	0.450%	0.450%
2016	710,000	1.007	1.007
2017	1,390,000	1.369	1.369
2018	1,405,000	1.777	1.777
2019	1,425,000	2.148	2.148
2020	1,460,000	2.448	2.448
2021	1,495,000	2.745	2.745
2022	1,530,000	3.045	3.045
2023	1,580,000	3.234	3.234
2024	1,640,000	3.384	3.384
2025	1,690,000	3.484	3.484
2026	1,745,000	3.634	3.634
2027	1,805,000	3.784	3.784
2028	1,880,000	3.934	3.934

\*The Bonds maturing in the years 2026 to 2028 will be subject to redemption prior to maturity.



**PRELIMINARY OFFICIAL STATEMENT**



This Preliminary Official Statement and information contained herein are subject to change, completion or amendment without notice. The Authority will make available the final Official Statement with respect to the Series 2015 Bonds. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Series 2015 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 16, 2015

**SERIAL BONDS**

**STANDARD & POOR'S RATING: "A+" STABLE OUTLOOK**

**MOODY'S RATING: "A1"**

*In the opinion of Hiscock & Barclay, LLP, Bond Counsel to the Authority, interest on the Series 2015 Bonds is not excluded from gross income for United States federal income tax purposes. Bond Counsel is further of the opinion that interest on the Series 2015 Bonds is exempt under existing laws from personal income taxes imposed by the State of New York and its political subdivision (including The City of New York). See "PART 16 - TAX MATTERS" herein regarding certain other tax considerations.*

**\$20,365,000\***

**SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY**

**\$20,365,000\* General Resolution Refunding Bonds, Series 2015 (Federally Taxable)**

**CUSIP BASE: 80647N**

(referred to herein as the "Series 2015 Bonds")

**Dated: Date of Delivery**

**Due: August 1, 2015-2028**

**MATURITIES**

<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CSP</u>
2015	\$ 630,000				2022	\$ 1,530,000			
2016	700,000				2023	1,580,000			
2017	1,380,000				2024	1,640,000			
2018	1,395,000				2025	1,690,000			
2019	1,415,000				2026	1,755,000			
2020	1,455,000				2027	1,815,000			
2021	1,490,000				2028	1,890,000			

The Schenectady Metroplex Development Authority \$20,365,000\* General Resolution Refunding Bonds, 2015 (Federally Taxable) (the "Series 2015 Bonds") are general obligations of the Schenectady Metroplex Development Authority ("Metroplex" or the "Authority").

The Series 2015 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 the December 21, 2001 (the "General Resolution"), and the Twelfth Supplemental Bond Resolution (the "Twelfth Supplemental Resolution" and, together with the General Resolution, the "Resolutions") adopted by the members of the Board of the Authority on April 15, 2015 authorizing the issuance of the Series 2015 Bonds. The Series 2015 Bonds are being issued to refund all or a portion of the \$8,295,000 outstanding principal balance of the General Resolution Bonds, Series 2005A (Federally Taxable) dated September 15, 2005 originally issued by the Authority in the aggregate principal amount of \$11,405,000, all or a portion of the \$3,635,000 outstanding principal balance of the General Resolution Bonds, Series 2005B (Federally Taxable) dated November 30, 2006 originally issued by the Authority in the aggregate principal amount of \$4,870,000 and all or a portion of the \$8,560,000 outstanding principal balance of the General Resolution Bonds, Series 2006A (Federally Taxable) dated November 15, 2006 originally issued by the Authority in the aggregate principal amount of \$11,440,000 (collectively, the "Refunded Bonds"). See "PART 2 - AUTHORIZATION AND PLAN OF REFUNDING" herein.

The Series 2015 Bonds are subject to optional redemption as described in "PART 7 - OPTIONAL REDEMPTION" herein.

The Series 2015 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 2015 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 2015 Bonds. Interest on the Series 2015 Bonds will be payable on August 1, 2015 and semi-annually thereafter on February 1 and August 1 in each year until maturity. The principal and interest of the Series 2015 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 2015 Bonds, as described herein.

The Series 2015 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 2015 Bonds of Hiscock & Barclay, LLP, Bond Counsel, Albany, New York. Certain legal matters will be passed on for the Underwriter by its counsel, Bond, Schoeneck, & King, PLLC, Syracuse, New York. Certain legal matters will be passed on for the Authority by its counsel, Whiteman Osterman & Hanna LLP, Albany, New York. 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 2015 Bonds will be available for delivery through the facilities of DTC on or about May 6, 2015.

THE SERIES 2015 BONDS ARE GENERAL OBLIGATIONS OF THE AUTHORITY. THE SERIES 2015 BONDS DO NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK, SCHENECTADY COUNTY, NEW YORK OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF NEW YORK, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, SCHENECTADY COUNTY, NEW YORK OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF NEW YORK IS PLEDGED TO THE PAYMENT OF THE SERIES 2015 BONDS. THE AUTHORITY HAS NO TAXING POWER.



**RBC Capital Markets®**

April \_\_, 2015

\*Preliminary, subject to change.



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No person has been authorized by the 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 Series 2015 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 Authority.

The Underwriter has provided the following sentence for inclusion in this Official Statement. "The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities under the federal securities law, 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 SERIES 2015 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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PREPARED WITH THE ASSISTANCE OF

**FA FISCAL ADVISORS & MARKETING, INC.**

CORPORATE HEADQUARTERS

120 Walton Street • Suite 600

Syracuse NY 13202

Ph • 315.752.0051 • Fax • 315.752.0057

Internet • <http://www.fiscaladvisors.com>



**OFFICIAL STATEMENT**  
**RELATING TO**  
**SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY**

**\$20,365,000\* General Resolution Refunding Bonds, 2015 (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 Refunding Bonds, 2015 (Federally Taxable) (the “Series 2015 Bonds”) in the aggregate principal amount of \$20,365,000\*.

The Authority is a body corporate and politic of the State of New York (the “State”) constituting a public benefit corporation. The Series 2015 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”), General Bond Resolution adopted by the members of the Board of the Authority on December 21, 2001 (the “General Resolution”) and the Twelfth Supplemental Bond Resolution (the “Twelfth Supplemental Resolution” and, together with the General Resolution, the “Resolutions”) adopted by the members of the Board of the Authority on April 15, 2015.

Sources available to pay debt service on the Series 2015 Bonds, which are general obligations of the Authority, include (i) 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 8 – PAYMENT OF AND SECURITY FOR THE SERIES 2015 BONDS.” The Series 2015 Bonds are not obligations of either the State of New York or the County of Schenectady. The Authority has no taxing power.

**PART 2 - AUTHORIZATION AND PLAN OF REFUNDING**

**Authorization and Purpose**

The Series 2015 Bonds are being issued pursuant to the Constitution and statutes of the State, the Act, the General Resolution and the Twelfth Supplemental Resolution. The Twelfth Supplemental Resolution authorizes the refunding of all or a portion of the \$8,295,000 outstanding principal balance of the General Resolution Bonds, Series 2005A (Federally Taxable) dated September 15, 2005 originally issued by the Authority in the aggregate principal amount of \$11,405,000, all or a portion of the \$3,635,000 outstanding principal balance of the General Resolution Bonds, Series 2005B (Federally Taxable) dated November 30, 2006 originally issued by the Authority in the aggregate principal amount of \$4,870,000 and all or a portion of the \$8,560,000 outstanding principal balance of the General Resolution Bonds, Series 2006A (Federally Taxable) dated November 15, 2006 originally issued by the Authority in the aggregate principal amount of \$11,440,000 (collectively, the “Refunded Bonds”).

