

**CITY OF SYRACUSE
ONONDAGA COUNTY, NEW YORK**

**\$2,000,000
PUBLIC IMPROVEMENT (SERIAL) BONDS, SERIES 2018B
(FEDERALLY TAXABLE)**

NOTICE OF BOND SALE

PROPOSALS will be received by the undersigned Commissioner of Finance of the City of Syracuse, Onondaga County, New York (the "City") at the offices of Capital Market Advisors, LLC, 1075 Route 82, Suite 4, Hopewell Junction, New York 12533, at 11:00 o'clock A.M., Prevailing Time, on Wednesday, June 13, 2018, at which time and place the bids will be opened for the purchase at not less than par plus accrued interest of \$2,000,000 Public Improvement (Serial) Bonds, Series 2018B (Federally Taxable) (the "2018B Bonds").

Proposals may be submitted electronically via iPreo's Parity Electronic Bid Submission System ("Parity"), via telephone proposal at (845) 227-8678 or facsimile transmission at (845) 227-6154, in accordance with this Notice of Sale, at the time specified herein. No other form of electronic bidding services will be accepted. Bidders submitting proposals via facsimile must use the "Proposal for Bonds" form attached hereto. Once the proposals are communicated electronically via Parity, via telephone or via facsimile, each bid will constitute an irrevocable offer to purchase the bonds pursuant to the terms therein provided.

Prospective bidders wishing to submit an electronic bid via Parity must be contracted customers of Parity. Prospective bidders who do not have a contract with Parity must call (212) 849-5021 to become a customer. By submitting an electronic bid for the bonds, a bidder represents and warrants to the City that such bidder's bid for the purchase of the bonds is submitted for and on behalf of such prospective bidder by an offer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the bonds."

The 2018B Bonds are entitled Public Improvement (Serial) Bonds, Series 2018B and are general obligations of the City. Interest on the 2018B Bonds is payable on May 1, 2018 and semiannually thereafter on November 1 and May 1 in each year until maturity. The record date for the 2018B Bonds is the fifteenth day of the calendar month preceding each interest payment date. The 2018B Bonds will be dated June 21, 2018 and will mature on May 1 in the following years and amounts set forth below:

MATURITIES	
2020	\$ 400,000
2021	500,000
2022	550,000
2023	550,000

The annual principal installments set forth above, together with interest thereon are intended to provide substantially level or declining annual debt service. The City may, after selecting the successful bidder, by 3:00 o'clock P.M. (Prevailing Time) on June 13, 2018, adjust such installments of principal, in multiples of \$5,000, to the extent necessary to achieve substantially level or declining debt service. Any such adjustment shall be conclusive and shall be binding upon the successful bidder.

The 2018B Bonds shall not be subject to redemption prior to maturity.

At the option of the purchaser, the 2018B Bonds will be initially issued in (i) certificated registered form registered in the name of the successful bidder or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for DTC.

If the 2018B Bonds are registered in the name of the successful bidder, they will be issued with a single bond certificate. Principal of and interest on such 2018B Bonds will be payable in Federal Funds by the City to the registered owner.

If the Bonds are issued in book-entry only form, the Bonds will be initially issued in fully registered form in denominations such that one Bond shall be issued for each maturity of 2018B Bonds and, when issued, will be registered in the name of the successful bidder or registered in the name of Cede & Co., as nominee of the Depository Trust Company, Jersey City, New Jersey, which will act as securities depository for the 2018B Bonds. Ownership interest in the 2018B Bonds will be transferred pursuant to the "Book-Entry-Only System" of The Depository Trust Company, as described in the Official Statement prepared by the City with respect to the 2018B Bonds. If the 2018B Bonds are issued in book-entry-only form, principal and interest on the 2018B Bonds will be payable by check or draft mailed by the City to the Depository Trust Company, Jersey City, New Jersey, or to its nominee, Cede & Co., as the registered owner of the 2018B Bonds. Principal and interest will be payable in lawful money of the United States of America (Federal Funds). If the 2018B Bonds are issued in non book-entry form, principal and interest will be payable in lawful money of the United States of America (Federal Funds) to the registered purchaser. The 2018B Bonds may not be converted into coupon bonds or be registered to bearer.

