**NEW ISSUE** **BOOK-ENTRY-ONLY**

# $200,000,000
# TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
## (MTA BRIDGES AND TUNNELS)
## General Revenue Bonds,
## Series 2019C

**DATED: Date of Delivery** **DUE: As shown on the inside cover**

The Triborough Bridge and Tunnel Authority's (MTA Bridges and Tunnels) General Revenue Bonds, Series 2019C (the Series 2019C Bonds) are being issued to (i) finance bridge and tunnel projects in the MTA Bridges and Tunnels approved Capital Program, and (ii) pay certain financing, legal, and miscellaneous expenses. See "APPLICATION OF PROCEEDS" herein.

The Series 2019C Bonds —

- are general obligations of MTA Bridges and Tunnels, payable generally from the net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels as described herein, and
- are not a debt of the State of New York (the State) or The City of New York (the City) or any other local government unit.

MTA Bridges and Tunnels has no taxing power.

In the opinion of Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, Co-Bond Counsel to MTA Bridges and Tunnels, under existing law and relying on certain representations by MTA Bridges and Tunnels and assuming the compliance by MTA Bridges and Tunnels with certain covenants, interest on the Series 2019C Bonds is:

- *excluded from an Owner's federal gross income under Section 103 of the Internal Revenue Code of 1986, and*
- *not a specific preference item for an Owner in calculating the federal alternative minimum tax.*

Also in the opinion of Co-Bond Counsel, under existing law, interest on the Series 2019C Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See "TAX MATTERS" herein for a discussion of certain federal and State income tax matters.

The Series 2019C Bonds will bear interest at the rates shown on the inside cover page hereof.

The Series 2019C Bonds are subject to redemption prior to maturity as described herein.

The Series 2019C Bonds are offered when, as, and if issued, subject to certain conditions, and are expected to be delivered through the facilities of The Depository Trust Company on or about December 3, 2019.

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This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2019C Bonds. Investors are advised to read the entire official statement, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

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November 26, 2019

**$200,000,000**
**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**
**(MTA BRIDGES AND TUNNELS)**
**General Revenue Bonds,**
**Series 2019C**

| Maturity (November 15) | Principal Amount | Interest Rate | Yield* | CUSIP Number† (89602R) |
|---|---|---|---|---|
| 2040 | $25,000,000 | 4.00% | 2.34% | FN0 |
| 2041 | 25,000,000 | 4.00 | 2.37 | FP5 |
| 2042 | 25,000,000 | 4.00 | 2.40 | FQ3 |
| 2043 | 25,000,000 | 4.00 | 2.43 | FR1 |
| 2045 | 25,000,000 | 3.00 | 2.80 | FS9 |
| 2046 | 25,000,000 | 3.00 | 2.81 | FT7 |
| 2047 | 25,000,000 | 3.00 | 2.82 | FU4 |
| 2048 | 25,000,000 | 3.00 | 2.83 | FV2 |

The Series 2019C Bonds are subject to redemption prior to maturity, as described under the caption "DESCRIPTION OF SERIES 2019C BONDS – Redemption Prior to Maturity" in **Part I**. The following summarizes the optional redemption provisions: the Series 2019C Bonds are subject to redemption prior to maturity on any date on or after November 15, 2029, at the option of MTA Bridges and Tunnels, in whole or in part at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

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* Priced at the stated yield to the November 15, 2029 optional redemption date at a redemption price of 100%.

† The CUSIP numbers have been assigned by an organization not affiliated with MTA Bridges and Tunnels and are included solely for the convenience of the holders of the Series 2019C Bonds. MTA Bridges and Tunnels is not responsible for the selection or uses of the CUSIP numbers, nor is any representation made as to their correctness on the Series 2019C Bonds or as indicated above. The CUSIP numbers are subject to being changed after the issuance of the Series 2019C Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2019C Bonds.

**Triborough Bridge and Tunnel Authority**
**(MTA Bridges and Tunnels)**
**Triborough Station, Box 35**
**New York, New York 10035**
**(212) 360-3000**
**Website: www.mta.info**

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Dore Abrams .......... Acting Vice President and Chief Financial Officer

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Co-Bond Counsel

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New York, New York

ROCKFLEET FINANCIAL SERVICES, INC.
New York, New York

Co-Financial Advisors

STANTEC CONSULTING SERVICES INC.
New York, New York
Independent Engineers

HAWKINS DELAFIELD & WOOD LLP
New York, New York
Special Disclosure Counsel

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## SUMMARY OF TERMS

MTA Bridges and Tunnels has prepared this Summary of Terms to describe the specific terms of the Series 2019C Bonds. The information in this official statement, including the materials filed with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA Bridges and Tunnels and to MTA Bridges and Tunnels General Revenue Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the bonds being issued.

| | |
|---|---|
| Issuer | Triborough Bridge and Tunnel Authority, a public benefit corporation of the State of New York, hereinafter referred to as MTA Bridges and Tunnels. |
| Bonds Being Offered | General Revenue Bonds, Series 2019C (the Series 2019C Bonds). |
| Purpose of Issue | The Series 2019C Bonds are being issued to (i) finance bridge and tunnel projects in the MTA Bridges and Tunnels approved Capital Program, and (ii) pay certain financing, legal, and miscellaneous expenses. See "APPLICATION OF PROCEEDS" in **Part I**. |
| Maturities and Rates | The Series 2019C Bonds mature on the dates and bear interest at the rates shown on the inside cover page of this official statement. |
| Denominations | Denominations of $5,000 or any integral multiple thereof. |
| Interest Payment Dates | Interest on the Series 2019C Bonds shall be paid semiannually on May 15 and November 15, commencing May 15, 2020. |
| Redemption | See "DESCRIPTION OF SERIES 2019C BONDS – Redemption Prior to Maturity" in **Part I**. |
| Sources of Payment and Security | Net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels, as described herein. |
| Registration of the Bonds | DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC. |
| Trustee | U.S. Bank Trust National Association, New York, New York. |
| Co-Bond Counsel | Orrick, Herrington & Sutcliffe LLP, New York, New York, and Bryant Rabbino LLP, New York, New York. |
| Special Disclosure Counsel | Hawkins Delafield & Wood LLP, New York, New York. |
| Tax Status | See "TAX MATTERS" in **Part III**. |
| Ratings | *Rating Agency* — *Rating*<br>Fitch: AA-<br>KBRA: AA<br>Moody's: Aa3<br>S&P: AA-<br>See "RATINGS" in **Part III**. |
| Co-Financial Advisors | Public Resources Advisory Group, Inc., New York, New York, and Rockfleet Financial Services, Inc., New York, New York. |
| Purchase Price | See "UNDERWRITING" in **Part III**. |
| Independent Engineers | Stantec Consulting Services Inc., New York, New York. |

- ***No Unauthorized Offer.* This official statement is not an offer to sell, or the solicitation of an offer to buy, the Series 2019C Bonds in any jurisdiction where that would be unlawful. MTA Bridges and Tunnels has not authorized any dealer, salesperson or any other person to give any information or make any representation in connection with the offering of the Series 2019C Bonds, except as set forth in this official statement. No other information or representations should be relied upon.**

- ***No Contract or Investment Advice.* This official statement is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this official statement and the Series 2019C Bonds being offered, and anything else related to this bond issue.**

- ***Information Subject to Change.* Information and expressions of opinion are subject to change without notice, and it should not be inferred that there have been no changes since the date of this document. Neither the delivery of, nor any sale made under, this official statement shall under any circumstances create any implication that there has been no change in MTA Bridges and Tunnels' affairs or in any other matters described herein since the date of this official statement.**

- ***Forward-Looking Statements.* Many statements contained in this official statement, including the appendices and documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on MTA Bridges and Tunnels' and the Independent Engineers' beliefs, as well as assumptions made by, and information currently available to, the management and staff of MTA Bridges and Tunnels and the Independent Engineers as of the date of this official statement. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "plan," "forecast," "goal," "budget" or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this official statement. Neither MTA Bridges and Tunnels' independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the forward-looking statements contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA Bridges and Tunnels' independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the forward-looking statements set forth in this official statement, which is solely the product of MTA Bridges and Tunnels and its affiliates and subsidiaries as of the date of this official statement, and the independent auditors assume no responsibility for its content. These forward-looking statements speak only as of the date of this official statement.**

- ***Projections.* The projections set forth in this official statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of MTA Bridges and Tunnels' management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of MTA Bridges and Tunnels. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this official statement are cautioned not to place undue reliance on the prospective financial information. Neither MTA Bridges and Tunnels' independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA Bridges and Tunnels' independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this official statement, which is solely the product of MTA Bridges and Tunnels and MTA and its affiliates and subsidiaries as of the date of this official statement, and the independent auditors assume no responsibility for its content.**

- ***Independent Auditor.* Deloitte & Touche LLP, MTA Bridges and Tunnels' independent auditor, has not reviewed, commented on or approved, and is not associated with, this official statement. The audit report of Deloitte & Touche LLP relating to the MTA Bridges and Tunnels financial statements for the years ended December 31, 2018 and 2017, which is a matter of public record, is included by specific cross-**

**reference in this official statement. Deloitte & Touche LLP has not been asked to consent to the inclusion, or incorporation by reference, of its audit report in this official statement. Deloitte & Touche LLP has performed a review of the consolidated interim financial information of Metropolitan Transportation Authority (MTA) for the six-month period ended June 30, 2019. As indicated in the review report which accompanies MTA's consolidated interim financial information, because Deloitte & Touche LLP did not perform an audit, Deloitte & Touche LLP expresses no opinion on that information. The consolidated interim financial information of MTA for the six-month period ended June 30, 2019 (except for the auditor's review report accompanying the consolidated interim financial information) is included in this official statement by specific cross-reference. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA Bridges and Tunnels, including without limitation any of the information contained in this official statement, since the date of such review report which is not included by reference herein.**

- ***Website Addresses*. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this official statement for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.**

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**Attachment 4** – Copy of Bringdown Letter of Stantec Consulting Services Inc.
**Attachment 5** – Second Quarterly Update to the ADS, dated November 22, 2019

**Information Included by Specific Cross-reference**. The following portions of MTA's 2019 Combined Continuing Disclosure Filings, dated April 30, 2019, as supplemented on June 26, 2019 and on October 3, 2019, and as updated by a First Quarterly Update, dated August 2, 2019 and a Second Quarterly Update, dated November 22, 2019, each filed with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this official statement, along with material that updates this official statement and that is filed with EMMA prior to the delivery date of the Series 2019C Bonds, together with any supplements or amendments thereto:

- **Part I** – MTA Annual Disclosure Statement (the **MTA Annual Disclosure Statement** or **ADS**)
- **Appendix D** – Audited Financial Statements of Triborough Bridge and Tunnel Authority for the Years Ended December 31, 2018 and 2017 (including the auditor's report accompanying the annual financial information)

The following documents have also been filed with EMMA and are included by specific cross-reference in this official statement:

- Summary of Certain Provisions of the MTA Bridges and Tunnels Senior Lien Resolution (i.e., as used in this official statement, the MTA Bridges and Tunnels Senior Resolution)
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- **Appendix E** – History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Conditions of the Facilities of Triborough Bridge and Tunnel Authority, dated April 30, 2019, prepared by Stantec Consulting Services Inc.
- MTA's Unaudited Consolidated Interim Financial Statements as of and for the Six-Month Period Ended June 30, 2019 (excluding the auditor's review report accompanying the interim financial information)

For convenience, copies of most of these documents can be found on the MTA website (www.mta.info) under the caption "MTA Info–Financial Information–Budget and Financial Statements" in the case of MTA's Unaudited Consolidated Interim Financial Statements as of and for the Six-Month Period Ended June 30, 2019 and "MTA Info–Financial Information–Investor Information" in the case of (i) the Audited Financial Statements of Triborough Bridge and Tunnel Authority for the Years Ended December 31, 2018 and 2017; (ii) the summary of certain provisions of the MTA Bridges and Tunnels Senior Resolution; (iii) the definitions and summary of certain provisions of the Standard Resolution Provisions; and (iv) **Appendix E** – History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Conditions of the Facilities of Triborough Bridge and Tunnel Authority, dated April 30, 2019, prepared by Stantec Consulting Services Inc. No statement on MTA's website is included by specific cross-reference herein. See "FURTHER INFORMATION" in **Part III**. Definitions of certain terms used in the summaries may differ from terms used in this official statement, such as using the popular name "MTA Bridges and Tunnels" in place of Triborough Bridge and Tunnel Authority or its abbreviation, TBTA.

The financial statements of MTA Bridges and Tunnels for the years ended December 31, 2018 and 2017, incorporated by specific cross-reference in this official statement, have been audited by Deloitte & Touche LLP, independent certified public accountants, as stated in their audit report appearing therein. Deloitte & Touche LLP has not reviewed, commented on or approved, and is not associated with, this official statement. The audit report of Deloitte & Touche LLP relating to MTA Bridges and Tunnels' consolidated financial statements for the years ended December 31, 2018 and 2017, which is a matter of public record, is included in such consolidated financial statements. Deloitte & Touche LLP has not been asked to consent to the inclusion, or incorporation by reference, of its audit report in this official statement. The consolidated interim financial information of MTA for the six-month period ended June 30, 2019 (except for the auditor's review report accompanying the consolidated interim financial information), has also been incorporated by specific cross-reference in this official statement. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA Bridges and Tunnels, including without limitation any of the information contained in, or incorporated by specific cross-reference in, this official statement, since the date of such review report, which is not included by reference herein.

# INTRODUCTION

## MTA Bridges and Tunnels and Other Related Entities

Triborough Bridge and Tunnel Authority, or MTA Bridges and Tunnels, is a public benefit corporation, which means that it is a corporate entity separate and apart from New York State (the State), without any power of taxation – frequently called a "public authority." MTA Bridges and Tunnels is empowered to construct and operate toll bridges and tunnels and other public facilities in New York City (the City). MTA Bridges and Tunnels issues debt obligations to finance the capital costs of its facilities and is authorized to issue debt obligations to finance the capital costs of the Transit and Commuter Systems operated by other affiliates and subsidiaries of the Metropolitan Transportation Authority, or MTA. In the last ten years, MTA Bridges and Tunnels has not issued new money bonds to finance capital projects for the benefit of the Transit and Commuter Systems, and currently has no plans to do so in the future. MTA Bridges and Tunnels is an affiliate of MTA. MTA Bridges and Tunnels' surplus amounts are used to fund transit and commuter operations and finance capital projects.