The proceeds of the Series 2015 Bonds are intended to be used to purchase a portfolio of non-callable direct obligations of the United States of America (the “Government Obligations”) and pay certain costs of issuance related to the Series 2015 Bonds. The principal of and investment income on the portfolio of Government Obligations, together with other available cash on deposit in the Escrow Deposit Fund (as hereinafter defined), are expected to be sufficient to pay the principal of, interest on, and redemption premiums (if any) of the Refunded Bonds.

\*Preliminary, subject to change.

## The Refunding Financial Plan

The Series 2015 Bonds are being issued to effect the refunding of the Refunded Bonds pursuant to the Authority's Twelfth Supplemental Resolution. Proceeds of the Series 2015 Bonds (after payment of the underwriting fee and other costs of issuance related to the Series 2015 Bonds) are to be applied to the purchase of Government Obligations. The Government Obligations are to be placed in an irrevocable trust fund (the "Escrow Deposit Fund") with Manufacturers and Traders Trust Company (the "Escrow Holder"), pursuant to the terms of a letter of instructions (the "Letter of Instructions") from the Authority to the Escrow Holder. The Letter of Instructions provides that the Government Obligations will mature in amounts and bear interest sufficient, together with any un-invested cash deposited into the Escrow Deposit Fund from proceeds of the Series 2015 Bonds, to meet principal and interest payments and redemption premiums (if any) with respect to the Refunded Bonds on the dates such payments are due or, in the case of Refunded Bonds subject to redemption prior to maturity, upon their earliest redemption dates (the "Payment Dates"). Pursuant to the Letter of Instructions, the Escrow Holder is to call for redemption all of the then - outstanding Refunded Bonds on their respective first permitted redemption date. The owners of the Refunded Bonds will have a first lien on all of the cash and securities necessary for the refunding of their respective Refunded Bonds in the Escrow Deposit Fund, until those Refunded Bonds have been paid, whereupon the Escrow Contract, given the occurrence of certain conditions precedent, shall terminate. The Authority is required to deposit all investment income from and maturing principal of the Government Obligations, together with any un-invested cash, into the Escrow Deposit Fund.

The Authority is expected to realize, as a result of the issuance of the Series 2015 Bonds, present value debt service savings.

The amounts and maturities of the Refunded Bonds, set forth below, may be changed by the Authority in its sole discretion due to market or other factors considered relevant by the Authority at the time of pricing of the Series 2015 Bonds and no assurance can be given that any particular amount or maturity listed will be refunded.

### **\$11,405,000 General Resolution Bonds, Series 2005A (Federally Taxable) – Dated September 15, 2005**

**CUSIP Base: 80647N**

<u>Due August 1st</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP No.</u>
2015	\$ 420,000	4.890%	6/10/2015	100.000%	AK6
2019	1,900,000	5.000%	6/10/2015	100.000%	AL4
2028	5,975,000	5.300%	6/10/2015	100.000%	AM2

### **\$4,870,000 General Resolution Bonds, Series 2005B (Federally Taxable) – Dated November 30, 2006**

**CUSIP Base: 80647N**

<u>Due August 1st</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP No.</u>
2021	\$ 1,110,000	5.470%	8/1/2016	100.000%	BM1
2028	2,155,000	5.620%	8/1/2016	100.000%	BN9

### **\$11,440,000 General Resolution Bonds, Series 2006A (Federally Taxable) – Dated November 15, 2006**

**CUSIP Base: 80647N**

<u>Due August 1st</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP No.</u>
2021	\$ 2,615,000	5.470%	8/1/2016	100.000%	AZ3
2028	5,075,000	5.620%	8/1/2016	100.000%	BA7



## Verification of Mathematical Computations

Causey, Demgen & Moore P.C., a firm of independent public accountants, will deliver to the Authority, on or before the settlement date of the Series 2015 Bonds, its attestation report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Authority and its representatives. Included in the scope of its engagement will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on, the Government Obligations used to fund the Escrow Deposit Fund to be established by the Escrow Holder to pay, when due, the principal of and interest on the Refunded Bonds.

The verification performed by Causey, Demgen & Moore P.C. will be solely based upon data, information and documentation provided to Causey, Demgen & Moore P.C. by the Authority and its representatives. Causey, Demgen & Moore, P.C.'s attestation report will state that Causey, Demgen & Moore P.C. has no obligations to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of such report.

## PART 3 - SOURCES AND USES OF BOND PROCEEDS

Proceeds of the Series 2015 Bonds are to be applied as follows:

<b>Sources:</b>	Par Amount of the Series 2015 Bonds		\$
	Original Issue Premium (Discount)		
	Release from Debt Service Reserve Fund		
		Total	\$
<b>Uses:</b>	Deposit to Escrow Deposit Fund		\$
	Underwriter's Discount		
	Costs of Issuance and Contingency		
		Total	\$

## PART 4 – BOOK ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2015 Bonds. The Series 2015 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 the Series 2015 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015 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 Series 2015 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 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 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 2015 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 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 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 2015 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 2015 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 upon DTC's receipt of funds and corresponding detail information from the Authority, on payable date 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 Cede & Co. (or such other nominee as may be requested by an authorized representative of 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 2015 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-only transfers through DTC (or a successor securities depository). In that event, Series 2015 Bond certificates will be printed and delivered to DTC.

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 DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE SERIES 2015 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 2015 BONDS; OR (E) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2015 BONDS.



## **PART 5 - CERTIFICATED BONDS**

DTC may discontinue providing its services with respect to the Series 2015 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 2015 Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof. Principal of the Series 2015 Bonds when due will be payable upon presentation at the principal corporate trust office of the Trustee. Interest on the Series 2015 Bonds will remain payable on August 1, 2015 and semi-annually thereafter on February 1 and August 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 2015 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 2015 Bonds of the same series and the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Certificate of Determination of the Chairman of the Authority authorizing the sale of the Series 2015 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 2015 Bonds between the fifteenth business day of the calendar month preceding an interest payment date and such interest payment date.

## **PART 6 – DESCRIPTION OF THE SERIES 2015 BONDS**

The Series 2015 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 2015 Bonds will be payable through the Trustee, as paying agent. Purchases of beneficial interests from DTC in the Series 2015 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 2015 Bonds, the Series 2015 Bonds will be held in the book-entry-only system described below and the principal and premium, if any, and interest on the Series 2015 Bonds will be paid through the facilities of DTC. Beneficial owners of the Series 2015 Bonds will not receive certificates representing their ownership interests in such Series 2015 Bonds, except in the event that use of the book-entry-only system is discontinued. (See “PART 4 - BOOK-ENTRY-ONLY SYSTEM” herein.)

## **PART 7 - OPTIONAL REDEMPTION**

The Series 2015 Bonds maturing on or before August 1, 2025 shall not be subject to redemption prior to maturity. The Series 2015 Bonds maturing on or after August 1, 2026 shall be subject to redemption prior to maturity on not less than thirty (30) days notice 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, 2025 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Series 2015 Bonds of any maturity are to be redeemed, the particular Series 2015 Bonds of such maturity to be redeemed shall 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 holder 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 2015 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.



