

[DASNY Goes Green](#)

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DASNY Makes Largest Assignment to MWBE Firm In State History

The Dormitory Authority of the State of New York ([DASNY](#)) has announced the largest assignment to an MWBE (minority and women-owned business enterprise) underwriter in state history with the selection of [M.R. Beal & Company](#) as senior manager and sole bookrunner on DASNY's upcoming \$1.3 billion Personal Income Tax (PIT) bond issuance.

According to [Paul T. Williams, Jr.](#), DASNY's President, the financing will involve a combination of tax-exempt, taxable and Build America Bonds (BABs) and, contingent upon market conditions, is expected this month. The bonds will be used to finance State University of New York educational facilities and upstate community colleges, City University of New York facilities, library facilities, EXCEL projects, economic development grants and to refund certain mental health bonds.

Governor David Paterson said, "This is clear evidence of a change in the way New York does business. Eliminating disparities that are still widespread will be a long process; it has been compared to 'turning a battleship.' But this underwriting assignment decidedly marks a new course for our state."

Bernard B. Beal, founder and Chief Executive Officer of M.R. Beal, added, "We applaud the Governor and DASNY on this monumental and historic milestone. We are gratified that DASNY has recognized the depth and breadth of M.R. Beal's experience."

The work of Governor Paterson's Executive Order 10 MWBE Task Force, which issued its detailed [final report](#) in March of this year, set the stage for this development. Williams, who also served as chairman of the MWBE Task Force, reports that under its recommendations, MWBE underwriters have increased their participation in New York State debt issuance from only 4 percent in 2007 to over 20 percent in 2009. Advances in other areas, such as legal, accounting and financial advisory services, are expected as well.

"This historic progress is a direct result of the Governor's leadership in ensuring that MWBE financial and professional services firms are fully included in state procurements," Williams said. Despite significant headway by MWBE firms under Governor Paterson's leadership, the designation of M. R. Beal comes after the recent release of an Empire State Development Corp.-sponsored study which indicates MWBE firms still face systemic underrepresentation in state procurements.

M.R. Beal is one of 13 "highly capable" firms on DASNY's senior management team, according to [Alfonso L. Carney, Jr.](#), Chairman of DASNY's board, who says this assignment demonstrates a commitment to the Governor's goal of increasing MWBE representation in state contracts. DASNY's recent competitive selection process for underwriters resulted in the inclusion of four MWBE firms among the 13 senior managers selected.

M.R. Beal, a full-service investment banking firm established in New York in 1988, has become one of the top investment banks trading in fixed income securities and municipal bonds. Bank of America/Merrill Lynch is co-senior manager for the entire transaction, while Siebert, Brandford Shank, another MWBE firm, will also serve as co-senior manager on the BABs and taxable portion of the transaction. Co-managers on the BABs and taxable bonds will include Barclays, Jefferies and Wells Fargo.

Williams says he expects this announcement will be well received by the market. "We expect this to be a very solid deal, and of course, we expect very strong execution on it."

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Founded in 1944, DASNY is one of the largest higher education, health care and public-purpose issuers of public debt in the nation with an outstanding bond portfolio of more than \$41.7 billion. The Authority also is a major public builder in New York State with a construction pipeline of more than 700 projects valued at \$6.65 billion.