MTA has responsibility for developing and implementing a single, integrated mass transportation policy for MTA's service region (the MTA Commuter Transportation District or MCTD), which consists of the City and the seven New York metropolitan-area counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester. It carries out some of those responsibilities by operating the transit and commuter systems through its subsidiary and affiliate entities: the New York City Transit Authority and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority; the Staten Island Rapid Transit Operating Authority; The Long Island Rail Road Company; the Metro-North Commuter Railroad Company; the MTA Bus Company; and the MTA Capital Construction Company. MTA issues debt obligations to finance a substantial portion of the capital costs of these systems.

The board members of MTA serve as the board members of MTA's affiliates and subsidiaries, which, together with MTA, are referred to collectively herein as the Related Entities. MTA Bridges and Tunnels is an affiliate, not a subsidiary, of MTA. MTA, MTA Bridges and Tunnels and the other Related Entities are described in detail in **Part I** – MTA Annual Disclosure Statement of MTA's 2019 Combined Continuing Disclosure Filings (the **MTA Annual Disclosure Statement** or **ADS**), which is included by specific cross-reference in this official statement.

The following table sets forth the legal and popular names of the Related Entities. Throughout this official statement, reference to each agency will be made using the popular names.

| Legal Name | Popular Name |
|---|---|
| Metropolitan Transportation Authority | MTA |
| New York City Transit Authority | MTA New York City Transit |
| Manhattan and Bronx Surface Transit Operating Authority | MaBSTOA |
| Staten Island Rapid Transit Operating Authority | MTA Staten Island Railway |
| MTA Bus Company | MTA Bus |
| The Long Island Rail Road Company | MTA Long Island Rail Road |
| Metro-North Commuter Railroad Company | MTA Metro-North Railroad |
| MTA Capital Construction Company | MTA Capital Construction |
| Triborough Bridge and Tunnel Authority | MTA Bridges and Tunnels |

Capitalized terms used herein and not otherwise defined have the meanings provided in the **ADS** or the MTA Bridges and Tunnels Senior Resolution.

### Information Provided in the MTA Annual Disclosure Statement

From time to time, the Governor, the State Comptroller, the Mayor of the City, the City Comptroller, County Executives, State legislators, City Council members and other persons or groups may make public statements, issue reports, institute proceedings or take actions that contain predictions, projections or other information relating to the Related Entities or their financial condition, including potential operating results for the current fiscal year and projected baseline surpluses or gaps for future years, that may vary materially from, question or challenge the information provided in the **ADS**. Investors and other market participants should, however, refer to MTA's then current continuing disclosure filings, official statements, remarketing circulars and offering memoranda for information regarding the Related Entities and their financial condition.

### Where to Find Information

***Information in this Official Statement***. This official statement is organized as follows:

- This ***Introduction*** provides a general description of MTA Bridges and Tunnels and the other Related Entities.
- ***Part I*** provides specific information about the Series 2019C Bonds.
- ***Part II*** describes the sources of payment and security for all General Revenue Bonds, including the Series 2019C Bonds.
- ***Part III*** provides miscellaneous information relating to the Series 2019C Bonds.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Series 2019C Bonds.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2019C Bonds.
- ***Attachment 3*** is the form of approving opinions of Co-Bond Counsel in connection with the issuance of the Series 2019C Bonds.
- ***Attachment 4*** sets forth a copy of the Bringdown Letter of Stantec Consulting Services. Inc., dated November 20, 2019.
- ***Attachment 5*** sets forth a copy of the Second Quarterly Update to the ADS, dated November 22, 2019.

***Information Included by Specific Cross-reference*** in this official statement and identified under the caption "Information Included by Specific Cross-reference" following the Table of Contents may be obtained, as described below, from the MSRB and from MTA.

***Information from the MSRB through EMMA***. MTA and MTA Bridges and Tunnels file annual and other information with EMMA. Such information can be accessed at http://emma.msrb.org/.

***Information Included by Specific Cross-reference.*** The information listed under the caption "Information Included by Specific Cross-reference" following the Table of Contents, as filed with the MSRB through EMMA to date, is "included by specific cross-reference" in this official statement. This means that important information is disclosed by referring to those documents and that the specified portions of those documents are considered to be part of this official statement. **This official statement, which includes the specified portions of those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Series 2019C Bonds.**

***Information Available at No Cost.*** Information filed with the MSRB through EMMA is also available, at no cost, on MTA's website or by contacting MTA, Attn.: Finance Department, at Metropolitan

Transportation Authority, 2 Broadway, 4th Floor, New York, New York 10004. For important information about MTA's website, see **Part III** – "FURTHER INFORMATION" below.

***Bringdown letter of Stantec Consulting Services Inc.*** In connection with the issuance of the Series 2019C Bonds, Stantec Consulting Services Inc. prepared a bringdown letter, dated November 20, 2019, of its report entitled "History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Conditions of Facilities of Triborough Bridge and Tunnel Authority," which is attached hereto as **Attachment 4**.

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## PART I. SERIES 2019C BONDS

**Part I** of this official statement, together with the Summary of Terms, provides specific information about the Series 2019C Bonds.

## APPLICATION OF PROCEEDS

MTA Bridges and Tunnels anticipates that the proceeds of the Series 2019C Bonds (the principal amount thereof, plus original issue premium of $15,823,500), in the aggregate amount of $215,823,500, will be used as follows (i) $214,802,000 to finance bridge and tunnel projects in the MTA Bridges and Tunnels approved Capital Program, (ii) $573,500 to pay certain financing, legal and miscellaneous expenses, and (iii) $448,000 to pay underwriter's discount.

## DESCRIPTION OF SERIES 2019C BONDS

### General

***Record Date***. The Record Date for the payment of principal of, and interest on, the Series 2019C Bonds shall be the May 1 or November 1 immediately preceding such payment date.

***Book-Entry-Only System***. The Series 2019C Bonds will be registered in the name of The Depository Trust Company or its nominee (together, DTC), New York, New York, which will act as securities depository for the Series 2019C Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or any integral multiple thereof. So long as DTC is the registered owner of the Series 2019C Bonds, all payments on the Series 2019C Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – "Book-Entry-Only System."

***Maturity***. The Series 2019C Bonds shall mature and be payable as to principal and interest accrued from the dated date, as set forth on the inside cover page of this official statement.

***Interest Payments***. The Series 2019C Bonds will bear interest at the per annum rates shown on the inside cover page of this official statement. Interest will be paid semiannually on each May 15 and November 15, beginning May 15, 2020, calculated based on a 360-day year comprised of twelve 30-day months.

***Transfers and Exchanges***. So long as DTC is the securities depository for the Series 2019C Bonds, it will be the sole registered owner of the Series 2019C Bonds, and transfers of ownership interests in the Series 2019C Bonds will occur through the DTC Book-Entry-Only System.

***Trustee and Paying Agent***. U.S. Bank Trust National Association, New York, New York, is Trustee and Paying Agent with respect to the Series 2019C Bonds.

### Redemption Prior to Maturity

***Optional Redemption.*** The Series 2019C Bonds are subject to redemption prior to maturity on any date on or after November 15, 2029, at the option of MTA Bridges and Tunnels, in whole or in part (in accordance with procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper) at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

***State and City Redemption.*** Pursuant to the MTA Bridges and Tunnels Act, the State or the City, upon providing sufficient funds, may require MTA Bridges and Tunnels to redeem the Series 2019C Bonds as a whole at the time and at the price and in accordance with the terms upon which the Series 2019C Bonds are otherwise redeemable.

***Redemption Notices.*** So long as DTC is the securities depository for the Series 2019C Bonds, redemption notices will be sent to DTC at least 20 days before the redemption date. If the Series 2019C Bonds are not held in book-entry-only form, then redemption notices will be mailed directly to bondholders within the same time frame. A redemption of the Series 2019C Bonds is valid and effective even if DTC's procedures for notice should fail. Beneficial owners should consider arranging to receive redemption notices or other communications to DTC affecting them, including notice of interest payments through DTC participants. Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. **Please note that all redemptions are final - even if beneficial owners do not receive their notice, and even if that notice has a defect.**

***Redemption Process.*** If unconditional notice of redemption has been given, then on the redemption date the Series 2019C Bonds called for redemption will become due and payable. If conditional notice of redemption has been given and the Trustee holds money sufficient to pay the redemption price of the affected Series 2019C Bonds, and any other conditions included in such notice have been satisfied, then on the redemption date the Series 2019C Bonds called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Series 2019C Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Series 2019C Bonds.

## DEBT SERVICE ON THE BONDS

**Table 1** on the next page sets forth, on a cash basis, (i) the debt service on the outstanding MTA Bridges and Tunnels General Revenue Bonds, (ii) the debt service on the Series 2019C Bonds, and (iii) the aggregate debt service on all MTA Bridges and Tunnels General Revenue Bonds to be outstanding after the issuance of the Series 2019C Bonds. **Table 1** does not include debt service on outstanding subordinate bonds issued by MTA Bridges and Tunnels.

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**Table 1**

**Aggregate Senior Lien Debt Service[1]**
**($ in thousands)**

| Year Ending December 31, | Debt Service on Outstanding Bonds[2][3][4] | Debt Service on Series 2019C Bonds | | | Aggregate Debt Service[5] |
|---|---|---|---|---|---|
| | | Principal | Interest | Total | |
| 2020 | $ 584,831 | - | $ 6,650 | $ 6,650 | $ 591,481 |
| 2021 | 573,073 | - | 7,000 | 7,000 | 580,073 |
| 2022 | 568,725 | - | 7,000 | 7,000 | 575,725 |
| 2023 | 579,746 | - | 7,000 | 7,000 | 586,746 |
| 2024 | 600,190 | - | 7,000 | 7,000 | 607,190 |
| 2025 | 599,666 | - | 7,000 | 7,000 | 606,666 |
| 2026 | 618,317 | - | 7,000 | 7,000 | 625,317 |
| 2027 | 614,552 | - | 7,000 | 7,000 | 621,552 |
| 2028 | 618,960 | - | 7,000 | 7,000 | 625,960 |
| 2029 | 620,514 | - | 7,000 | 7,000 | 627,514 |
| 2030 | 614,039 | - | 7,000 | 7,000 | 621,039 |
| 2031 | 622,123 | - | 7,000 | 7,000 | 629,123 |
| 2032 | 664,293 | - | 7,000 | 7,000 | 671,293 |
| 2033 | 379,030 | - | 7,000 | 7,000 | 386,030 |
| 2034 | 379,029 | - | 7,000 | 7,000 | 386,029 |
| 2035 | 379,031 | - | 7,000 | 7,000 | 386,031 |
| 2036 | 379,030 | - | 7,000 | 7,000 | 386,030 |
| 2037 | 379,031 | - | 7,000 | 7,000 | 386,031 |
| 2038 | 379,028 | - | 7,000 | 7,000 | 386,028 |
| 2039 | 242,918 | - | 7,000 | 7,000 | 249,918 |
| 2040 | 195,826 | $ 25,000 | 7,000 | 32,000 | 227,826 |
| 2041 | 186,272 | 25,000 | 6,000 | 31,000 | 217,272 |
| 2042 | 186,267 | 25,000 | 5,000 | 30,000 | 216,267 |
| 2043 | 167,975 | 25,000 | 4,000 | 29,000 | 196,975 |
| 2044 | 267,097 | - | 3,000 | 3,000 | 270,097 |
| 2045 | 145,701 | 25,000 | 3,000 | 28,000 | 173,701 |
| 2046 | 141,439 | 25,000 | 2,250 | 27,250 | 168,689 |
| 2047 | 122,144 | 25,000 | 1,500 | 26,500 | 148,644 |
| 2048 | 102,895 | 25,000 | 750 | 25,750 | 128,645 |
| 2049 | 34,753 | - | - | - | 34,753 |
| 2050 | 13,729 | - | - | - | 13,729 |
| Total | $11,960,222 | $200,000 | $172,150 | $372,150 | $12,332,372 |

(1) Totals may not add due to rounding.

(2) Includes the following assumptions for debt service: variable rate bonds at an assumed rate of 4.0%; variable rate bonds swapped to fixed at the applicable fixed rate on the swap; floating rate notes at an assumed rate of 4.0% plus the current fixed spread; floating rate notes swapped to fixed at the applicable fixed rate on the swap plus the current fixed spread; Series 2001C Bonds and a portion of Series 2005A Bonds at an assumed rate of 4.0%; interest paid monthly, calculated on the basis of a 360-day year consisting of twelve 30-day months.

(3) Debt service has not been reduced to reflect expected receipt of Build America Bond interest subsidies relating to certain Outstanding Bonds; such subsidies do not constitute pledged revenues under the MTA Bridges and Tunnels Senior Resolution.

(4) Figures reflect debt service for the Subseries 2003B-2 Bonds after the remarketing expected on December 3, 2019.

(5) Figures reflect amounts outstanding as of the date of issuance of the Series 2019C Bonds.

## PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

**Part II** of this official statement describes the sources of payment and security for all General Revenue Bonds of MTA Bridges and Tunnels, including the Series 2019C Bonds.

### SOURCES OF PAYMENT

MTA Bridges and Tunnels receives its revenues from all tolls, rates, fees, charges, rents, proceeds of use and occupancy insurance on any portion of its tunnels, bridges and other facilities, including the net revenues of the Battery Parking Garage, and MTA Bridges and Tunnels' receipts from those sources, after payment of MTA Bridges and Tunnels' operating expenses, are pledged to the holders of the Bonds for payment, as described below.

The following seven bridges and two tunnels constitute MTA Bridges and Tunnels Facilities for purposes of the MTA Bridges and Tunnels Senior Resolution:

- Robert F. Kennedy Bridge (formerly the Triborough Bridge),
- Verrazzano-Narrows Bridge,
- Bronx-Whitestone Bridge,
- Throgs Neck Bridge,
- Henry Hudson Bridge,
- Marine Parkway-Gil Hodges Memorial Bridge,
- Cross Bay Veterans Memorial Bridge,
- Hugh L. Carey Tunnel (formerly the Brooklyn-Battery Tunnel), and
- Queens Midtown Tunnel.