## **PART 8 – PAYMENT OF AND SECURITY FOR THE SERIES 2015 BONDS**

### **Sources of Payment**

The Series 2015 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 Series 2015 Bonds, other bonds issued pursuant to the General Resolutions (the Series 2015 Bonds and other bonds issued pursuant to the General Resolution, 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, including the Series 2015 Bonds, and any Parity Debt.

The Pledged Property includes all of the Authority’s right, title and interest in and to the Revenues and Funds (other than the Excess Revenues, the Rebate Fund, and with respect to any 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 4.00% sales and compensating use taxes received by the County will be deposited in the Schenectady Metroplex Development Support Fund (the “Support Fund”) held in the custody of the County.

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

### **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 first month of each quarter. The Authority has assigned the right to receive these payments to the Trustee pursuant to the terms of the General Resolution. The balance (30%) of the Sales Tax that is deposited in the Support Fund is transferred to the County real property tax abatement and economic development fund; the Authority has no claims to the amounts transferred to the real property tax abatement and economic development fund.

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

The owners of the Bonds, including the Series 2015 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, including the Series 2015 Bonds, do not have any lien on 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 2015 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 2015 Bonds.

### **Debt Service Reserve Fund**

The General Resolution requires the Debt Service Reserve Fund to be funded at a level not less than the Debt Service Reserve Fund Requirement. The Debt Service Reserve Fund Requirement, as of any date of calculation, is an amount equal to one-half of the maximum annual debt service due on all Outstanding Bonds other than Variable Interest Rate Bonds and Bonds not secured by the Debt Service Reserve Fund. The Series 2015 Bonds will be secured by the Debt Service Reserve Fund.



Moneys in the Debt Service Reserve Fund may not be withdrawn if such withdrawal would reduce the amount of such Fund to less than the Debt Service Reserve Fund Requirement, except for the purpose of paying debt service on the Bonds, including on the Series 2015 Bonds, if and to the extent there exists a deficiency in the Debt Service Fund.

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

### **Flow of Funds**

Under the General Resolution, all Revenues of the Authority are deposited into the Revenue Fund (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 the County to repeal the sales and compensating use tax imposed under Section 1210-C of the New York Tax Law, provided the 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 (0.50%) of the 4.00% 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. Beginning on September 1, 1998, an additional 0.50% sales tax was imposed in the County. This additional tax is effective from September 1, 1998 through August 31, 2033.

The following table sets forth the Sales Tax collected by the County and the amount received by the Authority for the last ten fiscal years and the budgeted amounts for 2015:

<u>Fiscal Year Ending December 31</u>	<u>4.00% County Sales Tax</u>	<u>70% of 0.50% Received by the Authority</u>
2005	\$ 78,692,540	\$ 6,929,852
2006	81,834,041	7,190,162
2007	80,629,935	7,200,227
2008	82,654,851	7,502,018
2009	80,265,366	7,042,417
2010	82,304,702	7,228,855
2011	88,832,798	7,800,626
2012	90,985,636	8,013,075
2013	90,764,792	7,857,943
2014	94,464,344	8,308,746
2015 (Budget)	94,632,000	8,500,000

SOURCE: Annual Reports of the County.



## **PART 9 – 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 the County, each of whom is appointed by majority vote of the County Legislature. Two of the Board members are nominated by the City of Schenectady - each upon the recommendation of the Mayor and the City Council; one member is nominated by each of three different townships within County; one member is nominated upon the joint recommendation of the supervisors of two townships in the County; one member is nominated by the minority leader of the Schenectady County Legislature; two are nominated by the chairman of the County Legislature; and two are nominated by joint recommendation of the County Legislature. The Board conducts regular monthly meetings that are open to the public pursuant to Article 7 of the New York Public Officers Law, which is New York's version of an "open meetings" law.

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

The Authority is statutorily entitled to receive, for the period beginning September 1, 1998 and ending August 31, 2033, one half of one percent (0.5%) of the 4.00% 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 2015 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. 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 2015 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 2015 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 the fiscal years 2010 through 2014 are as follows:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Sales Tax Revenue	\$ 7,228,855	\$ 7,800,626	\$ 8,013,075	\$ 7,857,943	\$ 8,308,746
Operating Expenses	<u>870,220</u>	<u>915,434</u>	<u>958,160</u>	<u>1,023,464</u>	<u>1,043,059</u>
Available to Service Debt	\$ 6,358,635	\$ 6,885,192	\$ 7,054,915	\$ 6,834,479	\$ 7,265,687
Total Debt Service	\$ 3,839,304	\$ 4,362,741	\$ 4,361,062	\$ 4,362,613	\$ 4,206,611
Gross Debt Service Coverage	1.88x	1.79x	1.84x	1.80x	1.98x
Net Debt Service Coverage	1.66x	1.58x	1.62x	1.57x	1.73x

The Authority's projected debt service coverage ratio for 2015 and the following 4 years is as follows:

<u>Projected</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Sales Tax Revenue	\$ 8,500,000	\$ 8,712,500	\$ 8,930,313	\$ 9,153,570	\$ 9,382,410
Operating Expenses	<u>1,069,135</u>	<u>1,095,864</u>	<u>1,123,260</u>	<u>1,151,342</u>	<u>1,180,126</u>
Available to Service Debt	\$ 7,430,865	\$ 7,616,636	\$ 7,807,052	\$ 8,002,228	\$ 8,202,284
Total Debt Service	\$ 5,069,407	\$ 5,066,291	\$ 5,070,935	\$ 5,066,127	\$ 5,068,118
Gross Debt Service Coverage	1.68x	1.72x	1.76x	1.81x	1.85x
Net Debt Service Coverage	1.47x	1.50x	1.54x	1.58x	1.62x

## Historical Revenues and Expenses

The table below summarizes the Authority's revenues and expenses for the fiscal years 2010 through 2014:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Sales Tax Revenues	\$ 7,228,855	\$ 7,800,626	\$ 8,013,075	\$ 7,857,943	\$ 8,308,746
Project Revenues	24,104	45,574	61,099	28,069	56,682
Other Revenues	<u>106,878</u>	<u>165,119</u>	<u>133,000</u>	<u>72,979</u>	<u>53,994</u>
<u>Total Revenues</u>	\$ 7,359,838	\$ 8,011,318	\$ 8,207,174	\$ 7,958,991	\$ 8,419,422
Operating Expenses	\$ 870,220	\$ 915,434	\$ 958,160	\$ 1,023,464	\$ 1,043,059
Other Expenses	<u>2,485,114</u>	<u>2,499,305</u>	<u>2,238,710</u>	<u>2,250,882</u>	<u>2,980,836</u>
<u>Total Expenses</u>	\$ 3,355,334	\$ 3,414,739	\$ 3,196,870	\$ 3,274,346	\$ 4,023,895
<u>Net Revenues</u>	\$ 4,004,503	\$ 4,596,579	\$ 5,010,304	\$ 4,684,644	\$ 4,395,527

## Board Members

The current members of the Board are as follows:

<u>Name</u>	<u>Occupation</u>
Ray Gillen, Chair	Commissioner, Schenectady County of Economic Development and Planning
Bradley G. Lewis, Vice Chair	Professor of Economics, Union College
Robert L. Wall, Treasurer	Former Town Supervisor, Town of Duanesburg
Sharon A. Jordan, Secretary	SAJ Consulting; former Director of Operations, City of Schenectady
Edward L. Capovani	Co-founder, Capovani Brothers
William R. Chapman	Retired; former Program Researcher, NYS Department of Corrections
Neil M. Golub	Executive Chairman of the Board, Golub Corporation
Janet Hutchison	Proprietor, Open Door Bookstore
John Mallozzi	Partner, Mallozzi's Ballroom Catering
Robert J. Mantello	First V.P., Bricklayers and Allied Craftsmen Local 2
Karen Zalewski-Wildzun	Vice President, Commercial Lending, Berkshire Bank



THE ACT PROVIDES THAT NEITHER THE MEMBERS OF THE BOARD OF THE AUTHORITY NOR ANY PERSON EXECUTING THE SERIES 2015 BONDS SHALL BE LIABLE PERSONALLY ON THE SERIES 2015 BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF.

