



DASNY



**Division of
the Budget**

April 3, 2023

Request for Information For Co-Lead Managers Personal Income Tax Financing

Responses Due: Tuesday, April 18, 2023

The Dormitory Authority of the State of New York ("DASNY") is requesting information from its pool of Senior Managers interested in serving as co-lead managers for the sale of Personal Income Tax Revenue Bonds (the "Bonds"). The Bonds will include new money and will refund certain outstanding State Supported Debt issued previously by any of the authorized State Supported debt issuers. The Bonds are expected to be sold in June or July 2023. **The issuance and sale of these bonds is subject to authorization by the DASNY Board and the PACB.**

DASNY and the State of New York intend to select the co-lead managers for the Bonds based upon the responses received pursuant to this Request for Information ("RFI") and other factors they deem relevant. One of the co-lead firms is expected to be an MWBE firm. It should be noted that the State may use portions or all of the submission provided in response to this RFI in connection with selecting co-lead managers for future Personal Income Tax (PIT) and Sale Tax Revenue Bond financings.

Responses are due by 5:00 PM EDT on **Tuesday, April 18, 2023**, as further described herein.

I. Inquiries

DASNY will answer any inquiries from DASNY Senior Managers interested in submitting responses in connection with this RFI. All inquiries must be submitted through the DASNY Portal (link found below) no later than 3:00 PM EDT on **Wednesday, April 5, 2023**.

DASNY's RFI Portal

After clicking on the link above, please either create a DASNY Portal Account or sign in to the account you previously created. DASNY requires Multifactor Authentication (MFA) to meet our security needs and keep your account safe. You will be prompted to enter a phone number upon initial account creation. Be sure to enter a number you will have access to when signing into your account at all times as DASNY will require MFA each time you log in to the Portal. To submit a question using the DASNY Portal use the link titled 'SUBMIT A QUESTION' under the section dedicated to Questions and Answers on the RFI webpage. Proposers must select which proposal the question is regarding by using the lookup function on the "Ask A Question" page.

Answers to questions will be given to all DASNY Senior Managers through the DASNY Portal by **Friday, April 7, 2023**. Interested parties are not permitted to contact any DASNY or New York State Division of the Budget ("DOB") employees, legislators, officials, DASNY board members, Public Resources Advisory Group (financial advisor), Nixon Peabody and Bryant Rabbino (co-bond counsel), or any other related parties regarding the RFI during the review and selection process except through this inquiry process. A failure to abide by this requirement will result in disqualification.

II. Requested Information

1. Identify the person responsible for the engagement and others who will be involved, their roles and contact information, including email addresses. Provide in Attachment 1.
2. Base Case Cashflow Scenario: Run an all fixed rate refunding as described in the structuring assumptions below and include cashflows in Attachment 2 (pricing and closing dates are for RFI purposes):
 - a. Pricing Dates: June 21 and 22 (retail and institutional)
 - b. BPA Date: June 22
 - c. Closing: June 30
 - d. Fixed Rates
 - i. Assume 3/15 maturity dates
 - ii. Assume 3/15/2033 par call
 - iii. Do not include variable rate bonds, derivatives, and/or bond insurance.
 - e. Escrow Investment Rates: Use SLGS rates as of April 10, 2023
 - f. Takedown: Use takedown schedule provided in Exhibit A
 - g. Refunded Bonds: select candidates for refunding from outstanding State-supported bonds issued by any of the authorized State Supported debt issuer with call dates on or before 9/15/23. Exclude Department of Health (DOH) Bonds.
 - h. Savings Structure: Level savings over five years in fiscal years 2023/24 through 2027/28 (inclusive) to the extent practicable without structuring bonds.
 - i. Other:
 - i. Show annual savings on an April 1 basis.
 - ii. Provide spreads used to determine interest rates in Attachment 1.

In addition, in narrative form, discuss results of the refunding including the rationale for the scale you used for the base case scenario. (1/2 page – 2000 characters)

3. Provide a list of bonds your firm would recommend for the tender solicitation in Attachment 1, describe any characteristics of the bonds that make them suitable for a tender solicitation. Based on your recommendation, please include the following information (2 pages – 8000 characters):
 - a. a summary of your structure and any benefits and considerations of your recommended tender bonds and bond structure. Use rates as of the market close on April 10, 2023.
 - b. the indicative pricing for tendered bonds based on market conditions as of the market close on April 10, 2023, include tender pricing on a maturity-by maturity basis including the tender price, tender yield, tender premium, and estimated rate of participation. Discuss your firm's tender pricing process. What pricing methodology does your firm recommend for setting the tender price for your recommended bonds?
 - c. an estimate of costs imposed by each party to the transaction related to the tender process, including dealer-manager fees.

- d. A list of your firm's experience as dealer-manager with respect to public finance tender transactions since January 1, 2021, including both cash and exchange tenders in Attachment 1. Also discuss one prior tender that your firm was involved in. Discuss your role and the strategies you used to help make the transaction successful. Are there different approaches that you would take for the State?
4. Recommend a plan for one or more State financings to be completed before July 31st. Assume there are tax-exempt new money needs of \$1.5 billion and that all currently callable bonds within that window can be refunded. Please incorporate the tender your firm recommended in Question 3 as part of the overall financing plan.