MTA Bridges and Tunnels is required to fix and collect tolls for the MTA Bridges and Tunnels Facilities, and MTA Bridges and Tunnels' power to establish toll rates is not subject to the approval of any governmental entity. For more information relating to MTA Bridges and Tunnels' power to establish tolls, see the **ADS** – "RIDERSHIP AND FACILITIES USE – Toll Rates."

For more detailed information about MTA Bridges and Tunnels' tolls, see the report of the Independent Engineers included by specific cross-reference herein entitled "History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Conditions of the Facilities of Triborough Bridge and Tunnel Authority", and the Bringdown Letter of Stantec Consulting Services Inc., dated November 20, 2019, and included herein as **Attachment 4** (collectively, the Independent Engineers' Report). Readers should understand that the projections set forth in the Independent Engineers' Report have been developed based upon methodologies and using assumptions that may be different from the methodologies and assumptions used by MTA Bridges and Tunnels in connection with preparing the MTA 2019 November Financial Plan 2020-2023 presented to the Board of MTA at its November 14, 2019 meeting (the November Plan). Consequently, the projections set forth in the Independent Engineers' Report and in the July Plan may differ. Prospective investors should read the Independent Engineers' Report in its entirety.

Copies of MTA Bridges and Tunnels' audited financial statements for the years ended December 31, 2018 and 2017, are included herein by specific cross-reference.

From time to time, legislation has been introduced by various State legislators seeking, among other things, to restrict the level of tolls on certain of MTA Bridges and Tunnels Facilities, to require approval of future toll increases by the Governor, or to eliminate minimum tolls or to require discounts or free passage to be accorded to certain users of MTA Bridges and Tunnels Facilities. Under the MTA Bridges and Tunnels Act, however, the State has covenanted to holders of MTA Bridges and Tunnels' bonds that it will not limit or alter the rights vested in MTA Bridges and Tunnels to establish and collect such charges and tolls as may be convenient or necessary to produce sufficient revenue to fulfill the terms of any agreements made with the holders of MTA Bridges and Tunnels bonds or in any way to impair rights and remedies of those bondholders.

**Table 2** sets forth, by MTA Bridges and Tunnels Facility, the amount of revenues for each of the last five years, as well as operating expenses.

**Table 2**

**MTA Bridges and Tunnels**
**Historical Revenues, Operating Expenses and Senior Lien Debt Service**
**($ in thousands)**

| | Years Ended December 31, | | | | |
|---|---|---|---|---|---|
| Bridge and Tunnel Revenues: | 2014 | 2015 | 2016 | 2017 | 2018 |
| Robert F. Kennedy Bridge | $393,622 | $422,756 | $428,083 | $437,735 | $449,086 |
| Verrazzano-Narrows Bridge | 345,466 | 372,347 | 393,017 | 416,312 | 434,963 |
| Bronx Whitestone Bridge | 260,756 | 294,022 | 320,486 | 327,812 | 334,325 |
| Throgs Neck Bridge | 302,110 | 324,702 | 335,732 | 345,556 | 345,992 |
| Henry Hudson Bridge | 64,879 | 71,388 | 76,309 | 84,479 | 84,422 |
| Marine Parkway Gil Hodges Memorial Bridge | 15,578 | 16,906 | 17,263 | 18,182 | 17,526 |
| Cross Bay Veterans' Memorial Bridge | 16,269 | 17,517 | 18,431 | 18,662 | 18,647 |
| Queens Midtown Tunnel | 178,630 | 182,382 | 171,121 | 157,443 | 175,919 |
| Hugh L. Carey Tunnel | 99,135 | 106,881 | 109,250 | 105,677 | 114,783 |
| Total Bridge and Tunnel Revenues: | $1,676,445 | $1,808,901 | $1,869,693 | $1,911,858 | $1,975,663 |
| Investment Income and Other[1] | 35,184 | 48,551 | 35,135 | 20,082 | 23,921 |
| **Total Revenues** | **$1,711,629** | **$1,857,452** | **$1,904,828** | **$1,931,940** | **$1,999,584** |
| Operating Expenses[2] | | | | | |
| Personnel Costs | $238,528 | $226,408 | $250,285 | $254,621 | $275,410 |
| Maintenance and Other Operating Expenses | 205,225 | 217,658 | 221,418 | 241,838 | 256,210 |
| **Total Operating Expenses** | **$443,753** | **$444,066** | **$471,703** | **$496,459** | **$531,620** |
| **Net Revenues Available for Debt Service** | **$1,267,876** | **$1,413,386** | **$1,433,125** | **$1,435,481** | **$1,467,964** |
| **MTA Bridges and Tunnels Senior Lien Debt Service** | **$470,418** | **$484,852** | **$513,277** | **$536,427** | **$560,063** |
| **Senior Lien Coverage** | **2.70x** | **2.92x** | **2.79x** | **2.68x** | **2.62x** |

(1) Includes the net revenues from the Battery Parking Garage, as well as E-ZPass administrative fees and miscellaneous other revenues. Includes Build America Bond interest subsidies of $8.4 million in 2014, $8.7 million in 2015, $8.4 million in 2016, $8.1 million in 2017, and $8.5 million in 2018. Investment earnings include interest earned on bond funds, including debt service funds that were applied to the payment of debt service as follows for the years 2014 through 2018, respectively (in thousands): $121, $185, $708, $1,824, and $3,582. The amounts set forth in this footnote, as well as all of **Table 2**, are derived from MTA Bridges and Tunnels' audited financial statements for the years 2014 through 2017 and unaudited financial statements for 2018.

(2) Excludes depreciation, other post-employment benefits other than pensions and asset impairment due to Superstorm Sandy.

The following should be noted in **Table 2**:

- Bridge and Tunnel Revenues – Crossing charges were increased on March 22, 2015 and again on March 19, 2017. Traffic in 2018 was the highest year ever with approximately 322.3 million paid vehicle crossings, surpassing the previous high of 310.0 million crossings in 2017 by 4.0%. The increase is primarily due to improvements in the regional economy, stable gas prices, and improved mobility achieved through Cashless Tolling.
- Operating Expenses - Personnel Costs – The 2014 to 2015 decrease in personnel costs was largely due to lower salaries and related benefits because of fewer retroactive adjustments and headcounts compared to the previous year, including the transfer of technology personnel to MTA as part of the agency-wide IT consolidation effort. The 2016 increase was primarily due to the additional wage and fringe benefits costs resulting from the full value of all vacation and sick leave balances, earned by employees to date if the leave was attributable to past service. The increase in 2017 was primarily due to wage and fringe benefits inflation for both contractually represented and non-represented employees. The increase in 2018 was mainly due to the recent changes to accounting for Other Post Employment Benefit (OPEB) plans under GASB 75, a new accounting standard.
- Operating Expenses - Maintenance and Other Operating Expenses – In 2015, the increase in non-labor expenses was primarily due to additional major maintenance and bridge painting costs and higher credit card fees associated with the toll increase. In 2016, the increase in non-labor expenses was mainly due to additional major maintenance and bridge painting costs. Most of the growth in 2017 non-labor expenses was due to implementation costs for Cashless Tolling and back-office costs for administering the Tolls by Mail program. In 2018, the increase in non-labor expenses was mainly due to higher costs relating to a full year of the Cashless Tolling program as well as additional major maintenance, engineering services and credit card fees expense.

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**Table 3** sets forth certain revenues and expenses, including debt service, relating to MTA Bridges and Tunnels' November Forecast 2019 and Final Proposed Budget 2020 based on the November Financial Plan 2020-2023, presented to the Board of MTA Bridges and Tunnels on November 14, 2019. The projection of estimated revenues and expenses set forth in the report by MTA Bridges and Tunnels' Independent Engineers (which is included by specific cross-reference to this official statement), is different from that set forth in the November Forecast 2019 and Final Proposed Budget 2020, as the projection is based upon conclusions formed independently based upon their own methodology and assumptions. Prospective investors should read the Independent Engineers' Report in its entirety.

**Table 3**
**MTA Bridges and Tunnels**
**November Forecast 2019 and Final Proposed Budget 2020**
**($ in thousands)**

| | **November Forecast 2019** | **Final Proposed Budget 2020** |
|---|---|---|
| Operating Revenue | | |
| Toll Revenue | $2,078,076 | $2,118,012 |
| Investment Income and Other Operating Revenue[1] | 23,576 | 20,176 |
| **Total Revenues** | **$2,101,653** | **$2,138,188** |
| Operating Expenses[2] | | |
| Personnel Costs (net of reimbursements)[3] | $254,058 | $282,726 |
| Maintenance and Other Operating Expenses | 273,253 | 277,018 |
| **Total Operating Expenses** | **$527,312** | **$559,743** |
| **Net Revenues Available for Debt Service**[4] | **$1,574,341** | **$1,578,445** |
| **MTA Bridges and Tunnels Senior Lien Debt Service**[5] | **567,288** | **608,574** |
| **Senior Lien Coverage** | **2.78x** | **2.59x** |

(1) Includes the net revenues from the Battery Parking Garage, as well as E-ZPass administrative fees.
(2) Excludes depreciation and other post-employment benefits other than pensions.
(3) Includes regular and overtime salaries and fringe annual benefits, less capitalized personnel reimbursements.
(4) Numbers may not add due to rounding
(5) Debt service is net of the expected receipt of annual Build America Bonds interest credit payments of approximately $8.5 million in each of 2019 and 2020. Such interest credit payments do not constitute revenues under the MTA Bridges and Tunnels Senior Resolution.

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## SECURITY

General Revenue Bonds are general obligations of MTA Bridges and Tunnels payable solely from the Trust Estate (described below) pledged for the payment of the General Revenue Bonds and Parity Debt pursuant to the terms of the MTA Bridges and Tunnels Senior Resolution, after the payment of Operating Expenses. Summaries of certain provisions of the MTA Bridges and Tunnels Senior Resolution, including the Standard Resolution Provisions, are included by specific cross-reference herein.

*General Revenue Bonds are not a debt of the State or the City or any other local governmental unit. MTA Bridges and Tunnels has no taxing power.*

### Pledge Effected by the MTA Bridges and Tunnels Senior Resolution

The Bonds and Parity Debt issued in accordance with the MTA Bridges and Tunnels Senior Resolution are secured by a net pledge of Revenues after the payment of Operating Expenses.

Pursuant to, and in accordance with, the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels has pledged to the holders of the General Revenue Bonds a "Trust Estate," which consists of:

- Revenues,
- the proceeds from the sale of the General Revenue Bonds, and
- all funds, accounts and subaccounts established by the MTA Bridges and Tunnels Senior Resolution (except those established pursuant to a related supplemental resolution, and excluded by such supplemental resolution from the Trust Estate as security for all General Revenue Bonds in connection with variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt).

### Revenues and Additional MTA Bridges and Tunnels Projects

***Revenues from MTA Bridges and Tunnels Facilities***. For purposes of the pledge under the MTA Bridges and Tunnels Senior Resolution, Revenues of MTA Bridges and Tunnels generally include all tolls, revenues, rates, fees, charges, rents, proceeds of use and occupancy insurance on any portion of the MTA Bridges and Tunnels Facilities (including net revenues derived from the Battery Parking Garage) and of any other insurance which insures against loss of revenues therefrom payable to or for the account of MTA Bridges and Tunnels, and other income and receipts, as received by MTA Bridges and Tunnels directly or indirectly from any of MTA Bridges and Tunnels' operations, including the ownership or operation of any MTA Bridges and Tunnels Facilities, subject to certain exceptions.

MTA Bridges and Tunnels does not currently derive any significant recurring Revenues from any sources other than the MTA Bridges and Tunnels Facilities and investment income. Income from capital projects for the Transit and Commuter Systems, MTA Bus and MTA Staten Island Railway financed by MTA Bridges and Tunnels is not derived by or for the account of MTA Bridges and Tunnels; consequently, no revenues from any portion of the capital projects for the Transit and Commuter Systems, MTA Bus and MTA Staten Island Railway financed by MTA Bridges and Tunnels are pledged to the payment of debt service on the General Revenue Bonds.

For a discussion of other projects that MTA Bridges and Tunnels is authorized to undertake, see the **ADS** – "TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY – *Authorized Projects of MTA Bridges and Tunnels*."

***Additional MTA Bridges and Tunnels Projects that can become MTA Bridges and Tunnels Facilities***. If MTA Bridges and Tunnels is authorized to undertake another project, whether or not a bridge or tunnel, that project can become an MTA Bridges and Tunnels Facility for purposes of the MTA Bridges and

Tunnels Senior Resolution if it is designated as such by MTA Bridges and Tunnels and it satisfies certain conditions more fully described under "SUMMARY OF CERTAIN PROVISIONS OF THE TBTA (MTA BRIDGES AND TUNNELS) SENIOR LIEN RESOLUTION – Additional TBTA Facilities" included by specific cross-reference herein.

**Flow of Revenues**

The MTA Bridges and Tunnels Senior Resolution establishes the following funds and accounts, each held by MTA Bridges and Tunnels:

- Revenue Fund,
- Proceeds Fund,
- Debt Service Fund, and
- General Fund.

Under the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels is required to pay into the Revenue Fund all Revenues as and when received and available for deposit.

MTA Bridges and Tunnels is required to pay out from the Revenue Fund, on or before the 25th day of each calendar month, the following amounts in the following order of priority:

- payment of reasonable and necessary Operating Expenses or accumulation in the Revenue Fund as a reserve (i) for working capital, (ii) for such Operating Expenses the payment of which is not immediately required, including amounts determined by MTA Bridges and Tunnels to be required as an operating reserve, or (iii) deemed necessary or desirable by MTA Bridges and Tunnels to comply with orders or rulings of an agency or regulatory body having lawful jurisdiction;
- transfer to the Debt Service Fund, the amount, if any, required so that the balance in the fund is equal to Accrued Debt Service to the last day of the current calendar month; provided, however, that in no event shall the amount to be so transferred be less than the amount required for all payment dates occurring prior to the 25th day of the next succeeding calendar month;
- transfer to another person for payment of, or accrual for payment of, principal of and interest on any Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligations; and
- transfer to the General Fund any remaining amount.

All amounts paid out by MTA Bridges and Tunnels for an authorized purpose (excluding transfers to any other pledged Fund or Account), or withdrawn from the General Fund in accordance with the MTA Bridges and Tunnels Senior Resolution, are free and clear of the lien and pledge created by the MTA Bridges and Tunnels Senior Resolution.