Each bid for the 2018B Bonds must be for all of said \$2,000,000 serial bonds and state a single rate of interest or different rates of interest for bonds maturing in different calendar years; provided, however, that (i) only one rate of interest may be bid for 2018B Bonds of the same maturity, (ii) the maximum difference between the highest and lowest rate of interest bid for the 2018B Bonds may not exceed four per centum per annum, and (iii) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one per centum per annum. Unless all bids are rejected, the award will be made to the bidder complying with the terms of sale and offering to purchase the 2018B Bonds at such rate or rates of interest as will produce the lowest true interest cost computed in accordance with the true interest cost method of calculation, that being the rate, which compounded semi-annually, is necessary to discount all principal and interest payments on the 2018B Bonds to the purchase price (including accrued interest) bid for the 2018B Bonds. The true interest cost computation should be made as of the date of delivery of the 2018B Bonds. If two

or more such bidders offer to purchase the 2018B Bonds at the same true interest cost, computed as described above, the 2018B Bonds will be awarded to the bidder whose bid offers to purchase the 2018B Bonds at the highest premium dollar amount; provided, however, that the City reserves the right, in its sole discretion, after selecting the low bidder, to adjust the aforesaid maturity installments to the extent necessary to meet the requirements of substantially level or declining debt service. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Sale, except as provided above, will be rejected.

A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or fed wire transfer in the amount of \$40,000 payable to the order of the City of Syracuse is required for each bid to be considered for the 2018B Bonds. If a check is used, it must accompany each bid. If a wire transfer is used, it must be sent to the account so designated by the City for such purpose, not later than 10:00 a.m. on the date of the sale and the wire reference number must be provided on the "Proposal for 2018B Bonds" when the bid is submitted. Bidders must contact Capital Markets Advisors, LLC, 1075 Route 82, Suite 4, Hopewell Junction, New York 12533 (Telephone: 845-227-8678), the City's Financial Advisor, no later than 24 hours prior to the sale date to obtain the City's wire instructions.

The 2018B Bonds are issued pursuant to the Constitution and statutes of the State of New York, including the City Charter, the Local Finance Law and a bond ordinance adopted by the Common Council of the City and approved by the Mayor on September 27, 2017 (the "Bond Ordinance"). The 2018B Bonds will be valid and legally binding general obligations of the City, all the taxable real property within which will be subject to the levy of ad valorem taxes to pay the 2018B Bonds and interest thereon, subject to applicable statutory limitations.

The proceeds of sale of the 2018B Bonds will provide new money for the settlement of a claim.

The State Constitution requires the City to pledge its faith and credit for the payment of the principal of the 2018B Bonds and the interest thereon and to make annual appropriations for the amounts required for the payment of such interest and the redemption of such 2018B Bonds. The State Constitution also provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on the 2018B Bonds and certain other obligations of the City, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes; also that the fiscal officer of the City may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

THE CITY RESERVES THE RIGHT TO CHANGE THE TIME AND/OR DATE FOR THE OPENING OF THE BIDS. NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED NOT LESS THAN 24 HOURS PRIOR TO THE TIME SET FORTH ABOVE FOR THE OPENING OF THE BIDS BY MEANS OF A SUPPLEMENTAL NOTICE OF SALE TO BE TRANSMITTED OVER THE MUNIFACTS WIRE.

If the 2018B Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, the purchase of any such insurance policy or the issuance of any such commitment therefore shall be at the sole option and expense of such bidder and any increased costs of issuance of the 2018B Bonds resulting by reason of the same, unless otherwise paid, shall be paid by such bidder. Any failure of the 2018B Bonds to be so insured or of any such policy of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the 2018B Bonds to accept delivery of and pay for said 2018B Bonds in accordance with the terms of the purchase contract.

In the event that prior to the delivery of the 2018B Bonds, the income received by owners of bonds of the same type and character becomes includable in the gross income of such owners for federal income tax purposes, the successful bidder may, at his or her election, be relieved of his or her obligations under the contract to purchase the 2018B Bonds, and in such case, the deposit accompanying his or her bid will be returned.

The 2018B Bonds will be delivered on or about June 21, 2018 in Jersey City, New Jersey, or at such other place as may be agreed upon with the successful bidder. The purchase price of the 2018B Bonds, in accordance with the purchaser's bid, shall be paid IN FEDERAL FUNDS or other funds available for immediate credit on said delivery date, in an amount equal to the par amount of such 2018B Bonds, plus the premium, if any, plus accrued interest from the dated date of such 2018B Bonds until said day of delivery, less the amount of the good faith deposit submitted with the bid.

It is anticipated that CUSIP identification numbers will be printed on said 2018B Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said 2018B Bonds. All expenses in relation to the printing CUSIP numbers on said 2018B Bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

The purchaser shall be required to deliver a typewritten list of names and respective denominations of the initial registered owners to the Securities Depository (with a copy thereof to Bond Counsel mentioned below) not later than 12:00 Noon, Prevailing Time, on the fifth business day preceding the date set for the delivery of the 2018B Bonds. If such list is not so delivered, the 2018B Bonds will be issued initially in denominations corresponding to the principal amount of each respective maturity in the name of the purchaser as registered owner.