## PART 10 – THE COUNTY

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

According to the U.S. Census, in 2010 the population of the County was 154,727. The County's estimated population for 2014 was 155,333. The County has a varied economic base including manufacturing, engineering, research, wholesale distribution outlets, retail shopping centers and office buildings. A substantial portion of the resident population commutes to job sites within the County.

### Unemployment Rate Statistics

	<u>Annual Averages</u>							
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Schenectady County	4.1%	5.1%	7.3%	7.8%	7.6%	7.8%	6.9%	5.4%
New York State	4.6%	5.4%	8.3%	8.6%	8.3%	8.5%	7.7%	6.3%

	<u>2015 Monthly Figures</u>			
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
Schenectady County	5.6%	5.3%	N/A	N/A
New York State	6.5%	6.4%	N/A	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 2009-2013 Census reports.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>1990</u>	<u>2000</u>	<u>2009-2013</u>	<u>1990</u>	<u>2000</u>	<u>2009-2013</u>
County of:						
Schenectady	\$15,378	\$21,992	\$28,319	\$38,793	\$53,670	\$73,910
State of:						
New York	\$16,501	\$23,389	\$32,382	\$39,741	\$51,691	\$70,670

Note: 2010-2014 5-Year American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 1990, 2000, and 2009-2013 5-Year American Community Survey.

## Larger Taxpayers

The table below sets forth the County's largest real estate taxpayers, based on appraised real property values in 2014.

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuation</u>
General Electric Company	Industrial	\$ 291,980,123
National Grid/Niagara Mohawk	Public Utility	152,033,574
Golub Corp.	Retail and Commercial	63,473,300
Schenectady International	Industrial	48,400,000
Buffalo-Niskayuna Assoc.	Industrial	37,000,000
Rotterdam Square	Retail Shopping Center	30,000,000
Shady Lane Realty Inc.	Real Estate	22,897,925
Rotterdam Ventures	Commercial	21,520,000
Altamont Avenue	Retail	18,000,000
City of Schenectady	Government	16,347,831
Walmart Stores, Inc.	Retail	15,004,500
Target Corporation	Retail	13,200,000
BN Partners Associates LLC	Retail Outlet	13,200,000
Verizon	Public Utility	12,361,502
		<u>\$ 755,418,755</u> <sup>(1)</sup>

<sup>(1)</sup> Represents 8.03% of the 2014 Full Valuation of \$9,403,474,477.

## Economy

The County has a retail trading zone of about 500,000 people served by numerous sizeable shopping centers as well as many small to medium size retail businesses and wholesale business establishments and a rebounding downtown. Recent retail expansions include a new Target Store in Glenville, a new Shop-Rite in Niskayuna and the Mansion Square Development in Niskayuna. Health care employers such as Ellis Hospital, Sunnyview Rehabilitation Center and MVP Health Plan provide employment opportunities throughout the County. Golub Corporation, one of the largest private sector employers in the capital region, has its corporation headquarters and distribution facility located in the County. Golub Corporation operates a large chain of Price Chopper supermarkets throughout the Northeastern United States.

A large number of State employees live in the County, working at agency locations both within the County and in Albany, the State capital located nearby. Government employment gives the areas relative stability compared to many other regions.

Manufacturing jobs have remained strong in recent years due to orders for electrical generating equipment (steam turbines and generators) manufactured by the General Electric Company ("GE") at a large 600 acre plant in the County which employs approximately 4,300 workers, an increase of 1,300 jobs since 2004. In addition to the steam turbine and generator manufacturing facilities, GE recently completed construction of a \$180 million advanced battery manufacturing plant in the County creating approximately 450 jobs and located GE's world renewable energy headquarters in the County creating over 650 jobs. The downtown energy campus is also home to the GE Power and Water Division, one of GE's largest business units. This division headquarters recently moved to Schenectady from Atlanta. GE has also invested over \$125 million at its Global Research headquarters which is located in the Town of Niskayuna with more than 2,000 engineering jobs.



## Completed Metroplex / Funded Projects

- Over 1,300,000 square feet of new constructed and/or renovated Class A commercial office space adding 5,000 workers and students in the central business district.
- Revitalized arts, entertainment and cultural district attracting nearly 1,000,000 people annually to downtown from Proctors Theatre expansion, Bow Tie Cinema, Schenectady Light Opera Company, Greenmarket, festivals and many new downtown events.
- Communication Test Design Inc. (CTDI) constructed an \$11 million 151,550 square foot facility in the Town of Glenville to repair, warehouse and distribute wireless equipment that has added nearly 500 new jobs. Adjacent to CTDI, Old Dominion Freight Line, Inc. built an \$8.35 million 32,000 square foot cross dock distribution center (expandable to 47,000 square feet) with 74 doors that has added 45 jobs.
- Redevelopment and construction has commenced on Mohawk Harbor, a 60-acre parcel on the Mohawk River that will include one of three State-awarded licenses for gaming casino, two hotels with 300+ rooms, 384 residential units, commercial offices and riverfront retail, bike trails and a 48-slip marina. Construction costs are estimated at \$480 million and 1,600 jobs are expected to be created at full build out.
- The Authority owns or controls 2,350 parking spaces including a 5-story garage and 10 surface lots now fully improved or reconstructed.
- Total cumulative commitments have reached \$166 million for economic development projects that leverage an additional \$710 million in new investments in the County.

## Partial Listing of Larger Employers

<u>Name</u>	<u>Type</u>	<u>Estimated Number of Employees</u>
General Electric Power Systems	Power Systems	6,300 <sup>(1)</sup>
Ellis Hospital	Health Care	3,395
Golub Corporation/Price Choppers	Food Distribution/Supermarkets	2,789
Knolls Atomic Power Laboratory	Research Laboratory	2,600
New York State OPWDD	Local Government	1,700
Schenectady City School District	Public Education	1,560
County of Schenectady	Local Government	1,300
New York Air National Guard	Military	1,200
MVP Health Plan	Health Maintenance/Insurance	902

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

Source: Schenectady County's Department of Economic Planning.