Under the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels is required to use amounts in the General Fund to make up deficiencies in the Debt Service Fund and the Revenue Fund, in that order. Subject to the preceding sentence and any lien or pledge securing Subordinated Indebtedness, the MTA Bridges and Tunnels Senior Resolution authorizes MTA Bridges and Tunnels to release amounts in the General Fund to be paid to MTA Bridges and Tunnels free and clear of the lien and pledge created by the MTA Bridges and Tunnels Senior Resolution.

MTA Bridges and Tunnels is required by law to transfer amounts released from the General Fund to MTA, and a statutory formula determines how MTA allocates that money between the Transit and Commuter Systems.

### Rate Covenant

Under the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels is required at all times to establish, levy, maintain and collect, or cause to be established, levied, maintained and collected, such tolls, rentals and other charges in connection with the MTA Bridges and Tunnels Facilities as shall always be sufficient, together with other money available therefor (including the anticipated receipt of proceeds of the sale of Obligations or other bonds, notes or other obligations or evidences of indebtedness of MTA Bridges and Tunnels that will be used to pay the principal of Obligations issued in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of MTA Bridges and Tunnels Facilities), to equal or exceed in each calendar year the greater of:

- an amount equal to the sum of amounts necessary in such calendar year
  - to pay all Operating Expenses of MTA Bridges and Tunnels, plus
  - to pay Calculated Debt Service, as well as the debt service on all Subordinated Indebtedness and all Subordinated Contract Obligations, plus
  - to maintain any reserve established by MTA Bridges and Tunnels pursuant to the MTA Bridges and Tunnels Senior Resolution, in such amount as may be determined from time to time by MTA Bridges and Tunnels in its judgment, or
- an amount such that Revenues less Operating Expenses shall equal at least 1.25 times Calculated Debt Service on all General Revenue Bonds for such calendar year.

For a more complete description of the rate covenant and a description of the minimum tolls that can be charged at the MTA Bridges and Tunnels Facilities, see "SUMMARY OF CERTAIN PROVISIONS OF THE TBTA (MTA BRIDGES AND TUNNELS) SENIOR LIEN RESOLUTION – Rates and Fees" included by specific cross-reference herein.

### Additional Bonds

Under the provisions of the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels may issue one or more series of Additional Bonds on a parity with the Series 2019C Bonds and other Outstanding Bonds to provide for Capital Costs.

***Certain Additional Bonds for MTA Bridges and Tunnels Facilities***. MTA Bridges and Tunnels may issue Additional Bonds without satisfying any earnings or coverage test for the purpose of providing for Capital Costs relating to MTA Bridges and Tunnels Facilities for the purpose of keeping such MTA Bridges and Tunnels Facilities in good operating condition or preventing a loss of Revenues or Revenues after payment of Operating Expenses derived from such MTA Bridges and Tunnels Facilities.

***Additional Bonds for Other Purposes***. MTA Bridges and Tunnels may issue Additional Bonds to pay or provide for the payment of all or part of Capital Costs (including payment when due on any obligation of MTA Bridges and Tunnels or any other Related Entity), relating to any of the following purposes:

- capital projects of the Transit and Commuter Systems and MTA Staten Island Railway,
- any Additional MTA Bridges and Tunnels Project (that does not become a MTA Bridges and Tunnels Facility), or
- any MTA Bridges and Tunnels Facilities other than for the purposes set forth in the preceding paragraph.

In the case of Additional Bonds issued other than for the improvement, reconstruction or rehabilitation of MTA Bridges and Tunnels Facilities as described under the preceding heading, in addition to meeting certain other conditions, all as more fully described in "SUMMARY OF CERTAIN PROVISIONS OF THE

TBTA (MTA BRIDGES AND TUNNELS) SENIOR LIEN RESOLUTION – Special Provisions for Capital Cost Obligations" included by specific cross-reference herein, an Authorized Officer must certify that the historical Twelve Month Period Net Revenues are at least equal to 1.40 times the Maximum Annual Calculated Debt Service on all senior lien Bonds, including debt service on the Bonds to be issued.

**Refunding Bonds**

Bonds may be issued for the purpose of refunding Bonds or Parity Debt if (a) the Maximum Annual Calculated Debt Service (including the refunding Bonds then proposed to be issued but not including the Bonds to be refunded) is equal to or less than the Maximum Annual Calculated Debt Service on the Bonds as calculated immediately prior to the refunding (including the refunded Bonds but not including the refunding Bonds) or (b) the conditions referred to above under Additional Bonds for the category of Bonds being refunded are satisfied.

For a more complete description of the conditions that must be satisfied before issuing refunding Bonds, see "SUMMARY OF CERTAIN PROVISIONS OF THE TBTA (MTA BRIDGES AND TUNNELS) SENIOR LIEN RESOLUTION – Refunding Obligations" included by specific cross-reference herein.

**Parity Debt**

MTA Bridges and Tunnels may incur Parity Debt pursuant to the terms of the MTA Bridges and Tunnels Senior Resolution that, subject to certain exceptions, would be secured by a pledge of, and a lien on, the Trust Estate on a parity with the lien created by the MTA Bridges and Tunnels Senior Resolution with respect to the Bonds. Parity Debt may be incurred in the form of a Parity Reimbursement Obligation, a Parity Swap Obligation or any other contract, agreement or other obligation of MTA Bridges and Tunnels designated as constituting "Parity Debt" in a certificate of an Authorized Officer delivered to the Trustee.

**Subordinate Obligations**

The MTA Bridges and Tunnels Senior Resolution authorizes the issuance or incurrence of subordinate obligations.

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## THE CENTRAL BUSINESS DISTRICT TOLLING PROGRAM

The State budget for Fiscal Year 2019-2020, adopted on April 1, 2019, among other things, established the Central Business District Tolling Program (the CBD Tolling Program). As provided in the statutory authorization on June 11, 2019, MTA Bridges and Tunnels entered into a Memorandum of Understanding (MOU) with New York City Department of Transportation (NYCDOT), pursuant to which MTA Bridges and Tunnels will plan, design, install, construct, maintain and operate the CBD Tolling Program infrastructure and collection system, an electronic toll collection system, and will plan, design, implement and operate a CBD tolling customer service center. The CBD Tolling Program will impose a toll for vehicles entering or remaining in the Central Business District, defined as inclusive of and south of 60th Street in Manhattan, but excluding vehicles traveling on the FDR Drive or Route 9A and not exiting onto roads within the Central Business District. The program is expected to be implemented in 2021. The MOU also provides for payment or reimbursement of MTA Bridges and Tunnels and NYCDOT costs related to the CBD Tolling Program from revenues derived solely from the CBD Tolling Program. Since details relating to the tolling structure, tolling rates and possible credits, as well as the definitive date of implementation, of the CBD Tolling Program have not been established, it is unclear how the CBD Tolling Program will affect both transactions and revenues for MTA Bridges and Tunnels.

*Pledged revenues under the MTA Bridges and Tunnels Senior Resolution are not available to be expended on the implementation or administration of the CBD Tolling Program. Revenues derived from the CBD Tolling Program are not available for debt service on the General Revenue Bonds of MTA Bridges and Tunnels issued to finance bridges and tunnel projects in the MTA Bridges and Tunnels approved Capital Program*. See "MTA-RELATED PROVISIONS IN THE NEW YORK STATE FISCAL YEAR 2019-2020 ENACTED BUDGET – Central Business District Tolling Program" in Part 1 of the **ADS** and "Additional Matters – *Central Business District Tolling Program*" in the Second Quarterly Update to the **ADS**, attached hereto as **Attachment 5**.

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## PART III. OTHER INFORMATION ABOUT THE SERIES 2019C BONDS

**Part III** of this official statement provides miscellaneous additional information relating to the Series 2019C Bonds.

## TAX MATTERS

### General

Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP are Co-Bond Counsel for the Series 2019C Bonds. Each Co-Bond Counsel is of the opinion that, under existing law, relying on certain statements by MTA Bridges and Tunnels and assuming compliance by MTA Bridges and Tunnels with certain covenants, interest on the Series 2019C Bonds is:

- excluded from an Owner's federal gross income under Section 103 of the Internal Revenue Code of 1986, and
- not a specific preference item for an Owner in calculating the federal alternative minimum tax.

Each Co-Bond Counsel is also of the opinion that under existing law interest on the Series 2019C Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See **Attachment 3** to this official statement for the form of the opinions that Co-Bond Counsel expect to deliver when the Series 2019C Bonds are delivered.

### The Series 2019C Bonds

The Internal Revenue Code of 1986 imposes requirements on the Series 2019C Bonds that MTA Bridges and Tunnels must continue to meet after the Series 2019C Bonds are issued. These requirements generally involve the way that Series 2019C Bond proceeds must be invested and ultimately used and the way that assets financed and refinanced with proceeds of the Series 2019C Bonds must be used. If MTA Bridges and Tunnels does not meet these requirements, it is possible that an Owner may have to include interest on the Series 2019C Bonds in its federal gross income on a retroactive basis to the date of issue. MTA Bridges and Tunnels has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code of 1986.

An Owner who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2019C Bonds. This is possible if an Owner is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Series 2019C Bonds.

If an Owner is in any of these categories, it should consult its tax advisor.

Co-Bond Counsel are not responsible for updating their respective opinions in the future. It is possible that future events could change the tax treatment of the interest on the Series 2019C Bonds or affect the market price of the Series 2019C Bonds. See also "Miscellaneous" below under this heading.

Co-Bond Counsel express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2019C Bonds, or under State, local or foreign tax law.

### Bond Premium

If an Owner purchases a Series 2019C Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Series 2019C Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized an Owner's tax basis in that Series 2019C Bond will be reduced. The Owner of a Series 2019C Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Series 2019C Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Series 2019C Bond with bond premium, even though the Series 2019C Bond is sold for an amount less than or equal to the Owner's original cost. If an Owner owns any Series 2019C Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

### Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, such as the Series 2019C Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the interest recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Internal Revenue Code of 1986. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing a Series 2019C Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2019C Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner's federal income tax once the required information is furnished to the Internal Revenue Service.

### Miscellaneous

Legislative or administrative actions and court decisions, at either the federal or state level, may cause interest on the Series 2019C Bonds to be subject, directly or indirectly, in whole or in part, to federal, state or local income taxation, and thus have an adverse impact on the value or marketability of the Series 2019C Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion or exemption of the interest on the Series 2019C Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an impact on the federal or state income tax treatment of holders of the Series 2019C Bonds may occur. Prospective purchasers of the Series 2019C Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2019C Bonds. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of issuance of the Series 2019C Bonds may affect the tax status of interest on the Series 2019C Bonds.

Prospective Owners should consult their own tax advisors regarding the foregoing matters.

## BOARD POLICY REGARDING SENIOR LIEN COVERAGE

In addition to the requirements of the rate covenant and the requirements for the issuance of additional bonds for certain purposes set forth under "SECURITY – Rate Covenant" and "–Additional Bonds", respectively, in **Part II**, the Board of MTA Bridges and Tunnels has established a policy that it will "endeavor to maintain a ratio" of Net Revenues to senior lien Debt Service of at least 1.75x. MTA Bridges and Tunnels has been in compliance with this policy since its adoption in March 2002.

The policy does not constitute a covenant or agreement by MTA Bridges and Tunnels enforceable under the MTA Bridges and Tunnels Senior Resolution. While this policy has been in effect without change since 2002, the Board of MTA Bridges and Tunnels retains the right to amend, modify or repeal such policy and may do so at any time in its sole discretion without the consent or approval of the Trustee or any Bondholder under the MTA Bridges and Tunnels Senior Resolution.

## LEGALITY FOR INVESTMENT

The MTA Bridges and Tunnels Act provides that the Series 2019C Bonds are securities in which the following investors may properly and legally invest funds, including capital in their control or belonging to them:

- all public officers and bodies of the State and all municipalities and political subdivisions in the State,
- all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business,
- all administrators, guardians, executors, trustees and other fiduciaries, and
- all other persons whatsoever who are now or who may hereafter be authorized to invest in the obligations of the State.

Certain of those investors, however, may be subject to separate restrictions that limit or prevent their investment in the Series 2019C Bonds.

## LITIGATION

There is no pending litigation concerning the bonds being issued.

MTA Bridges and Tunnels is a defendant in numerous claims and actions, the status of which is set forth in the **ADS** – "LITIGATION – MTA Bridges and Tunnels," as that filing may be amended or supplemented to date.

## CO-FINANCIAL ADVISORS

Public Resources Advisory Group, Inc. and Rockfleet Financial Services, Inc. are MTA Bridges and Tunnels' Co-Financial Advisors for the Series 2019C Bonds. The Co-Financial Advisors have provided MTA Bridges and Tunnels advice on the plan of finance and reviewed the competitive bidding of the Series 2019C Bonds. The Co-Financial Advisors have not independently verified the information contained in this official statement and do not assume responsibility for the accuracy, completeness or fairness of such information.

## UNDERWRITING

After competitive bidding on November 26, 2019, the Series 2019C Bonds were awarded to BofA Securities Inc. (the Underwriter) for an aggregate purchase price of $215,375,500, reflecting an original issue premium of $15,823,500 and an underwriter's discount of $448,000. The Underwriter will reoffer such Series 2019C Bonds at the public offering prices or yields set forth on the inside cover page.

The Series 2019C Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2019C Bonds into investment trusts) at prices lower or yields higher than such public offering price or yield and price or yield may be changed, from time to time, by the Underwriters.

The Underwriter's obligation to purchase the Series 2019C Bonds is subject to certain conditions precedent, and they will be obligated to purchase all such Series 2019C Bonds if any Series 2019C Bonds are purchased.

