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To: All Bidders
From: Janet Morley
Re: City of Glen Cove, New York
Date: May 2, 2019

**CITY OF GLEN COVE
NASSAU COUNTY, NEW YORK
TERM SHEET**

ISSUER: City of Glen Cove, Nassau County, New York (the “City”)

ISSUE: \$860,468 Bond Anticipation Notes– 2019 (the “Notes”)

SALE DATE: May 14, 2019

SALE TIME: 11:00 AM (Eastern Time)

DATED DATE: May 23, 2019

DELIVERY: Delivery of the Notes will be in Glen Cove, New York or New York, New York on or about May 23, 2019 or as otherwise mutually agreed upon by the City and the purchaser.

MATURITY DATE: May 22, 2020

CALL PROVISION: The Notes are not subject to optional redemption prior to maturity.

LEGAL OPINION: To be provided by Hawkins Delafield & Wood LLP, Bond Counsel. The form of opinion of Bond Counsel is attached hereto as **Exhibit A**.

TAX-EXEMPT STATUS: The opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, shall state that under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described in the Tax Certificate executed by the City, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, the opinion of Bond Counsel to the City shall also state that under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

NATURE OF OBLIGATION: The Notes are general obligations of the City and the faith and credit of the City shall be pledged for payment of the principal of and interest on the Notes. All the taxable real property in the City will be subject to the levy of ad valorem taxes, subject to certain

statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended, sufficient to pay the principal of and interest on the Notes.

BANK

QUALIFICATION: The City will designate the Notes as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

AUTHORITY FOR AND PURPOSE OF ISSUE:

The Notes are issued pursuant to the Constitution and Laws of the State, including, among others, the City Law, the Local Finance Law and the bond ordinance duly adopted by the City Council on April 10, 2018 authorizing the issuance of bonds for the objects or purposes listed below. Proceeds from the sale of the Notes will be used to redeem, in full, \$860,468 Bond Anticipation Notes-2018 at maturity on May 24, 2019.

<u>Purpose</u>	<u>Amount Outstanding</u>	<u>Amount To Notes</u>
Purchase of Senior Center Bus	\$ 77,718	\$ 77,718
Purchase of Harbor Patrol Boat	73,772	73,772
Purchase of Fire Department Equipment	82,728	82,728
Replacement of Fire Department Floor	126,950	126,950
Purchase of Dump Truck	61,895	61,895
Floatable Debris Screen at Mill Pond	32,497	32,497
Orchard Neighborhood and Sea Cliff Avenue Brownfield Opportunity Area	60,000	60,000
Pedestrian Crosswalk	56,000	56,000
Waterside Recreational Redevelopment for the South Side of Glen Cove Creek	246,908	246,908
WW II Veterans Monuments	<u>42,000</u>	<u>42,000</u>
Totals:	<u>\$860,468</u>	<u>\$860,468</u>

BIDDING

REQUIREMENTS: Bids must be made for all of the Notes. The minimum bid shall be \$860,468. All bids less than \$860,468 will be rejected. Each bid must state: (i) the principal amount of the Notes to be purchased pursuant to such bid and (ii) in a multiple of one-hundredth (1/100th) or one-eighth (1/8th) of one percent, a rate of interest per annum which the Notes bid shall bear. Interest will be calculated on the basis of a 30-day month and 360-day year. Each bid submitted must comply with the foregoing requirements. Conditional bids will be rejected.

If a facsimile bid is submitted, such Bid must be made on the “Proposal for Notes” accompanying the Term Sheet.

Unless all bids are rejected, the Notes will be awarded and sold to the bidder complying with the terms of sale and offering to purchase the Notes at the lowest net interest cost. If two or more such bidders offer the same lowest net interest cost, then the Notes will be awarded and sold to one of said bidders selected by the City’s Controller by lot from

among all said bidders. The right is further reserved by the City to reject any or all bids, and any bid not complying with this Term Sheet will be rejected.

Award of the Notes is expected to be made promptly after opening of the bids, but the successful bidder may not withdraw its proposal until two (2) hours after the time set forth above on the day of such bid opening and then only if such award has not been made prior to the withdrawal.