## PART 11 - DEBT SERVICE PAYMENT REQUIREMENTS

The following table shows the annual debt service payments on the Authority's outstanding bonds:

	Series <u>2005A</u> <sup>(1)</sup>	Series <u>2005B</u> <sup>(1)</sup>	Series <u>2006A</u> <sup>(1)</sup>	Series <u>2010A</u>	Series <u>2010B</u>	Series <u>2012</u>	Series <u>2014A</u>	Series <u>2014B</u>	Total Debt Service <sup>(2)</sup>
2015	\$852,213	\$381,606	\$899,499	\$74,469	\$451,340	\$1,163,319	\$ 488,950	\$913,716	\$5,225,112
2016	851,675	382,012	896,974	73,681	450,345	1,165,319	488,950	912,259	5,221,215
2017	854,675	381,828	898,256	72,719	453,364	1,166,119	488,950	912,995	5,228,906
2018	851,425	380,888	897,547	76,669	450,602	1,165,719	488,950	913,264	5,225,064
2019	852,175	379,401	895,470	75,369	452,095	1,164,119	488,950	914,778	5,222,357
2020	851,675	382,367	897,026	73,969	452,818	1,164,519	488,950	912,467	5,223,791
2021	853,320	379,513	896,941	77,369	452,740	1,167,269	488,950	915,909	5,232,011
2022	848,375	381,111	895,215	75,569	450,532	1,162,769	488,950	910,940	5,213,461
2023	852,105	381,499	895,933	68,769	452,714	1,166,269	488,950	913,141	5,219,380
2024	853,980	381,044	899,684	71,919	448,980	1,162,269	653,950	746,812	5,218,638
2025	854,000	379,746	896,187	69,838	449,636	1,166,519	1,403,175		5,219,101
2026	852,165	382,605	895,723	72,756	449,376	1,163,394	1,402,175		5,218,194
2027	848,475	379,340	898,011	70,444	451,380	1,162,969	1,403,925		5,214,544
2028	852,930	380,232	897,770	73,131	452,025		1,403,325		4,059,413
2029				70,588	451,313		1,399,806		1,921,707
2030				68,044	449,242		1,403,269		1,920,555
2031				75,500	450,813		1,403,175		1,929,488
2032				77,250	450,686		1,402,450		1,930,386
2033				<u>78,750</u>	<u>453,862</u>		<u>1,403,150</u>		<u>1,935,762</u>
TOTAL <sup>(1)</sup>	\$11,929,188	\$5,333,192	\$12,560,236	\$1,396,803	\$8,573,863	\$15,140,572	\$17,678,950	\$8,966,281	\$81,579,085

<sup>(1)</sup> All or a part to be refunded with the proceeds of the 2015 Bonds.

<sup>(2)</sup> Totals may not foot due to rounding.

## PART 12 – 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 BANs, 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 BANs, 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 13 – 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 14 - BOND INSURANCE RISK FACTORS**

The Authority has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Series 2015 Bonds. The Authority has yet to determine whether an insurance policy will be purchased with the Series 2015 Bonds. If an insurance policy is purchased, the following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the Series 2015 Bonds when all or some becomes due, any owner of the Series 2015 Bonds shall have a claim under the applicable Bond 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. The payment of principal and interest in connection with mandatory or optional prepayment of the Series 2015 Bonds by the Authority which is recovered by the Authority from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the bond insurer at such time and in such amounts as would have been due absent such prepayment by the Authority unless the bond insurer chooses to pay such amounts at an earlier date.

In the event the bond insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Series 2015 Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the bond insurer becomes obligated to make payments with respect to the Series 2015 Bonds, no assurance is given that such event will not adversely affect the market price of the Series 2015 Bonds or the marketability (liquidity) for the Series 2015 Bonds.

Neither the Authority nor the Underwriter have made independent investigation into the claims paying ability of the Bond Insurer 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 2015 Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

### **PART 15 – LEGALITY FOR INVESTMENT AND DEPOSIT**

The Series 2015 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 2015 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 16 – TAX MATTERS

Interest on the Series 2015 Bonds is not excluded from gross income for United States federal income tax purposes under Section 103 of the Code.

This discussion is limited to the tax consequences to the initial beneficial owners of the Series 2015 Bonds who purchase the Series 2015 Bonds in the initial offering at the first price at which a substantial amount of substantially identical Series 2015 Bonds is sold to the general public (except as otherwise specifically noted) and does not address the tax consequences to subsequent purchasers of the Series 2015 Bonds.

The following is a summary of certain material United States federal income tax consequences of purchasing, holding and disposing of the Series 2015 Bonds by beneficial owners of the Series 2015 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein.

This summary does not discuss all aspects of United States federal income taxation that may be relevant to prospective purchasers of the Series 2015 Bonds. This summary is intended as a general explanatory discussion of the consequences of holding the Series 2015 Bonds generally and does not purport to furnish information in the level of detail or with respect to the prospective purchaser's specific tax circumstances that would be provided by the purchaser's own tax advisor. For example, except as explicitly provided below, it generally is addressed only to original purchasers of the Series 2015 Bonds that are "U.S. Holders" (as defined below), deals only with Series 2015 Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to persons subject to special rules, such as dealers in securities, currencies or commodities, financial institutions, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, FASITs, Subchapter S corporations, persons that hold Series 2015 Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose functional currency is not the United States dollar. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of Series 2015 Bonds. Prospective purchasers of the Series 2015 Bonds should consult with their own tax advisors regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to their particular situation.

As used herein, a "U.S. Holder" is a U.S. Person that is a beneficial owner of a Series 2015 Bond. A "Non-U.S. Holder" is a holder (or beneficial owner) of a Series 2015 Bond that is not a U.S. Person. For these purposes, a "U.S. Person" is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration and (ii) one or more United States persons have the authority to control all of the trust's substantial decisions.

### *Tax Status of Interest on the Series 2015 Bonds*

The Series 2015 Bonds will be treated, for United States federal income tax purposes, as a debt instrument. Accordingly, interest on the Series 2015 Bonds will be included in the income of the holder as it is paid (or, if the holder is an accrual method taxpayer, as it is accrued) as interest. The conclusion that the Series 2015 Bonds are indebtedness for United States federal income tax purposes is based on the transaction documents, assuming compliance therewith and the facts and circumstances of the transaction including the maturity date of the Series 2015 Bonds and the revenue sources of the Authority.

### *Original Issue Discount*

If the excess of the stated redemption price at maturity of a Series 2015 Bond over its "issue price" exceeds a specified de minimis amount (as determined for tax purposes), the excess is treated as original issue discount ("OID"). The issue price of the Series 2015 Bonds is the first price at which a substantial amount of substantially identical Series 2015 Bonds is sold to the general public in the initial offering. The issue price of the Series 2015 Bonds is expected to be the amount set forth on the cover page of this Official Statement but is subject to change based on actual sales. U.S. Holders of Series 2015 Bonds generally will be required to include OID in income for United States federal income tax purposes as it accrues, in accordance with the constant yield method based on a compounding interest (which may be before the receipt of cash payments attributable to such income). The amount of OID as accrued in a particular period will be considered to be received ratably on each day of the accrual period and will increase the U.S. Holder's tax basis in such Series 2015 Bond.



Holders of the Series 2015 Bonds that allocate a basis in the Series 2015 Bonds that is greater than the principal amount of the Series 2015 Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under section 171 of the Code.

### ***Market Discount***

If a U.S. Holder purchases the Series 2015 Bonds after the initial offering for an amount that is less than the principal amount of the Series 2015 Bonds, and such difference is not considered to be de minimis, then such discount will represent market discount that ultimately will constitute ordinary income (and not capital gain). Further, absent an election to accrue market discount currently, upon a sale or exchange of a Series 2015 Bond, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred or continued to carry a market discount Series 2015 Bond that does not exceed the accrued market discount for any taxable year will be deferred.