In addition, the Underwriter has entered into distribution agreements with other broker-dealers (that have not been designated by MTA Bridges and Tunnels as Underwriters) for the distribution of the Series 2019C Bonds at the original issue price. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriter and its affiliates are financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for MTA Bridges and Tunnels, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of MTA Bridges and Tunnels. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

## RATINGS

The Summary of Terms identifies the ratings of the credit rating agencies that are assigned to the Series 2019C Bonds. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks or other statements given with respect thereto from each identified agency may be obtained as follows:

| | |
|---|---|
| Fitch Ratings<br>33 Whitehall Street<br>New York, New York 10004<br>(212) 908-0500 | Kroll Bond Ratings Agency<br>805 Third Avenue<br>New York, New York 10022<br>(212) 702-0707 |
| Moody's Investors Service, Inc.<br>7 World Trade Center<br>New York, New York 10007<br>(212) 553-0300 | S&P Global Ratings<br>55 Water Street<br>New York, New York 10041<br>(212) 438-2000 |

MTA Bridges and Tunnels has furnished information to each rating agency rating the Series 2019C Bonds, including information not included in this official statement, about MTA Bridges and Tunnels and such bonds. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There can be no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by a rating agency if, in the judgment of that rating agency, circumstances warrant the revision or withdrawal. Those circumstances may include, among other things, changes in or unavailability of information relating to MTA Bridges and Tunnels or the Series 2019C Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2019C Bonds.

## LEGAL MATTERS

All legal proceedings in connection with the issuance of the bonds being offered are subject to the approval of Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, Co-Bond Counsel to MTA Bridges and Tunnels. The form of the opinions of Co-Bond Counsel is **Attachment 3** to this official statement.

Certain legal matters will be passed on by Hawkins Delafield & Wood LLP, Special Disclosure Counsel to MTA Bridges and Tunnels.

Certain legal matters regarding MTA Bridges and Tunnels will be passed on by its General Counsel.

## CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

As more fully stated in **Attachment 2**, MTA Bridges and Tunnels has agreed to provide certain financial information and operating data by no later than 120 days following the end of each fiscal year. That information is to include, among other things, information concerning MTA Bridges and Tunnels annual audited financial statements prepared in accordance with generally accepted accounting principles, or if unavailable, unaudited financial statements will be delivered until audited statements become available. MTA Bridges and Tunnels has undertaken to file such information (the Annual Information) with EMMA.

MTA Bridges and Tunnels has further agreed to deliver notice to EMMA of any failure to provide the Annual Information. MTA Bridges and Tunnels is also obligated to deliver, in a timely manner not in excess of ten business days after the occurrence of each event, notices of the following events to EMMA:

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- modifications to the rights of security holders, if material;
- bond calls, if material, and tender offers;
- defeasances;
- release, substitution, or sale of property securing repayment of the Bonds, if material;
- rating changes;
- bankruptcy, insolvency, receivership of MTA Bridges and Tunnels or similar event;
- consummation of a merger, consolidation or acquisition involving an obligated person or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;

- appointment of a successor or additional trustee or the change in name of a trustee, if material;
- incurrence of a financial obligation, as defined in Rule 15c2-12, of MTA Bridges and Tunnels, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of MTA Bridges and Tunnels, any of which affect security holders, if material; and
- default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of MTA Bridges and Tunnels, any of which reflect financial difficulties.

MTA Bridges and Tunnels has not failed to comply, in any material respect, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

MTA Bridges and Tunnels is not responsible for any failure by EMMA or any nationally recognized municipal securities information repository to timely post disclosure submitted to it by MTA Bridges and Tunnels or any failure to associate such submitted disclosure to all related CUSIPs.

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## FURTHER INFORMATION

MTA Bridges and Tunnels may place a copy of this official statement on MTA's website at http://web.mta.info/mta/investor/. No statement on MTA's website or any other website is included by specific cross-reference herein.

Although MTA Bridges and Tunnels and MTA have prepared the information on MTA's website for the convenience of those seeking that information, no decision in reliance upon that information should be made. Typographical or other errors may have occurred in converting the original source documents to their digital format, and MTA Bridges and Tunnels and MTA assume no liability or responsibility for errors or omissions contained on any website. Further, MTA Bridges and Tunnels and MTA disclaim any duty or obligation to update or maintain the availability of the information contained on any website or any responsibility or liability for any damages caused by viruses contained within the electronic files on any website. MTA Bridges and Tunnels and MTA also assume no liability or responsibility for any errors or omissions or for any updates to dated information contained on any website.

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**

By: /s/ Patrick J. McCoy
Patrick J. McCoy
Director, Finance
Metropolitan Transportation Authority and
Authorized Officer
Triborough Bridge and Tunnel Authority
(MTA Bridges and Tunnels)

## ATTACHMENT 1

## BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Series 2019C Bonds. The Series 2019C Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019C Bond will be issued for each maturity of the Series 2019C Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Series 2019C Bonds exceeds $500 million, one Bond of such maturity will be issued with respect to each $500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (Direct Participants) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). DTC has an S&P rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2019C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019C Bond (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019C Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2019C Bonds, except in the event that use of the book-entry-only system for the Series 2019C Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2019C Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019C Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019C Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019C Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019C Bond documents. For example, Beneficial Owners of the Series 2019C Bonds may wish to ascertain that the nominee holding the Series 2019C Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2019C Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019C Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to MTA Bridges and Tunnels as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2019C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and principal and interest payments on the Series 2019C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from MTA Bridges and Tunnels or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or MTA Bridges and Tunnels, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of MTA Bridges and Tunnels or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2019C Bonds at any time by giving reasonable notice to MTA Bridges and Tunnels or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2019C Bonds are required to be printed and delivered.

10. MTA Bridges and Tunnels may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Series 2019C Bonds will be printed and delivered.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY-ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT MTA BRIDGES AND TUNNELS BELIEVES TO BE RELIABLE, BUT MTA BRIDGES AND TUNNELS TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

## ATTACHMENT 2

## CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), MTA Bridges and Tunnels and the Trustee have entered into a written agreement (the "Disclosure Agreement") for the benefit of holders of the Series 2019C Bonds to provide continuing disclosure. MTA Bridges and Tunnels will undertake to provide certain financial information and operating data by no later than 120 days after the end of each MTA Bridges and Tunnels fiscal year, commencing with the fiscal year ending December 31, 2019 (the "Annual Information"), and to provide notices of the occurrence of certain enumerated events. The Annual Information will be filed by or on behalf of MTA Bridges and Tunnels with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (MSRB). Notices of enumerated events will be filed by or on behalf of MTA Bridges and Tunnels with EMMA. The nature of the information to be provided in the Annual Information and the notices of events is set forth below.

Pursuant to Rule 15c2-12, MTA Bridges and Tunnels will undertake for the benefit of holders of Series 2019C Bonds to provide or cause to be provided either directly or through the Trustee, audited financial statements by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2019, when and if such audited financial statements become available and, if such audited financial statements are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements for such fiscal year. MTA Bridges and Tunnels annual financial statements will be filed with EMMA.

The required Annual Information will include at least the following:

1. information of the type included in the **MTA Annual Disclosure Statement** (the **ADS**) under the following captions:

   a. "TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY — MTA Bridges and Tunnels Facilities,"
   b. "TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY — Authorized Projects of MTA Bridges and Tunnels,"
   c. "RIDERSHIP AND FACILITIES USE — MTA Bridges and Tunnels — Total Revenue Vehicles,"
   d. "RIDERSHIP AND FACILITIES USE — Toll Rates,"
   e. "RIDERSHIP AND FACILITIES USE — Competing Facilities and Other Matters," and
   f. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS — MTA Bridges and Tunnels."

2. information regarding the capital programs of MTA Bridges and Tunnels, as well as of related public authorities whose operating needs, financing activities and capital programs may have a material impact on the operations and financing activities of MTA Bridges and Tunnels,

3. a presentation of changes to indebtedness issued by MTA Bridges and Tunnels under both the MTA Bridges and Tunnels Senior Resolution and Subordinate Resolution, as well as information concerning changes to MTA Bridges and Tunnels' debt service requirements on such indebtedness payable from Revenues,

4. historical information concerning traffic, revenues, operating expenses, MTA Bridges and Tunnels Senior Resolution debt service and debt service coverage of the type included in this official statement in **Table 2** and included by specific cross-reference in the ADS under the heading "REVENUES OF THE RELATED ENTITIES – MTA Bridges and Tunnels Surplus",

5. material litigation related to any of the foregoing, and

6. such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, MTA Bridges and Tunnels.

All or any portion of the Annual Information as well as required audited financial statements may be incorporated therein by specific reference to any other documents which have been filed with (a) EMMA or (b) the Securities and Exchange Commission (the "SEC"). Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent feasible, such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent to EMMA.

MTA Bridges and Tunnels will undertake, for the benefit of holders of the Series 2019C Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner, not in excess of 10 business days after the occurrence of the event, notice of any of the events listed under the heading "CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12" in this official statement with respect to the Series 2019C Bonds, and

2. to EMMA, in a timely manner, notice of a failure to provide any Annual Information required by such undertaking or any required audited financial statements.

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Series 2019C Bonds (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Series 2019C Bonds) may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against such party and any of its officers, agents and employees, and may compel such party or any of its officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach under the undertaking is an action to compel specific performance, and no person or entity, including any holder of Series 2019C Bonds, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought only by the Trustee or the holders of 25 percent in aggregate principal amount of the Series 2019C Bonds at the time Outstanding which are affected thereby. Each of MTA Bridges and Tunnels and the Trustee reserves the right, but shall not be obligated, to enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the MTA Bridges and Tunnels Senior Resolution nor give right to the Trustee or any Bondholder to exercise any remedies under the MTA Bridges and Tunnels Senior Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where MTA Bridges and Tunnels' undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. MTA Bridges and Tunnels does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Series 2019C Bonds have been paid in full or legally defeased pursuant to the MTA Bridges and Tunnels Senior Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA Bridges and Tunnels.

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## ATTACHMENT 3

## FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

**Upon delivery of the Series 2019C Bonds in definitive form, each of Orrick, Herrington & Sutcliffe LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, Co-Bond Counsel to MTA Bridges and Tunnels, proposes to render its final approving opinion in substantially the following form:**

[Date of Closing]

Triborough Bridge and Tunnel Authority
Triborough Station, Box 35
New York, New York 10035

Ladies and Gentlemen:

We have examined a certified copy of the record of proceedings of the Triborough Bridge and Tunnel Authority ("TBTA") and other proofs submitted to us relative to the issuance of $200,000,000 aggregate principal amount of Triborough Bridge and Tunnel Authority General Revenue Bonds, Series 2019C (the "Series 2019C Bonds").

All terms defined in the Resolution (hereinafter defined) and used herein shall have the respective meanings assigned in the Resolution, except where the context hereof otherwise requires.

The Series 2019C Bonds are issued under and pursuant to the Constitution and statutes of the State of New York (the "State"), including the Triborough Bridge and Tunnel Authority Act, being Title 3 of Article 3 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the "Issuer Act"), and under and pursuant to proceedings of TBTA duly taken, including a resolution adopted by the members of TBTA on March 26, 2002 entitled "General Resolution Authorizing General Revenue Obligations", as supplemented by a resolution of said members adopted on December 12, 2018 (collectively, the "Resolution").

The Series 2019C Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Resolution.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2019C Bonds in order that interest on the Series 2019C Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of TBTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which TBTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2019C Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2019C Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates TBTA to take certain actions necessary to cause interest on the Series 2019C Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code could cause interest on the Series 2019C Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. TBTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2019C Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 5 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion of interest on the Series 2019C Bonds from gross income for federal income tax purposes under Section 103 of the Code and (ii) compliance by TBTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2019C Bonds as executed and, in our opinion, the form of said Series 2019C Bond and its execution are regular and proper.

We are of the opinion that:

1. TBTA is duly created and validly existing under the laws of the State, including the Constitution of the State and the Issuer Act.

2. TBTA has the right and power under the Issuer Act to adopt the Resolution. The Resolution has been duly and lawfully adopted by TBTA, is in full force and effect, is valid and binding upon TBTA, and is enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. The Series 2019C Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding direct and general obligations of TBTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. TBTA has no taxing power and the Series 2019C Bonds are not debts of the State or of any political subdivision thereof. TBTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2019C Bonds.

4. The Series 2019C Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

5. Under existing statutes and court decisions (i) interest on the Series 2019C Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2019C Bonds is not treated as a specific preference item in calculating the federal alternative minimum tax.

6. Under the Issuer Act, interest on the Series 2019C Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

The opinions expressed in paragraphs 2 and 3 above are subject to applicable bankruptcy, insolvency, receivership, reorganization, arrangements, fraudulent conveyances, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 5 and 6, we express no opinion regarding any other federal, state, local or foreign tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2019C Bonds. We express no opinion regarding the federal, state, local or foreign tax consequences of any action hereafter taken or not taken in reliance upon an opinion of other counsel with respect to the Series 2019C Bonds.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2019C Bonds. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2019C Bonds and express no opinion with respect thereto.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any future actions, facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any reason whatsoever.

Very truly yours,

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**ATTACHMENT 4**

**COPY OF BRINGDOWN LETTER OF STANTEC CONSULTING SERVICES INC.**

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| | | | |
|---|---|---|---|
| To: | Triborough Bridge and Tunnel Authority<br>Triborough Station, Box 35<br>New York, New York 10035 | From: | Steve Abendschein, PE<br>475 Fifth Avenue, 12th Floor<br>New York, NY 10017-7239 |
| File: | Bringdown Letter of Stantec Consulting Services Inc. | Date: | November 20, 2019 |

Ladies and Gentlemen:

Our report entitled "History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Conditions of the Facilities of Triborough Bridge and Tunnel Authority," dated April 30, 2019 (the "Report") and based on actual data through February 2019, was reviewed in connection with, and included by specific reference in the following disclosure documents: the Preliminary Official Statement dated November 20, 2019 of the Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") with respect to its General Revenue Bonds, Series 2019C and the Preliminary Remarketing Circular dated November 20, 2019 of the Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") with respect to its General Revenue Variable Rate Bonds, Subseries 2003B-2 (SIFMA Floating Rate Tender Notes).

Data available through October 2019 indicate that the transaction and revenue forecasts for 2019 presented in the Report continue to be valid.

In our April 2019 Report, Stantec forecasted total 2019 transactions on the MTA Bridges and Tunnels at 327,560,000, a forecasted increase of 1.6 percent greater than the actual 2018 transactions. The forecasted increase in transactions was primarily due to continued economic improvement and sustained lower gasoline prices. Ten months of actual transaction data through October 2019 are currently available (with audited transactions through June), and are 2.5 percent greater than the actual first ten months of 2018. The ten months of actual 2019 transactions are 0.8 percent greater than Stantec's comparable ten-month 2019 forecasted transactions.

