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Press Release

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[MTA Headquarters](#)

IMMEDIATE

### MTA to New Yorkers: Invest in the Planet, Invest in the MTA

#### *MTA to Issue Its First 'Green Bonds'*

The Metropolitan Transportation Authority (MTA) today announced that it will offer its first-ever "Green Bonds" to the public in a two-day order period starting next Wednesday, February 17. The bonds are certified by the Climate Bonds Initiative, an international not-for-profit organization that supports financing for projects around the world that help reduce the impacts of climate change. The bonds' proceeds of \$500 million will pay for continuing work on infrastructure renewal and upgrade projects on New York City Transit, Long Island Rail Road and Metro-North Railroad that were begun during the MTA's 2010-2014 Capital Program.

"Eight and a half million people travel on MTA trains and buses every day," said MTA Chairman and CEO Thomas F. Prendergast. "By leaving their cars at home and embracing mass transit, New Yorkers play a dramatic role in reducing carbon emissions. These bonds recognize the ways in which mass transit and commuters work together to keep carbon out of the atmosphere, and that makes them the perfect choice for people who want to invest in the renewal and modernization of the greatest transportation system in the world, while at the same time helping New York to be greener, and healthier."

The MTA tomorrow will launch a targeted marketing campaign aimed to encourage New Yorkers to consider purchasing the bonds. Ads will appear online on the websites of media outlets that cover the New York region and over the air on New York-area radio stations.

"Supporting public transportation is a powerful action that you can take to reduce greenhouse gas emissions," the radio ad says. "You have an opportunity to not only sustain the transportation network that is essential to the New York metro region, but also to help combat climate change and reduce our region's carbon footprint."

Green Bonds, also known as Climate Bonds, were popularized in 2010 as a method for raising capital for climate-friendly projects across the globe. In 2015, \$41.8 billion in Green Bonds were issued, according to the Climate Bonds Initiative (CBI) an international nongovernmental, nonprofit organization dedicated to stimulating investment in projects and assets emphasizing environmental sustainability. MTA's Transportation Revenue Green Bonds, Series 2016A (Climate Bond Certified) is the first bond issuance to be certified in the U.S. under CBI's Low Carbon Transport Standard.

"This bond is a statement of international leadership by the MTA," said Sean Kidney, CEO of the Climate Bonds Initiative. "Significant investment in low carbon mass transport is needed in existing and emerging urban conurbations. This MTA bond issuance is a milestone in the inclusion of rail transport in the burgeoning green bond market."

To be certified as a Climate Bond, a bond offering needs to meet rigorous criteria relating to reporting and transparency and the green characteristics of the underlying assets. Eligible projects funded with the bonds need to be clearly identified; internal processes and controls to ensure tracking of proceeds have to be set up; and reporting regarding assets involved is required. The bond needs to be verified by an independent external verifier approved by the CBI Board. Lastly, the issuer of a green bond has to commit to ongoing annual reporting of the assets funded with the green bond proceeds. This is to satisfy investors that the projects remain in service as initially described.

The process is supervised by the Climate Bond Standards Board with representatives from INCR /CERES, CalSTRS, California State Treasurer, CDP (formerly the Carbon Disclosure Project), Institutional Investors Group on Climate Change (IIGCC), The International Cooperative and Mutual Insurance Federation (ICMIF), Investor Group on Climate Change and The Natural Resources Defense Council.

The bonds are being issued under the MTA's Transportation Revenue Bond credit, which is backed by MTA's operating revenues and State subsidies dedicated to the MTA. A unique strength of the credit is that investors benefit from a "gross pledge" of all pledged revenues to fund debt service requirements before being available to pay for operations. The credit is rated AA+/AA-/A1/A by Kroll, Standard & Poor's, Moody's and Fitch respectively.

The bonds' financial characteristics are typical for bonds backed by the Transportation Revenue Bond credit. It will pay interest at a fixed rate, with interest payments made every May 15 and November 15. The interest rate and final maturity date will be set in the coming week. Interest on the bonds is exempt from Federal, New York State and New York City personal income taxes.

The bonds are being offered by Ramirez & Co., a member of MTA's existing approved pool of book running senior managers and a New York State certified minority-owned business. Drexel Hamilton, LLC., a New York State certified service disabled veteran owned business, and Stern Brothers & Co., a New York State certified women-owned business, are serving as special co-senior managers. The MTA syndicate of Board-approved managers will also serve on the transaction.