### ***Premium***

If a U.S. Holder purchases a Series 2015 Bond for an amount that is greater than the sum of all amounts payable on the Series 2015 Bond after the purchase date, other than payments of qualified stated interest, such U.S. Holder will be considered to have purchased the Series 2015 Bond with amortizable bond premium equal to the amount of such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the Series 2015 Bond and may offset interest otherwise required to be included in respect of the Series 2015 Bonds during any taxable year by the amortized amount of the amortized premium for the taxable year. A U.S. Holder of a Series 2015 Bond is required to reduce such U.S. Holder's basis in such Series 2015 Bond by the amount of amortizable bond premium attributable to each taxable year. This will result in an increase in the gain (or decrease in the loss) to be recognized for United States federal income tax purposes on the sale or disposition of the Series 2015 Bond prior to maturity. Any election to amortize bond premium applies to all taxable debt instruments held by the U.S. Holder on or after the first day of the taxable year to which such election applies and may be revoked only with the consent of the IRS. A U.S. Holder that does not make the election to amortize bond premium will decrease the amount of the gain (or increase the amount of the loss) otherwise recognized on the disposition of such bond by the amount of the bond premium.

If the Series 2015 Bond may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity, special rules would apply which could result in deferral of the amortization of some bond premium until later in the term of the Series 2015 Bond. Prospective purchasers of the Series 2015 Bonds should consult their own tax advisors regarding the application of the amortizable bond premium rules to their particular situation.

### ***Sale and Exchange of Series 2015 Bonds***

Upon a sale or exchange of a Series 2015 Bond, a U.S. Holder generally will recognize gain or loss on the Series 2015 Bonds equal to the difference between the amount realized on the sale or exchange and its adjusted tax basis in such Series 2015 Bond. Such gain or loss generally will be capital gain (although any gain attributable to accrued market discount of the Series 2015 Bond not yet taken into income will be ordinary) if the holder holds the Series 2015 Bond as a capital asset. The adjusted basis of the holder in a Series 2015 Bond without OID will (in general) equal its original purchase price and be decreased by any payments on the Series 2015 Bond, other than qualified stated interest payments, received and by amortizable bond premium taken with respect to such Series 2015 Bonds. In general, if the Series 2015 Bond is held for longer than one year, any gain or loss would be long-term capital gain or loss. The deductibility of capital losses is subject to certain limitations.

Defeasance or significant modification of any Series 2015 Bond may result in a reissuance thereof, in which event a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the U.S. Holder's adjusted tax basis in the Series 2015 Bond. Ownership of the Series 2015 Bonds after a deemed sale or exchange as a result of a defeasance or significant modification may have tax consequences different than those described in this "TAX MATTERS" section and each holder should consult its own tax advisor regarding the consequences to such holder of a defeasance or significant modification of the Series 2015 Bonds.

### ***Medicare Tax***

For taxable years beginning after December 31, 2012, a U.S. Holder that is an individual, an estate or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" in the case of individuals or "undistributed net investment income" in the case of estates and certain trusts for the relevant taxable year and (2) the excess of the U.S. Holder's adjusted gross income (increased by



certain amounts of excluded foreign income) for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). U.S. Holders that are individuals, estates or trusts are urged to consult their own tax advisors regarding the applicability of the Medicare Tax to their income and gain from the Series 2015 Bonds.

### *State, Local and Foreign Taxes*

Beneficial owners of the Series 2015 Bonds may be subject to state, local or foreign taxes with respect to an investment in the Series 2015 Bonds. Prospective purchasers of the Series 2015 Bonds are urged to consult their tax advisors with respect to the state, local and foreign tax consequences of an investment in the Series 2015 Bonds.

### *Certain United States Federal Income and Estate Tax Consequences to Non-U.S. Holders*

This section describes certain United States federal income tax consequences to Non-U.S. Holders.

Subject to the information below under the headings "Backup Withholding" and "FATCA", a Non-U.S. Holder will not be subject to United States federal income tax on payment of principal and interest (including OID, if any) on a Series 2015 Bond provided that such principal and interest (i) is not effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States and (ii) constitutes portfolio interest within the meaning of Section 871(h) of the Code and applicable Treasury regulations, provided such Non-U.S. Holder provides a certification completed in accordance with applicable statutory and regulatory requirements, or an exemption is otherwise established.

Subject to the information below under the headings "Backup Withholding" and "FATCA", a Non-U.S. Holder will generally not be subject to United States federal income tax or withholding tax on gain recognized on a sale, exchange, redemption or other disposition of a Series 2015 Bond. (Such gain does not include proceeds attributable to accrued but unpaid interest on the Series 2015 Bonds, which will be treated as interest.) A Non-U.S. Holder may, however, be subject to United States federal income tax on such gain if: (1) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met or (2) the gain is effectively connected with the conduct by the holder of a trade of business in the United States, as provided by applicable United States tax rules (in which case the United States branch profits tax may also apply), unless an applicable tax treaty provides otherwise.

### *Backup Withholding*

The Authority or its paying agent, if any, must report annually to the IRS and to each non-corporate U.S. Holder any interest that is payable to the U.S. Holder, subject to certain exceptions. Backup withholding may apply to U.S. Holders of the Series 2015 Bonds under Section 3406 of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the such U.S. Holder's United States federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

### *FATCA*

Under Sections 1471 through 1474 of the Code ("FATCA"), foreign financial institutions (which include hedge funds, private equity funds, mutual funds, securitization vehicles and any other investment vehicles regardless of their size) must comply with new certification and information reporting rules with respect to their United States account holders and investors or be subject to withholding tax on United States source payments made to them. Specifically, FATCA requires that foreign financial institutions enter into an agreement with the Treasury to identify accounts held by United States persons or United States-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, unless the foreign financial institution is otherwise exempt from the requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial United States owners or the entity furnishes identifying information with respect to each substantial United States owner.

Failure to comply with FATCA requirements could result in imposition of the 30% withholding tax on payments of United States source interest (including OID) and sale proceeds of debt obligations held by or through a foreign entity. Withholding under FATCA generally will apply to (i) payments of United States source interest (including OID) made after June 30, 2014, (ii) gross proceeds from the sale, exchange or retirement of debt obligations after December 31, 2016, and (iii) certain foreign pass-thru payments no earlier than January 1, 2017. Payments made on and proceeds realized from the disposition of obligations that are outstanding on July 1, 2014 (such as the Series 2015 Bonds) and are not substantially modified after that date are exempt from the withholding provisions of FATCA. Prospective purchasers of the Series 2015 Bonds should consult their own tax advisors regarding FATCA and their particular tax situation.



## **Memorandum 230**

Under 31 C.F.R. part 10, the regulations governing practice before the IRS (Memorandum 230), you are (or may be) required to be informed that:

- Any advice contained herein, including any opinions of counsel referred to herein, is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer;
- Any such advice is written to support the promotion or marketing of the Bonds and the transactions described herein (or in such opinion or other advice); and
- Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

### **PART 17 – LITIGATION**

There is no pending litigation (i) restraining or enjoining the issuance or delivery of the Series 2015 Bonds or questioning or affecting the validity of the Series 2015 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**

Moody's Investors Service has assigned their rating of "A1" to the Series 2015 Bonds. Standard & Poor's has assigned their rating of "A+" with a stable outlook to the Series 2015 Bonds.

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

### **PART 19 – CERTAIN LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Series 2015 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 for the Authority by its counsel, Whiteman Osterman & Hanna LLP, Albany, New York. Certain legal matters will be passed on for the Underwriter by its counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York.