In our April 2019 Report, Stantec forecasted total 2019 toll revenues of $2,097.3 million, a forecasted increase of 6.7 percent greater than the actual 2018. Ten months of actual toll revenue data through October 2019 are currently available, and are 5.5 percent greater than the actual first ten months of revenues in 2018. The first ten months of actual 2019 toll revenues are 0.9 percent lower than Stantec's comparable ten-month 2019 forecasted toll revenues.

At the present time, Stantec has not revised its forecast of transaction and toll revenues for 2019 and following years, since the forecast of transaction and revenues for 2019 continues to be valid in light of actual performance through October.

## TOLL TRANSACTION VOLUMES

Stantec's development of transaction and toll revenue forecasts for 2019 took into account the revised toll rates implemented March 31, 2019, the economic condition of the region, fuel prices, unusual weather events, and construction projects, among other factors. Projected toll transactions for 2019 in the Report were based on actual performance through February and anticipated transaction volumes for the March – December period.

Elasticity factors used in estimating the impacts of the revised toll schedules were based on factors developed by Stantec in analyzing the elasticity exhibited by historical toll increases, including the 2017 toll increase, as well as trends at MTA Bridges and Tunnels facilitates, Port Authority of New York and New Jersey facilities, and at competing toll-free East River crossings. A shift of transactions from Tolls by Mail to E-ZPass tolls was also included in the forecast, since the differential between the E-ZPass and Tolls by Mail rates increased, making E-ZPass more attractive.

Actual transactions for January and February (the period available at the time of the Report) and for March through October (the period for which actual data are now available) are compared to actual 2018 transactions in the following table. At the time of the Report, actual 2019 transactions were 4.4 percent greater than the same period in 2018; this was attributed to continued growth of the economy and sustained favorable gasoline prices. It was forecasted that the base transaction levels for the other ten months of 2019 would increase at an average rate of 1.2 percent. For the full year 2019, transactions were projected to increase 1.6 percent. As shown in the table, actual 2019 transactions through October of 2019 are 2.5 percent greater than the same period in 2018, and are 0.8 percent greater than Stantec's comparable forecasts for the first 10 months of 2019. Actual transactions for the March through October period are 2.1 percent greater than for the same period in 2018; this is 0.9 percent above the average of 1.2 percent that Stantec has projected for the remainder of the year.

While year-to-date transactions exceed the forecast, Stantec believes the forecast, while conservative, continues to be valid.

**Systemwide MTA Bridges and Tunnels Transactions**
**(Subject to Final Audit)**

| Time Period | 2018 | 2019 | Percent Change |
|---|---|---|---|
| January - February | 46,474,535 | 48,537,255 | 4.4% |
| March - October | 222,283,299 | 226,989,319 | 2.1% |
| Total 10 Months | 268,757,834 | 275,526,574 | 2.5% |

| | | | |
|---|---|---|---|
| Actual 2018 v. Forecast 2019 (Full Year in the Report) | 322,290,029 | 327,560,000 | 1.6% |
| Actual 2018 v. Forecast 2019 (January - October in the Report) | 268,757,834 | 273,422,358 | 1.7% |

| Time Period | 2019 Forecast | 2019 Actual | Percent Change |
|---|---|---|---|
| January - October | 273,422,358 | 275,526,574 | 0.8% |

## TOLL RATES

The toll schedule implemented in March 2019 included an increase of approximately 6 percent for E-ZPass tolls and 12 percent for Tolls by Mail at the major and minor crossings and the Verrazzano-Narrows Bridge. (Note: E-ZPass charges apply to New York Customer Service Center [NYCSC] transponders only; customers of other Customer Service Centers are charged the Tolls by Mail toll and any motorist, regardless of residence, can obtain a NYCSC transponder). The E-ZPass toll at the Henry Hudson Bridge increased approximately 6 percent and the Tolls by Mail rate is approximately 17 percent greater than the former rate. As a result of the March 2019 increase, the difference between E-ZPass and Tolls by Mail rates increased from $2.74 to $3.38 at the major crossings and the Verrazzano-Narrows Bridge, and from $2.09 to $2.46 at the minor crossings. At the Henry Hudson Bridge, the difference between the E-ZPass and Tolls by Mail rates increased from $3.36 to $4.20. The passenger car toll rates before and after the March 2019 toll increase are shown in the following table.

**Passenger Car Tolls before and after March 31, 2019 Toll Increase**

| Facility | Prior to March 31, 2019 | | | March 31, 2019 and after | | | Percent Change | |
|---|---|---|---|---|---|---|---|---|
| | Tolls by Mail | E-ZPass(1) | Difference | Tolls by Mail | E-ZPass(1) | Difference | Tolls by Mail | E-ZPass(1) |
| Verrazzano-Narrows(2), RFK, Bronx-Whitestone, and Throgs Neck bridges; Queens-Midtown and Hugh L. Carey tunnels | $8.50 | $5.76 | $2.74 | $9.50 | $6.12 | $3.38 | 11.8% | 6.3% |
| Marine Parkway and Cross Bay bridges | $4.25 | $2.16 | $2.09 | $4.75 | $2.29 | $2.46 | 11.8% | 6.0% |
| Henry Hudson Bridge | $6.00 | $2.64 | $3.36 | $7.00 | $2.80 | $4.20 | 16.7% | 6.1% |

Notes: (1) E-ZPass crossing charges apply to New York Customer Service Center transponders only; customers of other CSCs (within and outside New York State) are charged the cash toll.
(2) Under the Verrazzano-Narrows one-way crossing charge collection program, all per crossing charges shown should be doubled; toll is collected in the westbound direction only.

The actual average toll rate for the first ten months of 2019 was $6.29. Stantec had forecasted a rate of $6.39 for the first ten months of 2019, and a rate of $6.40 for the whole year.

## TOLL REVENUE

Forecasted total 2019 toll revenues shown in the Report were based on actual data through February 2019, anticipated transaction volumes for March to December 2019, and past and current toll rates (implemented March 31, 2019). Actual toll revenues for January and February 2019 (the period available at the time of the Report) and for March through October (the period for which actual data are now available) are compared to actual January through October 2018 toll revenues in the following table.

In our April 2019 Report, Stantec forecasted total 2019 toll revenues of $2,097.3 million, a forecasted increase of 6.7 percent greater than the actual 2018. Ten months of actual toll revenue data through October 2019 are currently available, and are 5.5 percent greater than the actual first ten months of 2018. The first ten months of actual 2019 toll revenues are 0.9 percent lower than Stantec’s comparable ten-month 2019 forecasted toll revenues. It is noted that the slightly higher than forecasted transaction growth did not compensate for the slightly lower than forecasted average toll rate. Despite the slight overestimation of revenues, the forecast, nonetheless, continues to be valid.

**Systemwide MTA Bridges and Tunnels Toll Revenue**
**(Subject to Final Audit)**

| Time Period | 2018 | 2019 | Percent Change |
|---|---|---|---|
| January - February | $285,166,453 | $291,475,592 | 2.2% |
| March - October | $1,356,574,218 | $1,440,220,754 | 6.2% |
| Total 10 Months | $1,641,740,671 | $1,731,696,346 | 5.5% |

| | | | |
|---|---|---|---|
| Actual 2018 v. Forecast 2019 (Full Year in the Report) | $1,965,223,226 | $2,097,268,000 | 6.7% |
| Actual 2018 v. Forecast 2019 (January - October in the Report) | $1,641,740,671 | $1,747,528,241 | 6.4% |

| Time Period | 2019 Forecast | 2019 Actual | Percent Change |
|---|---|---|---|
| January - October | 1,747,528,241 | 1,731,696,346 | -0.9% |

* * * * *

At the present time, Stantec has not revised its forecast of toll revenues for 2019 and following years since the forecast for 2019 contained in the Report continues to be valid in light of actual performance through October. Please note that, within the context of the aforementioned discussion, our conclusions as to the physical conditions and expected useful lives of the MTA Bridges and Tunnels facilities set forth in our Report are valid and relevant for use in connection with the Triborough Bridge and Tunnel Authority General Revenue Bonds, Series 2019C and the Triborough Bridge and Tunnel Authority General Revenue Variable Rate Bonds, Subseries 2003B-2 (SIFMA Floating Rate Tender Notes).

Very truly yours,

**STANTEC CONSULTING SERVICES INC.**

Steve Abendschein, PE

Senior Principal

**ATTACHMENT 5**

**SECOND QUARTERLY UPDATE TO ADS, DATED NOVEMBER 22, 2019**

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**MTA ANNUAL DISCLOSURE STATEMENT UPDATE**
**(2019 Second Quarterly Update)**
**November 22, 2019**

**This Metropolitan Transportation Authority ("MTA") Annual Disclosure Statement Update (including Attachment A hereto, the "Second Quarterly Update"), dated November 22, 2019, is the second quarterly update to the Annual Disclosure Statement (the "ADS") of MTA, dated April 30, 2019, as supplemented on June 26, 2019 and on October 3, 2019, and as updated by a First Quarterly Update, dated August 2, 2019, and contains information only through its date. MTA expects to file this Second Quarterly Update with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system and may incorporate such information herein by specific cross-reference. Such information, together with the complete November Plan hereinafter referred to, is also posted on the MTA website (utilize "Go to old site") under "MTA Info – Financial Information – Budget and Financial Statements" at www.mta.info. No statement on MTA's website or any other website is included by specific cross-reference herein. All of the information in this Second Quarterly Update 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 Second Quarterly Update 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 Second Quarterly Update.**

**MTA ANNUAL DISCLOSURE STATEMENT UPDATE**
**(2019 Second Quarterly Update)**
**November 22, 2019**

## Introduction

This update, dated November 22, 2019 (the "Second Quarterly Update"), is the second quarterly update to the Annual Disclosure Statement (the "ADS") of the Metropolitan Transportation Authority ("MTA"), dated April 30, 2019, as supplemented on June 26, 2019 and on October 3, 2019, and as updated by a First Quarterly Update, dated August 2, 2019. This Second Quarterly Update contains information only through November 22, 2019, and should be read in its entirety, together with the ADS as so previously supplemented. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the ADS.

In this Second Quarterly Update, readers will find:

1. A summary of recent events and changes to MTA's 2019-2023 Financial Plan released by MTA in July 2019 (the "July Plan"), made since the date of the ADS, to reflect provisions of the 2019 MTA November Financial Plan presented to the MTA Board on November 14, 2019 (the "November Plan"). The complete November Plan is posted on MTA's website (utilize "Go to old site") under "MTA Info – Financial Information – Budget and Financial Statements" at www.mta.info. No statement on MTA's website or any other website is included by specific cross-reference herein. The updated information reflected in the November Plan includes revised July Plan projections for fiscal years 2019 through 2023.
2. **Attachment A** to this Second Quarterly Update, which presents the November Plan in tabular form and includes Financial Plan tables that summarize MTA's November Plan for fiscal year 2018 (actual) and projected receipts and expenditures for fiscal years 2019 through 2023, in each case prepared by MTA management.

## The November Plan

The November Plan includes the 2019 November Forecast, the 2020 Final Proposed Budget and a Financial Plan for the years 2020-2023, which updates the July Financial Plan. Since 2010, MTA financial plans have included the impact of MTA management's pursuit of operational efficiencies and recurring cost reductions which are used to moderate the amount of revenues needed from biennial fare and toll increases and governmental subsidies, and provide funding for the capital program and enhanced maintenance. The Financial Plans have added service when sustainable, while also addressing long-term costs such as pensions, health care, paratransit, and debt service.

As discussed below in further detail, the November Plan includes projected impacts of the implementation of the MTA Transformation Plan (as approved by the MTA Board at its July 24, 2019 meeting, "Transformation Plan"), which is designed to streamline MTA internal processes, with no budget-driven service cuts, continued improvements derived from implementation of the Subway Action Plan, and projected biennial fare and toll increases intended to generate a four percent net increase in farebox and toll revenues. The November Plan permanently captures savings from vacant administrative positions that will be eliminated and reflects the fiscal impact of actions being taken to reduce fare evasion and constrain "controllable" overtime. The November Plan also assumes a renegotiation with The City of New York ("City") for a more equitable sharing of paratransit net operating deficits. To bridge the transition period until the Transformation Plan is fully implemented and related savings are realized, the November Plan uses several actions to balance the budget.

MTA's finances are structurally imbalanced, with expenses surpassing revenues. Beginning with 2017, annual budgets have been balanced with a variety of non-recurring actions. While the MTA has since 2010, identified and acted on an extensive array of recurring cost reduction actions and containments resulting in annualized savings of $2.5 billion through 2019, it has become increasingly difficult to identify and implement additional savings initiatives. In the November Plan, Related Agency re-estimates of prior Budget Reduction Program ("BRP") items have reduced previously identified savings by $317 million over the November Plan period.

The use of non-recurring and additional recurring savings measures are insufficient to eliminate systemic budgetary shortfalls. To address this situation, the 2019-2020 New York State Enacted Budget included a series of MTA reforms, including the legislated requirement to develop an organizational restructuring plan to remedy institutional constraints. In an effort to streamline MTA to more effectively provide safe, reliable, cost efficient service, MTA procured the services of AlixPartners, a management consulting firm, to aid in the first step of this undertaking. The firm presented its report (which is the basis for the Transformation Plan) to MTA earlier this year, and initial fiscal impacts of the report's recommendations were included in the July Financial Plan.

Since the release of the recommendations, MTA, with the assistance of a management consulting firm, has developed a functional reorganization plan that builds on the AlixPartners report and has created the office of the Chief Transformation Officer. The Chief Transformation Officer will guide the MTA through the transformation process. The MTA Board at its November 14, 2019 meeting approved the appointment of Anthony McCord as Chief Transformation Officer.

**The July Plan**

The July Plan projected cash balances of $61 million in 2019 and $55 million in 2020, with deficits of $26 million in 2021, $281 million in 2022 and $433 million in 2023. The balances reflect significant favorable impacts from $1.8 billion in estimated savings initially identified in the AlixPartners report. Without those savings, the 2023 deficit would grow to almost $1 billion. In addition to the Transformation Plan savings, the July Plan was based on three key inter-related elements: (i) fare and toll price increases in both 2021 and 2023 which net 4% in annual revenue; (ii) annually recurring cost reduction and containment targets that result in annual savings of almost $2.8 billion per year by 2023; and (iii) maintaining major on-going initiative investments for the MTA Long Island Rail Road "Forward Plan", the "Bus Plans" at MTA New York City Transit and MTA Bus, the MTA Metro-North Railroad "Way Ahead Plan", and the Subway Action Plan for MTA New York City Transit.