FORM:

At the option of the purchaser, the Notes will be issued in (i) registered form registered in the name of the successful bidder or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are registered in the name of the successful bidder, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the City, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

**ISSUE PRICE
CERTIFICATE:**

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). The Municipal Advisor will advise the winning bidder(s) if the Competitive Sale Requirements were met at the same time it notifies the winning bidder(s) of the award of the Notes. Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.

The winning bidder(s) shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of each maturity of the Notes (the "Initial Reoffering Prices") as of the date of the award.

By submitting a bid, the winning bidder(s) agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Requirements are not met, it will elect and satisfy either option (1) or option (2) described below. Such election must be made on the bid form submitted by each bidder.

(1) Hold the Price. The winning bidder(s):

- (a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,
- (b) will neither offer nor sell to any person any Notes within a maturity at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Notes of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the Notes, and
- (c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

(2) Follow the Price. The winning bidder(s):

- (a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide the Issuer with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,
- (b) will report to the Issuer information regarding the first price that at least 10 percent of the Notes within each maturity of the Notes have been sold to the public,
- (c) will provide the Issuer with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Notes, will continue until such date that the requirement set forth in paragraph (b) above for each maturity of the Notes is satisfied, and
- (d) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

For purposes of the “hold the price” or “follow the price” requirement, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the Issuer a certificate (the “Reoffering Price Certificate”), satisfactory to Bond Counsel, prior to the delivery of the Notes stating the applicable facts as described above. The form of Reoffering Price Certificate is available by contacting Bond Counsel or the Municipal Advisor.

If the winning bidder has purchased the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale

Requirements were met, the Reoffering Price Certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

For purposes of this Notice, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

**OFFICIAL
STATEMENT:**

The City has **NOT** prepared an Official Statement in connection with the sale of the Notes. The City’s most recent official statement is dated May 16, 2018 and was prepared in connection with the issuance of \$5,025,882 Various Purposes Serial Bonds-2018C, \$3,905,000 Various Purposes Serial Bonds -2018 Series D and \$860,468 Bond Anticipation Notes – 2018. A copy of that Official Statement is available upon request to Capital Markets Advisors, LLC, the City’s Municipal Advisor, at (516) 570-0340.

CREDIT RATING:

The City has not applied for a rating on the Notes. On February 4, 2019, Moody’s revised the City’s outlook to stable and affirmed the underlying credit rating at “Baa2”.

BOND COUNSEL:

Hawkins Delafield & Wood LLP
Attention: William Jackson, Esq.
Tel: (212) 820-9620; Fax: (212) 344-6258
wjackson@hawkins.com

**MUNICIPAL
ADVISOR:**

Capital Markets Advisors, LLC
Janet Morley
Tel: (516) 570-0340; Fax: (516) 487-2575
jmorley@capmark.org

**ISSUER/
PAYING AGENT:**

City of Glen Cove
9 Glen Street
Glen Cove, New York 11542

Sandra Clarson / Controller
Tel: (516) 676-2789
sclarson@cityofglencoveny.org

DATED:

May 2, 2019

PROPOSAL FOR NOTES

Controller
City of Glen Cove, New York
c/o Capital Markets Advisors, LLC
11 Grace Avenue, Suite 308
Great Neck, New York 11021

TELEPHONE: (516) 570-0340

FACSIMILE: (516) 487-2575

CITY OF GLEN COVE
NASSAU COUNTY, NEW YORK

\$860,468 BOND ANTICIPATION NOTES– 2019
(the "Notes")

DATED: May 23, 2019

MATURITY: May 22, 2020

	Amount	Interest Rate	Premium	Net Interest Cost*
Bid	\$ 860,468	%	\$ 0	%

Please select one of the following (if no option is selected, the book-entry-only option will be assumed to have been selected by the purchaser):

- Book-Entry-Only registered to Cede & Co.
- Non Book-Entry Registered to Purchaser

* The computation of the net interest cost is made as provided in the above-mentioned Term Sheet, but does not constitute any part of the foregoing Proposal for the purchase of the Notes therein described.

Signature: _____

Name of Bidder: _____

Address: _____

Telephone (Area Code): _____

Fax (Area Code): _____

May 23, 2019

The City Council of the
City of Glen Cove, in the
County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Glen Cove (the “City”), in the County of Nassau, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$860,468 Bond Anticipation Note-2019 (the “Note”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation

retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the City will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the City represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the City's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the City with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the City, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,