

MTA ANNUAL DISCLOSURE STATEMENT SUPPLEMENT
July 17, 2020

This Metropolitan Transportation Authority (“MTA”) Annual Disclosure Statement Supplement (the “Supplement”) is dated July 17, 2020, supplements the information contained in the Annual Disclosure Statement (the “ADS”) of MTA, dated April 29, 2020, as supplemented on May 1, 2020, May 19, 2020, May 27, 2020, June 3, 2020 and June 25, 2020. *This Supplement updates information relating to the expected timing of receipt and amounts of certain New York State assistance, and MTA’s available liquidity resources.* MTA expects to file this Supplement with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access (“EMMA”) system and may incorporate such information herein by specific cross-reference. No statement on MTA’s website or any other website is included by specific cross-reference herein. All of the information in this Supplement is accurate as of its respective date. MTA retains the right to update and supplement specific information contained herein as events warrant.

The factors affecting MTA’s financial condition are complex. This Supplement contains forecasts, projections, and estimates that are based on expectations and assumptions, which existed at the time they were prepared and contains statements relating to future results and economic performance that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “project,” “forecast,” “anticipate” or other similar words. The forward-looking statements contained herein are based on MTA’s expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete, imprecise or not reflective of future actual results. Forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the preceding paragraph, MTA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events occur that change the conditions or circumstances on which such statements are based. These forward-looking statements speak only as of the date of this Supplement.

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Updated Assessment of Impacts From the COVID-19 Pandemic on MTA and MTA Bridges and Tunnels Finances and Operations – New York State Aid

The information set forth under the heading “Update Regarding Impacts from the Global Coronavirus Pandemic and Certain MTA, Federal and State Responses” in the ADS is further supplemented as set forth below. MTA intends to provide periodic updates on EMMA and MTA’s website of the continued impacts of the COVID-19 pandemic on MTA, particularly on its operations and finances, including available liquidity resources.

Status of Certain New York State Aid. On behalf of the State of New York (“State”), the Urban Development Corporation (dba “Empire State Development” or “ESD”) has sold and expects to issue on July 23, 2020, its State Personal Income Tax Revenue Bonds, Series 2020C (“ESD Series 2020C Bonds”). MTA expects that a portion of the proceeds of the ESD Series 2020C Bonds in the amount of \$1,118,188,888.90, plus interest, will be applied to the retirement of certain short term notes issued by MTA on behalf of the State’s existing \$7.3 billion commitment toward the MTA’s 2015-2019 Capital Program. Such proceeds of the ESD Series 2020C Bonds are expected to be applied as follows: (i) \$413,517,317.83, plus interest, to retire Transportation Revenue Anticipation Notes, Series 2020A (“Series 2020A RANs”), (ii) \$104,671,571.07, plus interest, to retire Transportation Revenue Anticipation Notes, Series 2020B (“Series 2020B RANs”), and (iii) \$600,000,000, plus interest, to retire Transportation Revenue Bond Anticipation Notes, Series 2019E on September 1, 2020.

The proceeds of the Series 2020A RANs and Series 2020B RANs were used to retire Transportation Revenue Bond Anticipation Notes, Series 2019C and Transportation Revenue Bond Anticipation Notes, Subseries 2019D-2 on July 1, 2020.

In addition to the \$600 million Transportation Revenue Bond Anticipation Notes, Series 2019E that will be retired on September 1, 2020, as detailed above, MTA has resources currently available (in addition to the liquidity resources described below) to retire the \$450 million Transportation Revenue Bond Anticipation Notes, Subseries 2018C-1 on September 1, 2020.

MTA Liquidity Resources. As of July 17, 2020, MTA has liquidity resources in the approximate amount of \$4.728 billion, consisting of a current running cash balance of \$1.893 billion (including CARES Act grant receipts of \$2.916 billion), internal available flexible funds of \$1.165 billion, OPEB resources of \$336 million and commercial bank lines of credit plus interest earnings totaling \$1.334 billion (total commercial bank lines of credit are now \$2.150 billion, of which \$1.003 billion have been drawn by MTA, with \$186 million of that remaining unspent, together with \$1.148 billion undrawn as of the date hereof. As of July 23, 2020 after successful closing of the ESD Series 2020C transaction, MTA expects the undrawn balance of existing lines of credit will increase by \$518 million to \$1.666 billion). *Certain of these funds provide a temporary funding “bridge” to a permanent solution to the lost revenue and higher expenses. Such funds must be repaid or replaced. Use of these monies will leave MTA with a significant gap in funding for both the operating budget and capital plan over the longer term and will likely result in additional debt issuance and unfunded operating needs.*

The status of MTA and its Related Entities operations and finances remain dire, and it continues to be extremely difficult to predict the course of these impacts due to the dynamic nature of the COVID-19 pandemic, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions may be taken by other governmental authorities, particularly the federal government, and health care providers to contain or mitigate its impact.