The 2019 Mid-Year Forecast was balanced with the use of non-recurring actions, including the releasing of the $160 million General Reserve for 2018 at the end of 2018, the freeing up of $40 million in excess fuel hedge collateral, and a reduction in the budget line item "2019 Committed to Capital" of $64 million. The July Plan also included a fare evasion deterrence program MTA New York City Transit, which is partially funded by a grant from the Manhattan District Attorney. Lastly, the July Plan included funding for the replacement of MTA New York City Transit's capital accounting system, the rollout of a computer based ("Kronos") timekeeping system throughout MTA, and the expenses associated with State-mandated employee training.

**Changes Since the July Plan**

Changes since the July Plan include:

Changes and re-estimates improving financial results over the November Plan period (2019-2023):

- Higher farebox revenues due to increased ridership ($253 million);
- Higher real estate transaction taxes ($203 million); and
- Additional administrative vacancy control savings in 2019 ($28 million).

Changes and re-estimates worsening financial results over the November Plan period (2019-2023):

- Higher MTA New York City Transit and MTA Bus wage adjustments ($207 million);
- Changes in rates for energy, health & welfare, and pensions ($145 million);
- Lower Payroll Mobility Tax receipt forecasts ($144 million);
- Higher MTA New York City Transit public liability and workers compensation ($108 million);
- Higher paratransit service expenses ($41 million); and
- Lower toll revenue ($24 million).

In total, these revised estimates, as well as other changes, are $467 million unfavorable for the 2019 through 2023 November Plan period. A reconciliation of "Plan-to-Plan" changes can be found in **Attachment A** to this Second Quarterly Update.

**Highlights of the November Plan**

The November Plan continues to follow a similar approach to those reflected in earlier plans and incorporates additional actions necessary to achieve budget balance in the near-term and significantly reduce out-year deficits.

*Implementation of the Transformation Plan to Streamline MTA Internal Processes.* MTA is fundamentally changing the way business is conducted, in an effort to more effectively deliver to its customers a more modern, efficient system. This significant transformation includes the centralization of all operating support functions, with a focus on core service delivery by the operating agencies. Among the steps being taken that are reflected in the November Plan are:

- The hiring of the Chief Transformation Officer, who will report directly to the MTA Board, to lead the transformation of MTA;
- Through a planned Transformation Request for Proposals, outside experts will be retained to assist with the restructuring of MTA, re-engineering all major business processes, and implementing the transformation "roadmap"; and

- The new Transformation Management Office will support the Chief Transformation Officer with managing the outside experts and the Transformation Plan, to ensure the changes are delivered effectively and successfully. MTA will bring to the effort new senior leadership positions, including a Chief Engineering Officer, a Director of Research and Development, a Chief People Officer, and a Chief Technology Officer.

As previously disclosed, the AlixPartners report recommends the reduction of up to 2,700 primarily administrative positions, with reliance on attrition, as much as possible, to meet this goal. Transformation Plan net savings over the November Plan period are estimated at $1.6 billion.

*No Budget-Driven Service Cuts.* Service-related cuts that were proposed in 2018 and in the July Plan because of fiscal constraints are not being implemented. Adjustments based on Board-approved service guidelines, as well as those necessary for the scheduling of capital work, remain.

*Maintain Prior Plan Investments.* The November Plan maintains major on-going investment initiatives, including the MTA Long Island Rail Road "Forward Plan", the "Bus Plans" at MTA New York City Transit and MTA Bus, and the MTA Metro-North Railroad "Way Ahead Plan". The November Plan also sustains and expands upon the improvements of the Subway Action Plan, which was initially launched with funding jointly provided by the State and the City, and is now funded from the initial phase of congestion pricing, using revenues from the for-hire vehicle surcharge.

*Hold Projected Fare/Toll Increases to 4% in 2021 and 2023.* The November Plan continues to project net 4% biennial fare/toll increases (the equivalent of 2% per year) which is lower than the projected two-year inflation rates of 4.9% and 4.7% in 2021 and 2023, respectively. Consistent with recent Financial Plans, a March 1st implementation is assumed for both the 2021 and 2023 increases. The annualized yield of these increases is projected to be $326 million and $341 million, respectively.

*Reduce Fare Evasion.* Recently updated surveys estimate revenue loss from subway and bus fare evasion is approximately $300 million annually. The renewed emphasis by MTA to gain significant control of and reduce fare evasion includes a series of actions designed to deter, rather than fine, fare evaders. MTA New York City Transit has deployed "Eagle Team" special inspectors on bus routes. Enforcement has been focused on the top 50 subway stations and 50 bus routes where elevated levels of fare evasion and assaults occur. Further, 10 monitors providing customer images as a deterrent have been installed near fare arrays in a pilot project, and subway station exit gates are being redesigned to mitigate instances of fare avoidance. Initial analysis from a limited sample of locations indicate that the presence of police officers at fare arrays eliminates fare evasion, and MTA is using these initial findings and review of other actions to adjust the fare evasion mitigation strategy accordingly. These actions are estimated to cost $62 million over the November Plan period, which is being partially covered by a $40 million grant from the Manhattan District Attorney's forfeiture fund.

*Renegotiate with New York City for a Revised Sharing of Paratransit Costs.* Since signing an agreement with the City in 1993, MTA New York City Transit has assumed the City's responsibility for providing paratransit service. Since then, registrants and ridership have significantly increased, with the net operating deficit growing from $11 million in 1994 to $549 million in 2019. The current agreement provides that the City will pay one-third of the net operating deficit, but it is limited to no more than a 20% increase over the City's payment in the prior year. Based on the 2019 projected net operating deficit, the City will only pay $176 million, leaving MTA New York City Transit to pay the remaining balance of $372 million, which is more than twice as much as the City's share. MTA is proposing a renegotiation of the terms of the Paratransit Service agreement to provide a revised sharing of costs. An equal share of the net operating deficit would reduce MTA New York City Transit's cost by over $100 million a year.

*Capture Savings from the Elimination of Vacant Administrative Positions.* The MTA will permanently eliminate non-represented administrative positions that became vacant through the third quarter of 2019 and have not been filled due to MTA policy that restricted new hiring.

*Cost Avoidance through Fiscal Constraints Placed on Controllable Overtime.* In response to the recommendations in the Morrison and Foerster overtime report, MTA has convened an Overtime Task Force Working Group, and constraints are being implemented as part of a continuing effort to better utilize controllable overtime so its usage is fiscally responsible.

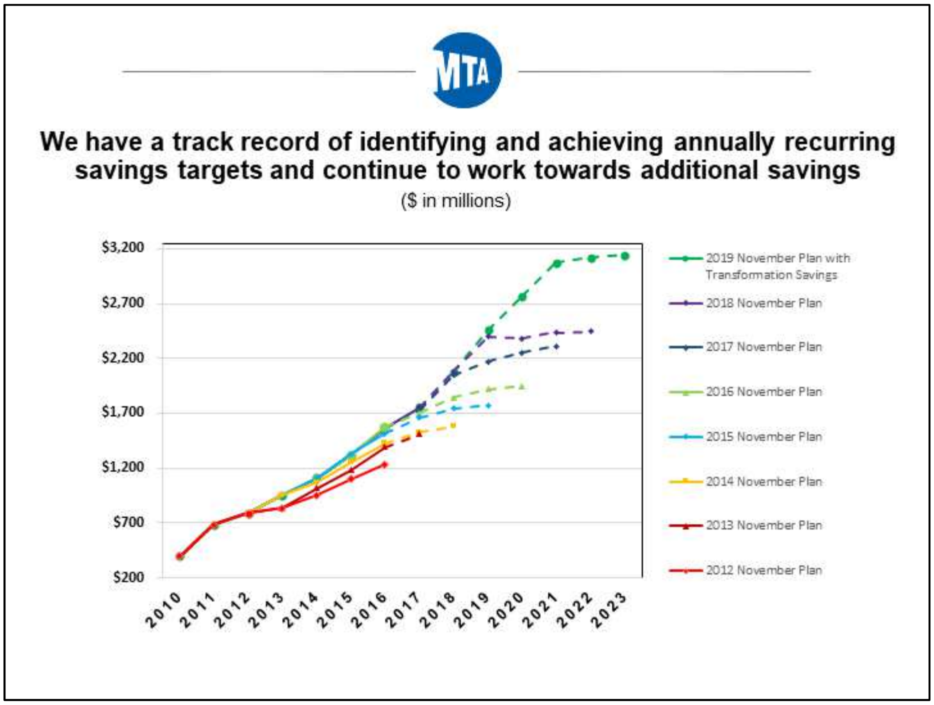
*Address New Maintenance Requirements.* MTA will replace, upgrade or extend the useful life of critical components for the MTA Metro-North Railroad and MTA Bus fleets, and cover additional right-of-way and station maintenance at the MTA Long Island Rail Road.

*Hiring of Additional MTA Police Officers.* MTA is augmenting the MTA Police Department in support of safety and security, homeless outreach efforts, and fare evasion mitigation efforts. MTA has completed the deployment of 500 officers to support these efforts, with MTA Police Department officers deployed in the subway and on bus routes, MTA Bridges and Tunnels officers deployed on bus routes, and New York Police Department officers deployed in the subway. The incremental costs included in the November Plan period for this initiative are estimated to be $248.9 million, excluding related ongoing training and equipment costs.

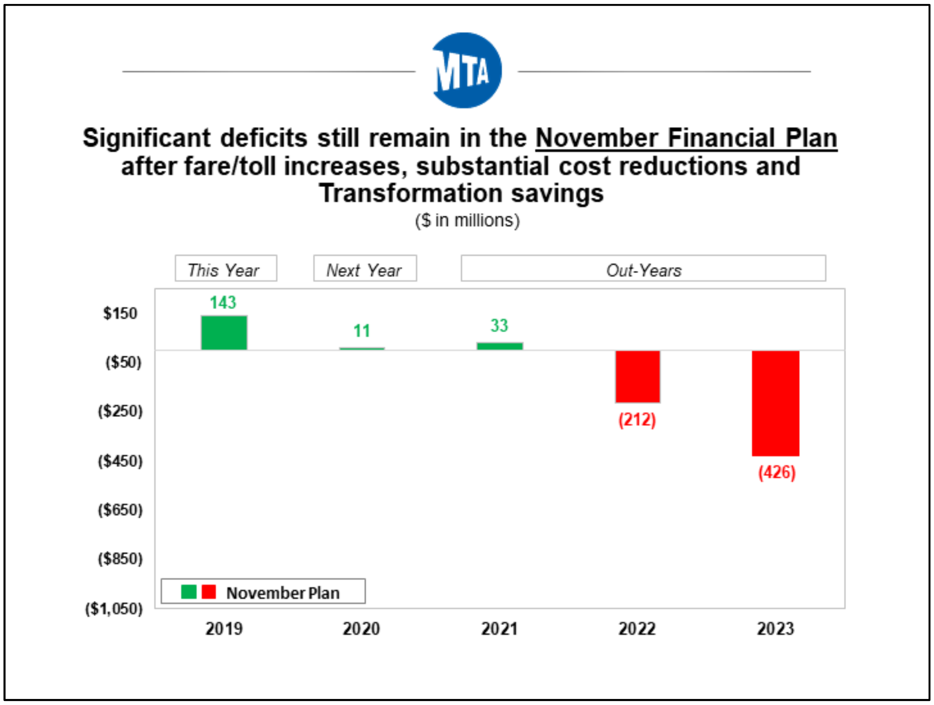
*Fortify technology networks.* MTA will institute technology enhancements by fortifying operational technology networks and increasing risk management activities and controls. These technology security initiatives are designed to enhance existing MTA and Related Entities' operating systems, with estimated costs of $52.3 million annually for the years 2020 through 2022, $42.3 million in 2023 and $41.3 million in 2024, and annually thereafter.

*Non-Recurring Actions.* Beginning in 2017, the use of non-recurring initiatives have been necessary to balance the budget, and such actions are again necessary to aid in balancing the budget in both 2019 and 2020. At the end of 2018, a favorable year-end balance of $372 million, mostly timing related, was carried over into 2019. In the July Plan, the $64 million that had been earmarked for 2019 Committed to Capital was instead applied for use in covering 2019 operating expenses. Similarly, $30 million of the 2020 Committed to Capital is being applied to help cover projected 2020 operating expenses. The July Plan also assumed the $165 million 2019 General Reserve, a contingency fund set at approximately one percent of the operating expense budget, would not be required to cover 2019 expenses and, accordingly, will be reserved to cover 2020 expenses. Lastly, it is projected that 2019 will end with a favorable balance of $143 million, which will carry over into 2020.

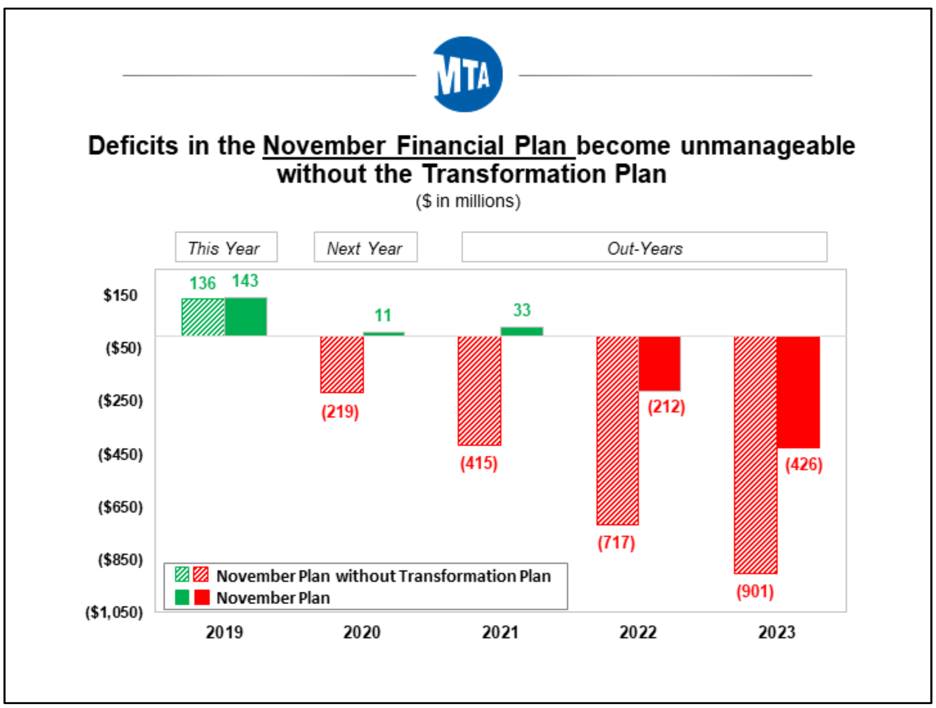
*Achieve Annually Recurring Savings Targets.* The November Plan reflects Related Agency re-estimates of prior Budget Reduction Program items, reducing previously identified savings by $317 million over the November Plan period. As noted in prior Financial Plans, it has become more difficult to identify recurring savings actions, but MTA remains committed to identifying actions to replace the savings that remain to be achieved. The chart below identifies MTA management's cost reduction/cost containment targets by Financial Plan. Through 2019, MTA has implemented initiatives with annualized savings of $2.5 billion. These programs are expected to result in annual savings of $2.7 billion by 2023. Together with the anticipated savings from the Transformation Plan, the annual savings are projected increase to $3.1 billion by 2023.