Given the current market dynamics, the State is open to using different structures that facilitate the execution of large bond sales. Potential structures that can be used include, but are not limited to, variable rate products, short calls, balloon maturities, multiple bond sales etc. Please demonstrate the cost effectiveness of your strategy, the potential risks associated with the strategy and any assumptions made regarding future rates and market conditions. (3 pages – 12,000 characters)

5. Provide one example of a large negotiated tax-exempt issue that is similar in size and credit to the State for which your firm has served as book-running senior manager. The example must be from a sale since July 1, 2022 to display your firm's ability to sell in the current volatile rate environment. Include in your response the name of the bonds, par amount, type of bonds (GO, revenue etc.) and rating(s). Please also include the following information on the pricing progression and final results:
 - a. the pre-marketing (if applicable), retail (if applicable) and institutional scales your firm established, spread to MMD and your rationale for establishing these scales at the stated levels;
 - b. the level of subscriptions by maturity during the retail and institutional order periods and the final subscription amounts by maturity;
 - c. the price adjustments made, if any, by maturity during the retail and institutional order periods;
 - d. the bonds underwritten, if any, including par amounts by maturity; and
 - e. the secondary market performance within seven days after the pricing as compared to the primary pricing including spread to MMD and provide a rationale for such secondary market performance.

Please provide the data requested above in chart form in Attachment 1.

In addition, in narrative form, provide a brief description of the market environment, the orders received, the pricing adjustment made, bonds underwritten, if any, and secondary market performance within seven days after the pricing. Also provide the rationale and thought process associated with a-e above including the marketing plan and strategy supporting the pricing progression. Discuss the factors taken into consideration in the pricing, order flow, the final book and any bonds underwritten. Based on this experience, state the unique qualities your firm offers with respect to pricing acumen, market leadership and performance. (1 page – 4000 characters)

6. Provide a brief description of the value your firm has provided to DASNY and New York State since April 1, 2020 including but not limited to, competitive sale participation, unique or innovative proposals, structuring transactions, distributing and underwriting bonds, providing credit, providing market color or any other ways in which you have provided value to DASNY and the State. (1/2 page – 2000 characters)
7. Provide a brief description of diversity, equity and inclusion (DEI) initiatives undertaken by your firm such as efforts to promote DEI in the workforce including efforts to attract

and retain a diverse workforce and how your firm has helped the State meet its MWBE and SDVOB goals, if applicable. (1/2 page – 2000 characters)

III. Submission of Responses

Firms must submit proposals through the DASNY Portal before 5:00 pm EDT on **Tuesday, April 18, 2023**.

DASNY allows proposers to start a response and continue to make edits (if necessary) until the RFI deadline. Once you have started a response, be sure to EDIT that response. Do not begin a new response. DASNY will only score a single response; multiple submissions may be grounds for rejection. If your response is in draft mode, you will be able to see it in the list when you select to edit an existing response on the Portal. Your response is not complete and DASNY cannot provide a score until you submit a final package prior to the deadline.

You may include any additional non-narrative items (tables, charts, graphs, graphics, lists, etc.) that you wish to supplement your narrative responses in one PDF file and upload it as Attachment 3. Please label all items in Attachment 3 sequentially as referenced in your narrative response e.g., Table 1, Chart 2, etc. Items in Attachments will not count toward the character limit. Each Attachment has a maximum size limit of 15 MB.

If there are any issues associated with the link above or if you have technical issues with DASNY's RFI Portal, please contact the email below:

Email: webmaster@dasny.org

1. Submittals must include:
 - a. Responses to each question in the Portal. Please note that there are character limitations for each question.
 - b. Attachment 1:
 - i. Engagement leader and team information as outlined in Question 1.
 - ii. Scale used as outlined in Question 2.
 - iii. List of bonds recommended for tender as outlined in Question 3.
 - iv. List of experience as dealer manager for tenders as outlined in Question 4.
 - v. Pricing progression and final results as outlined in Question 5.
 - c. Attachment 2: Cashflows using DBC or similar cashflow software, including refunding screens. Provide cashflows on a combined basis. Cashflows should include:
 - i. Table of Contents
 - ii. Sources and Uses of Funds
 - iii. Bond Summary Statistics
 - iv. Bond Pricing
 - v. Summary of Refunding Results
 - vi. Summary of Bonds Refunded
 - vii. Prior Bond Debt Service
 - viii. Bond Debt Service
 - ix. Annual savings showing prior debt service and refunding debt service
 - x. Annual PV savings
 - xi. Continuous cashflow savings
 - xii. Maturity by maturity analysis showing compliance with DOB's refunding criteria

- xiii. Refunding escrow description, if applicable
- xiv. Refunding escrow statistics, if applicable
- xv. Refunding escrow cash flow, if applicable
- xvi. Refunding escrow sufficiency, if applicable

Cashflow incorporating Mental Health bonds should highlight private use issues and be broken out by voluntary and State facilities. Please note that, if selected, your firm must be able to allocate debt service by agency, by institution, and by building.

DASNY will make available data for the Mental Health Program. This data is contained in an excel file posted in the Portal in Exhibit B.

- d. Attachment 3: any additional non-narrative items (tables, charts, graphs, graphics, lists, etc.) that you wish to supplement your narrative responses to any of the questions in the RFI.

IV. Schedule

Monday, April 3, 2023	Activate RFI Portal
Wednesday, April 5, 2023	Inquiries due by 3:00 PM EDT
Friday, April 7, 2023	Answers to inquiries posted in Portal
Tuesday, April 18, 2023	Electronic Responses due by 5:00 PM EDT
Tuesday, May 2, 2023 (on or about)	Selection of co-lead managers