### **PART 20 – CONTINUING DISCLOSURE UNDERTAKING**

In accordance with the requirements of Rule 15c2-12 of the Securities Exchange Act of 1934 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 2015 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 8 - Payment and Security for the Series 2015 Bonds – Sales Tax and Collection", "Part 9 - The Authority", "Part 10 - The County – Larger Taxpayers, Partial Listing of Larger Employers", "Part 11 - Debt Service Payment Requirements" and "Part 17 - Litigation" and in Appendices A through B 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) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Series 2015 Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
  - (a) principal and interest payment delinquencies;
  - (b) non-payment related defaults, if material;
  - (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2015 Bonds, or other material events affecting the tax status of the Series 2015 Bonds;
  - (g) modifications to rights of Bondholders, if material;
  - (h) bond calls, if material, and tender offers;
  - (i) defeasances;
  - (j) release, substitution, or sale of property securing repayment of the Series 2015 Bonds; if material;
  - (k) rating changes;
  - (l) bankruptcy, insolvency, receivership or similar event of the Authority;
  - (m) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
  - (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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 2015 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.

With respect to event (d), the Authority does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Series 2015 Bonds.

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 2015 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 2015 Bonds (including holders of beneficial interests in the Series 2015 Bonds). The right of holders of the Series 2015 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 2015 Bonds nor entitle any holder of the Series 2015 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.

Pursuant to prior disclosure undertakings, the Authority was required to file its annual financial information and operating data (the "AFIOD") and audited financial statements within 120 days after the end of its fiscal year. For the fiscal years ending December 31, 2009 through December 31, 2012, the Authority's AFIOD filings were made more than 120 days but within six months after the end of each fiscal year. The Authority did not file material event notices with respect to rating changes for Ambac Assurance Corporation which insured the Authority's Series 2006 Bonds. In addition, certain of the Authority filings were not linked to all of the Authority's cusip numbers. A notice of failure to timely file and failure to file was submitted to EMMA on April 16, 2015.

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

## **PART 21 – FINANCIAL ADVISOR**

In connection with the authorization and issuance of the Series 2015 Bonds, the Authority has retained Fiscal Advisors and Marketing, Inc., Syracuse, New York as financial advisor (the "Financial Advisor"). The Financial Advisor is a Municipal Advisor, registered with the Commission and the Municipal Securities Rulemaking Board. The Financial Advisor serves as independent financial advisor to the Authority on matters relating to debt management. The Financial Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Financial Advisor has provided advice as to the plan of financing and the structuring of the Series 2015 Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Authority and other sources of information believed to be reliable. The Financial Advisor has not audited, authenticated, or otherwise verified the information provided by the Authority or the information set forth in this Official Statement or any other information available to the Authority with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Financial Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

## **PART 22 - UNDERWRITING**

The Series 2015 Bonds are being purchased by RBC Capital Markets, LLC (the "Underwriter") for reoffering to the public. The purchase contract for the Series 2015 Bonds provides that the Underwriter will purchase all of the Series 2015 Bonds, if any are purchased, at a purchase price equal to \$\_\_\_\_\_ (being the par amount of the Series 2015 Bonds plus a net original issue premium of \$\_\_\_\_\_, less an underwriter's fee for the transaction of \$\_\_\_\_\_). The Underwriter is initially offering the Series 2015 Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Series 2015 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.

The Underwriter may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the Series 2015 Bonds.

RBC Capital Markets, LLC has provided the following information for inclusion in this Official Statement: The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and



publish independent research views in respect of this securities offering or other offerings of the Issuer. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

### **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 APPENDIX – C.

The agreements of the Authority with holders of the Series 2015 Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2015 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2015 Bonds.

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

**SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY**

April \_\_, 2015

By: \_\_\_\_\_



## SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

## Balance Sheets

December 31st

	2011	2012	2013	2014
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,396,683	\$ 1,420,366	\$ 1,346,006	\$ 3,196,573
Cash, restricted	853,670	841,682	800,000	5,546,845
Sales tax receivable	3,580,465	3,538,286	3,340,714	3,522,507
Loans receivable, net	529,309	557,454	1,062,851	1,017,094
Notes receivable, net	58,213	60,097	61,879	58,774
Grants receivable	-	-	14,021	578,021
CDBG receivable	-	-	-	14,244
Other receivable	-	67,688	39,007	14,986
Interest receivable	2,204	8,451	4,997	19,069
Bond issuance costs, current portion	73,254	-	-	-
Prepaid expenses	62,507	70,397	77,382	87,268
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 6,556,305</b>	<b>\$ 6,564,421</b>	<b>\$ 6,746,857</b>	<b>\$ 14,055,381</b>
<b>CAPITAL ASSETS, net</b>	<b>66,169</b>	<b>56,455</b>	<b>44,424</b>	<b>31,298</b>
<b>OTHER ASSETS</b>				
Loans receivable, long term portion	12,270,343	11,623,950	11,215,762	9,738,668
Notes receivable, less current installments, net	430,681	375,496	308,774	250,000
CDBG receivable, less current installments, net	-	-	-	335,446
Bond issuance costs, net of amortization	1,041,120	-	-	-
Investment reserves, restricted	3,377,748	2,986,409	2,727,582	3,994,997
Total other assets	17,119,892	14,985,855	14,252,118	14,319,111
<b>TOTAL ASSETS</b>	<b>\$ 23,742,366</b>	<b>\$ 21,606,731</b>	<b>\$ 21,043,399</b>	<b>\$ 28,405,790</b>
<b>DEFERRED OUTFLOWS, NET</b>				
Deferred Outflow resulting from refunding of debt, net	-	574,293	525,068	475,843
<b>TOTAL ASSETS</b>	<b>\$ 23,742,366</b>	<b>\$ 22,181,024</b>	<b>\$ 21,568,467</b>	<b>\$ 28,881,633</b>
<b>CURRENT LIABILITIES</b>				
Current installments of bonds payable	\$ 2,060,000	\$ 2,270,000	\$ 1,825,000	\$ 2,585,000
Bond Anticipation notes payable	-	-	-	-
Grants Payable	-	5,150,000	-	225,469
Unearned Revenue	-	-	-	417,313
Premium on bonds, new of amortization, current portion	6,932	64,480	67,872	90,172
Due to Schenectady County	44,038	46,015	48,081	50,240
Accounts payable and accrued interest	365,024	210,915	1,349,366	891,345
Accrued interest	826,974	827,110	849,481	1,067,811
Escrow payable	1,063,670	841,682	800,000	800,000
<b>Total current liabilities</b>	<b>4,366,638</b>	<b>9,410,202</b>	<b>4,939,800</b>	<b>6,127,350</b>
<b>LONG TERM DEBT</b>				
Bonds payable, long term portion	42,755,000	39,825,000	38,000,000	52,885,000
Bond Anticipation Note Payable	-	-	5,000,000	-
Due to Schenectady County	955,661	909,646	861,565	811,325
Premium on sale of bonds, net of amortization, less current portion	83,189	886,600	859,428	1,219,778
<b>Total long-term liabilities</b>	<b>43,793,850</b>	<b>41,621,246</b>	<b>44,720,993</b>	<b>54,916,103</b>
<b>TOTAL LIABILITIES</b>	<b>48,160,488</b>	<b>51,031,448</b>	<b>49,660,793</b>	<b>61,043,453</b>
<b>NET ASSETS</b>				
Investment in Capital Assets	\$ 66,169	\$ 56,455	\$ 44,424	\$ 31,298
Restricted	3,377,748	2,986,409	2,727,582	8,741,842
Unrestricted	(27,862,039)	(31,893,288)	(30,864,332)	(40,934,960)
<b>TOTAL NET ASSETS</b>	<b>(24,418,122)</b>	<b>(28,850,424)</b>	<b>(28,092,326)</b>	<b>(32,161,820)</b>
<b>TOTAL LIABILITIES and NET ASSETS</b>	<b>\$ 23,742,366</b>	<b>\$ 22,181,024</b>	<b>\$ 21,568,467</b>	<b>\$ 28,881,633</b>