If the Bonds will be issued in registered book-entry only form, the 2018B Bonds will be available for inspection by the purchaser at the Depository Trust Company in Jersey City, New Jersey not less than 24 hours prior to the time set for the delivery thereof. It shall be the responsibility of the purchaser to verify the names of the respective initial registered owners, denominations and CUSIP numbers at such time.

As a condition to the purchaser's obligation to accept delivery of and pay for the 2018B Bonds, the purchaser will be furnished, without cost, the following, dated as of the date of the delivery of and payment for the 2018B Bonds: (i) a certificate of the Commissioner of Finance of the City certifying that (a) as of the date of the Official Statement furnished by the City in relation to the 2018B Bonds, said Official Statement did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in

said Official Statement obtained from sources other than the City is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to his knowledge, since the date of said Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the City and no material adverse changes in the general affairs of the City or in its financial condition as shown in said Official Statement other than as disclosed in or contemplated by said Official Statement; (ii) a Closing Certificate, constituting receipt for the Bond proceeds and a signature certificate, which will include a statement that no litigation is pending or, to the knowledge of the signers, threatened affecting the 2018B Bonds; and (iii) the unqualified legal opinion as to the validity of the 2018B Bonds of TRESPASZ & MARQUARDT, LLP, Syracuse, New York, Bond Counsel. Reference should be made to said Official Statement for a description of the scope of Bond Counsel's engagement in relation to the issuance of the 2018B Bonds and the matters covered by such legal opinion. Furthermore, reference should be made to the information under the headings "The Series B Bonds – Tax Disclosure – Taxable Bonds" and "Legal Matters" in the Official Statement.

Issue Price

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, 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 Bonds 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 Financial Advisor will advise the winning bidder if the Competitive Sale Requirements were met at the same time it notifies the winning bidder of the award of the Bonds. Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.

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

By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds 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.*

For purposes of the "hold the price" or "follow the price" requirement described below, a "maturity" refers to Bonds that have the same interest rate, credit and payment terms.

(1) Hold the Price. The winning bidder:

(a) will make a bona fide offering to the public of all of the Bonds 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 Bonds 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 Bonds 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 Bonds, 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 Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

(2) Follow the Price. The winning bidder:

(a) will make a bona fide offering to the public of all of the Bonds 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 actual prices at which at least 10 percent of the Bonds within each maturity of the Bonds 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 Bonds, will continue until such date that 10 percent of each maturity of the Bonds has been sold to the public, 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 Bonds 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 Bonds 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 Bonds stating the applicable facts as described above. The form of Reoffering Price Certificate is available by contacting Bond Counsel or the Financial Advisor.

If the winning bidder has purchased the Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds.

THE 2018B BONDS ARE NOT "QUALIFIED TAX-EXEMPT OBLIGATIONS" UNDER SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

The population of the City according to the 2016 estimated census data is 144,350. The Debt Statement to be filed pursuant to Section 109.00 of the Local Finance Law, in connection with the sale of the Bonds herein described prepared as of June 2, 2018, will show the average full valuation of real property subject to taxation by the City to be \$4,655,035,554, its debt limit to be \$418,953,199 and its net indebtedness, including the 2018B Bonds herein described to be \$189,838,582.

Copies of the City's Preliminary Official Statement dated June 5, 2018 relating to the 2018B Bonds offered hereby, this Notice of Sale and the Proposal for 2018B Bonds will be furnished upon request to the City's financial advisor. The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and completion in a Final Official Statement.

In furtherance of the successful bidder's compliance with SEC Rule 15c2-12, within five business days following receipt by the City of written advice from the successful bidder setting forth the offering prices of the 2018B Bonds, whether any policy of municipal bond insurance has been purchased for the 2018B Bonds, the legal name and address of the successful bidder and the amount of selling compensation realized by the successful bidder, the City will furnish the successful bidder reasonable quantities of the Final Official Statement. Failure or delay by the successful bidder in providing such information will prevent the City from providing the Final Official Statement in accordance with SEC Rule 15c2-12. The City shall not be liable for failure to provide the Final Official Statement if such failure results from a failure by the successful bidder to provide the aforementioned information within the time specified. The City intends, for the benefit of the holders of the 2018B Bonds, to provide certain annual financial information and event notices to various information repositories and thereby comply with the provisions of SEC Rule 15c2-12, as amended, and Securities and Exchange Commission Release No. 34-34961, File No. S7-5-94 relating to municipal securities disclosure.

COPIES OF THE OFFICIAL STATEMENT AND NOTICE OF SALE ARE AVAILABLE AT www.capmark.org.

DATED: June 5, 2018
Syracuse, New York

**David J. DelVecchio, CPA
Commissioner of Finance
and Chief Fiscal Officer**