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



## SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

## Revenues, Expenditures and Changes in Net Assets

	December 31st			
	2011	2012	2013	2014
<u>Operating Revenues</u>				
Sales tax revenues	\$ 7,798,305	\$ 8,013,075	\$ 7,857,943	\$ 8,308,746
Other operating income	156,467	133,000	72,979	29,896
Total Operating Revenues	\$ 7,954,772	\$ 8,146,075	\$ 7,930,922	\$ 8,338,642
<u>Operating Expenses</u>				
Payroll	425,224	432,589	456,081	456,348
Payroll taxes	35,003	35,864	37,091	38,627
Pension plan	58,381	61,326	83,883	94,067
Health Insurance	38,650	44,842	53,654	67,409
Other Employee benefits	5,594	5,097	5,032	5,309
Accounting	63,450	65,374	63,825	65,425
Advertising	99	19,245	3,995	12,857
Automobile	8,714	7,261	5,605	5,277
Consulting	16,267	4,375	18,633	5,470
Depreciation and amortization	18,887	19,264	21,376	20,633
Dues and subscriptions	3,374	4,640	7,420	5,441
Educational training	-	-	-	-
Hosting and travel	3,514	5,264	3,782	4,740
Insurance	17,330	26,393	42,062	48,288
Legal	73,746	80,905	61,307	51,016
Office supplies	14,950	10,261	18,232	12,371
Postage	3,002	2,669	3,118	1,428
Rent	54,655	52,091	55,068	56,517
Repairs and maintenance	18,934	21,953	22,532	20,555
Resource data	33,003	32,749	37,671	44,624
Telephone	22,657	25,998	23,097	26,657
Total Operating Expenses	\$ 915,434	\$ 958,160	\$ 1,023,464	\$ 1,043,059
Net Operating Revenues	7,039,338	7,187,915	6,907,458	7,295,583
<u>Other Revenue</u>				
Investment Earnings	49,615	64,781	34,610	70,650
Investment expense	(2,404,119)	(2,052,615)	(2,142,636)	(2,621,461)
Amortization of bond issuance costs	0	(149,420)	(30,716)	(216,703)
Debt service fees	(15,000)	(16,800)	(13,050)	(11,800)
Miscellaneous revenue	0	22,532	22,532	10,948
Total other revenues	(2,369,504)	(2,154,054)	(2,129,260)	(2,768,366)
Increase in net assets	4,669,834	5,033,861	4,778,198	4,527,217
<u>NET ASSETS</u>				
Net Assets- beginning of year	(25,734,251)	(25,532,496)	(28,850,424)	(28,092,326)
Project grants and expenditures, net of project grant revenues	(4,468,079)	(8,351,789)	(4,020,100)	(8,596,711)
Net Assets - end of year	\$ (25,532,496)	\$ (28,850,424)	\$ (28,092,326)	\$ (32,161,820)

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

## SCHENECTADY METROPLEX DEVELOPMENT AUTHORITY

## Statements of Cash Flows

December 31st

	2011	2012	2013	2014
<u>CASH FLOWS (USED) BY OPERATING ACTIVITIES</u>				
Cash received from sales tax revenues	\$ 8,115,288	\$ 7,794,837	\$ 7,639,705	\$ 8,140,974
Cash received from other sources	156,467	115,729	293,449	39,896
Cash paid to suppliers and other vendors	(361,256)	(372,165)	(378,364)	(375,861)
Issuance of loans receivable	-	-	(909,481)	(350,000)
Repayment of loans receivable	-	-	543,975	1,852,367
Repayment of notes receivable	-	-	64,940	61,879
Cash paid for salaries	-	-	(456,081)	(456,348)
Cash paid for salaries and employee benefits	(557,258)	(574,621)	(174,628)	(200,103)
	<u>7,353,241</u>	<u>6,963,780</u>	<u>6,623,515</u>	<u>8,712,804</u>
<u>CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING</u>				
Proceeds from bond anticipation note issuance	-	-	5,000,000	-
Proceeds from bond issue	-	-	-	17,470,000
Debt service fees	(15,000)	(16,800)	-	(11,800)
Bond issuance costs	-	6,109	(30,716)	(216,703)
Repayment of bond principal	(1,930,000)	(2,350,000)	(2,270,000)	(1,825,000)
Repayment of bond anticipation note	-	-	(13,050)	(5,000,000)
Repayment of amounts due to the County of Schenectady	(42,145)	(44,038)	(46,015)	(48,081)
Interest paid	(2,479,519)	(2,055,945)	(2,094,820)	(1,971,256)
	<u>(4,466,664)</u>	<u>(4,460,674)</u>	<u>545,399</u>	<u>8,397,160</u>
<u>CASH FLOWS FROM CAPITAL ACTIVITIES</u>				
Purchase of office furniture and equipment	(19,318)	(9,550)	(9,345)	(7,507)
<u>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</u>				
Change in cash, restricted	210,000	-	210,000	(4,746,845)
Proceeds (purchase) of investment reserves, restricted, net	72,140	155,942	258,827	(1,267,415)
Issuance of loans receivable	(255,494)	-	-	-
Repayment of loans receivable	940,113	541,304	-	-
Issuance of note receivable	-	-	-	-
Repayment of note receivable	61,106	53,301	-	-
Investment earnings received	49,749	58,534	38,064	56,578
Miscellaneous revenue	-	-	22,532	10,948
Project grants and expenditures paid, net of project grant revenues received	(4,706,790)	(3,278,954)	(7,763,352)	(9,305,156)
	<u>(3,629,176)</u>	<u>(2,469,873)</u>	<u>(7,233,929)</u>	<u>(15,251,890)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(761,917)	23,683	(74,360)	1,850,567
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,158,600</u>	<u>1,396,683</u>	<u>1,420,366</u>	<u>1,346,006</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>1,396,683</u></u>	<u><u>1,420,366</u></u>	<u><u>1,346,006</u></u>	<u><u>3,196,573</u></u>
<u>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</u>				
Net operating revenues	\$ 7,039,338	\$ 7,187,915	\$ 6,907,458	\$ 7,295,583
Change in prepaid expenses	(21,967)	(7,890)	(6,985)	(9,886)
Adjustments to reconcile net operating revenues to net cash provided (used) by operating activities	-	-	-	-
Depreciation and amortization	18,887	19,264	21,376	20,633
Change in loan receivable	-	-	(300,566)	1,564,246
Change in accounts receivable	316,983	(235,509)	2,232	(157,772)
	<u>7,353,241</u>	<u>6,963,780</u>	<u>6,623,515</u>	<u>8,712,804</u>
<u>SUPPLEMENTAL CASH FLOW INFORMATION</u>				
Noncash project expenditures	\$ 259,829	\$ 98,992	\$ 98,992	\$ -
2012 Bond refunding proceeds placed in escrow	-	14,051,673	-	-
2012 Bond refunding proceeds used to pay bond issuance costs	-	149,420	-	-
Redeemed/defeased bonds	-	13,610,000	-	-

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