The above noted changes, combined with Related Agency baseline projections, result in a net improvement to MTA's financial forecast over the November Plan period.




Even with biennial 4% fare and toll increases, substantial cost reductions and Transformation Plan savings, the November Plan remains out of balance in the later years, with the 2023 deficit reaching $426 million. The November Plan's projected deficits, however, become unmanageable without the Transformation Plan.



**Challenges and Risks Going Forward**

There are a variety of challenges and risks affecting MTA and implementation of the November Plan:

*Implementation and Timing of State Funding, Governance, Management Changes and Transformation Plan Initiatives.* Each of the State legislative initiatives described in the ADS and above, including the For-Hire Vehicle Surcharges, the CBD Tolling Program, expansion of design-build contracting powers, and imposition of the Mass Transit Expert Panel and related MTA governance proposals are complex and require time to implement. Without the savings from the Transformation Plan, the November Plan financial results would worsen by $1.6 billion over the 2019 through 2023 November Plan period. *Projections of potential financial or operational and management benefits from each of the foregoing are uncertain and difficult to quantify as of the date of this Second Quarterly Update. There can be no assurance that the projected management and Transformation Plan budgetary gains or operational efficiencies reflected in the November Plan will be achieved in whole or in part during the November Plan period (through 2023).*

*Maintain Cost Reductions.* MTA must remain focused on existing cost control efforts to ensure the savings that MTA and the Related Agencies have achieved to date.

*Renegotiate the Paratransit Contract with the City to Achieve Revised Cost Sharing.* With MTA covering two-thirds of the paratransit net operating deficit, the current financial sharing relationship is unsustainable.

*Reduce Fare Evasion Losses.* The revenue uncollected because of fare evasion has a detrimental effect on MTA's bottom line, and the result is less available funds for maintenance and operations. Regaining control of fare collection will help address budgetary imbalance and the out-year deficits.

*Negotiate Labor Contracts.* Most collective bargaining agreements with represented employees expired earlier this year, and MTA is currently engaged in negotiations with labor representatives on both wages and work rules. An agreement that is fair to labor and provides management with the flexibility needed to operate and maintain MTA's transportation network is critical for fiscal stability.

*Maintain Fiscal Discipline Over Overtime Usage.* While overtime can be a cost-effective and efficient means for addressing certain assignments, a consistent approach to managing overtime usage is necessary. A recent Morrison and Foerster report analyzing overtime usage, commissioned by MTA, emphasized specific recommendations to address existing deficiencies. MTA is diligently putting those recommendation in place.

*Implement Biennial Fare and Toll Increases that Yield 4% Increases in Such Revenues.* While MTA works diligently to control costs, nonetheless, combined fares and tolls only cover approximately half of operating costs ("Farebox Operating Ratio") and a little more than a third of total costs, including capital costs ("Farebox Recovery Ratio"). Moreover, many costs are dependent on pricing factors outside MTA's direct control (*e.g*., energy, health & welfare and pensions). If projected fare and toll increases are not implemented, MTA's financial situation will deteriorate as revenue will not be able to keep pace with inflation and other cost growth.

*Increase Investments to Address Reliability and Service.* The challenge is to continue maintaining and improving the operations of an aging fleet and its infrastructure, including MTA's 115-year old subway system. MTA needs to continue to identify more efficient ways to improve the Transit and Commuter Systems.

*Respond to Developing Economic Environment.* MTA's finances are highly influenced by economic factors. Passenger and toll revenues, dedicated taxes and subsidies (including real estate transaction revenue), debt service, pensions and energy costs are all impacted by the health of the MTA region, State and national economies. If the economic assumptions reflected in the November Plan are unrealized, the November Plan's projected results would be adversely affected.

*Potential Impact of Changes in Federal Law*. MTA's finances are also influenced by federal public transportation provisions, funding levels and federal tax law. The Presidential administration and Congress are considering budgetary and programmatic changes in law relating to federal public transportation and infrastructure finance. Enacted federal tax reform includes changes in personal and corporate tax rates and deductions, which adversely impact MTA's opportunities for federal tax-exempt financing, particularly the prohibition of advance refundings for debt service savings which became effective in 2018. The limitation of itemized deductions for state and local income and property taxes to $10,000 may also adversely impact the New York region's real estate market and levels of MTA real estate related tax subsidies. Although MTA management is monitoring federal legislative activity, at this time it is not possible to assess the financial or programmatic impacts upon MTA's finances of current federal proposals and enacted tax law changes.

*Potentially Higher Interest Rates Than Forecast.* The November Plan includes interest rate assumptions consistent with the Federal Open Markets Committee's ("FOMC"). However, recent actions and policy statements on future actions or a sudden and unexpected increase in economic activity may result in inflationary growth beyond the FOMC's inflation target, which in turn could lead to a further increasing of the federal funds rate. Such an increase could lead to an increase in interest rates for MTA capital borrowing which are higher than projected in the November Plan.

**Additional Matters**

*Governance*. As noted above, on November 14, 2019, the MTA Board approved the appointment of Anthony McCord as Chief Transformation Officer. In addition, Veronique Hakim has submitted her resignation as MTA Managing Director, effective November 30, 2019. On November 20, 2019, MTA announced the appointment of Mario Péloquin as Chief Operating Officer ("COO"), replacing Ms. Hakim and he is expected to begin as COO in early 2020. In the interim, MTA Chief Safety Officer Patrick Warren will serve as Acting Managing Director, effective November 27, 2019. MTA Board member Veronica Vanterpool has submitted her resignation from the Board effective as of December 19, 2019.

*Central Business District Tolling Program*. On October 18, 2019, MTA Bridges and Tunnels announced the selection of TransCore to design, build, operate and maintain the toll system equipment and infrastructure required to implement the Central Business District ("CBD") Tolling Program in New York City. MTA Bridges and Tunnels will work closely with TransCore and the City's Department of Transportation to install the toll system and infrastructure for the CBD Tolling Program that is expected to reduce congestion and generate net revenue sufficient to fund an estimated

$15 billion for the MTA 2020-2024 Capital Plan. The City would be the first in North America to have a CBD Tolling Program, expected to be operational in 2021.

Authorization is required from the Federal Highway Administration ("FHWA") under its Value Pricing Pilot Program ("VPPP") to implement the CBD Tolling Program on federal-aid roadways within the CBD. FHWA approval to participate in the VPPP makes this project subject to National Environmental Policy Act review. Because FHWA regulations provide that final design and construction cannot proceed before FHWA issues an environmental finding, the project will proceed in two phases, subject to receipt of FHWA approval.

After the early design phase is complete and the environmental finding is issued, TransCore will complete final design and begin building the infrastructure and installing the toll system equipment. Once operational, TransCore will continue to be responsible under a contract with MTA Bridges and Tunnels for operating and maintaining the infrastructure and toll system for an additional six years. The contract envisions a future-ready system, which allows for new technologies to be incorporated as technologies advance. The total cost of this design, build, operate and maintain contract is $507 million, which includes incentive payments to encourage on-time delivery.

*Climate Change Adaptation.* As noted in the ADS under the heading "THE RELATED ENTITIES – Climate Change Adaptation", MTA continues to monitor and plan for potential climate change impacts on its Transit and Commuter Systems, including the implementation of infrastructure resiliency projects through its capital planning process. On November 7, 2019, MTA joined the United Nations sponsored Science Based Targets initiative ("SBTI") to reduce greenhouse gas emissions in line with the Paris Climate Agreement. Through the SBTI, a joint-partnership between U.N. Global Compact, the World Resources Institute, World Wide Fund for Nature, and CDP, MTA will develop a defined set of emissions reduction targets using the most up-to-date climate science, in an effort to help keep the increase in global temperatures below 2 degrees Celsius this century. MTA is the second government agency in the United States to commit to a science based target to drive down greenhouse gas emissions.

MTA is also committed to reducing its energy consumption. Through Governor Cuomo's BuildSmartNY clean energy initiative, MTA expects to complete more than 75 energy efficiency projects with New York Power Authority by the end of 2020. MTA also plans to achieve a significant emissions reduction by converting its diesel bus fleets to electric, with the current plan calling for MTA to have all electric buses by 2040. This process is well under way highlighted by the inclusion of 500 electric buses in the 2020-2024 Capital Plan.

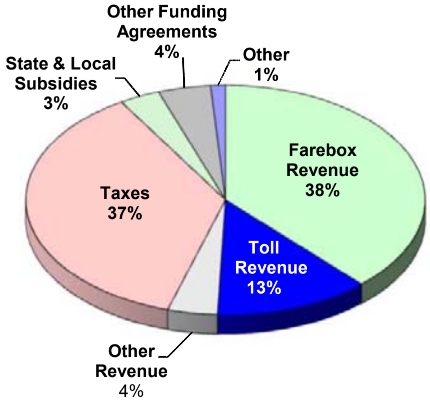
**Attachment A to MTA Annual Disclosure Statement**
**Second Quarterly Update**
**November 22, 2019**

## MTA November Financial Plan

This **Attachment A** to the 2019 Second Quarterly Update sets forth the November Plan in tabular form and includes Financial Plan tables that summarize MTA's November Plan for fiscal year 2018 (actual) and projected receipts and disbursements for fiscal years 2019 through 2023, in each case prepared by MTA management. The complete November Plan is posted on MTA's website (utilize "Go to old site") under "MTA Info – Financial Information – Budget and Financial Statements" at www.mta.info. No statement on MTA's website or any other website is included by specific cross-reference herein.

# MTA 2020 Final Proposed Budget
## Baseline Expenses <u>Before</u> Below-the-Line Adjustments
### Non-Reimbursable

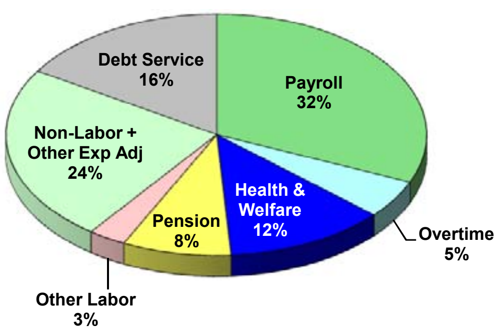
## *Where the Dollars Come From …*



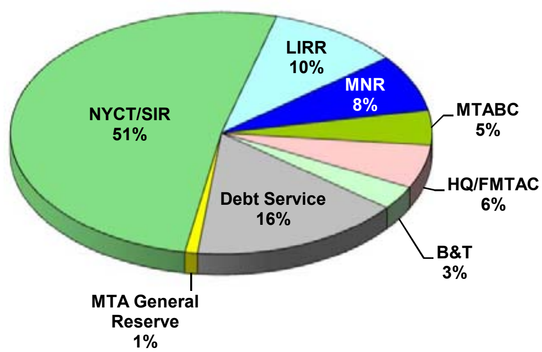

| By Revenue Source ($ in millions) | |
|---|---|
| Farebox Revenue | $6,436 |
| Toll Revenue | 2,118 |
| Other Revenue | 682 |
| Taxes | 6,182 |
| State and Local | 554 |
| Other Funding Agreements | 718 |
| Other [1] | 203 |
| Total [2] | **$16,893** |

## *Where the Dollars Go …*

**By Expense Category**




**By MTA Agency**




| By Expense Category [3] ($ in millions) | |
|---|---|
| Payroll | $5,525 |
| Overtime | 896 |
| Health & Welfare | 2,171 |
| Pension | 1,467 |
| Other Labor | 509 |
| *Total Labor* | *$10,568* |
| Non-Labor + Other Exp Adj | 4,156 |
| Debt Service | 2,837 |
| Total [2] | **$17,561** |

| By MTA Agency [3] ($ in millions) | |
|---|---|
| NYCT/SIR | $9,039 |
| LIRR | 1,775 |
| MNR | 1,341 |
| MTABC | 819 |
| HQ/FMTAC | 1,021 |
| B&T | 560 |
| Debt Service | 2,837 |
| MTA General Reserve | 170 |
| Total [2] | **$17,561** |

[1] *Includes cash adjustments and prior-year carryover.*

[2] *Totals may not add due to rounding.*

[3] *Expenses exclude Depreciation, OPEB Obligation and Environmental Remediation. MTA Capital Construction is not included, as its budget contains reimbursable expenses only.*

***Note: The revenues and expenses reflected in these charts are on an accrued basis and exclude "below-the-line" adjustments that are captured in Volume 1.***

# METROPOLITAN TRANSPORTATION AUTHORITY
## November Financial Plan 2020 - 2023
### MTA Consolidated Accrued Statement of Operations By Category
($ in millions)

| | Actual 2018 | November Forecast 2019 | Final Proposed Budget 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| **Non-Reimbursable** | | | | | | |
| **Operating Revenues** | | | | | | |
| Farebox Revenue | $6,155 | $6,346 | $6,436 | $6,427 | $6,439 | $6,448 |
| Toll Revenue | 1,976 | 2,078 | 2,118 | 2,126 | 2,125 | 2,127 |
| Other Revenue | 643 | 689 | 682 | 708 | 724 | 739 |
| Capital and Other Reimbursements | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Revenues** | **$8,774** | **$9,113** | **$9,237** | **$9,261** | **$9,288** | **$9,314** |
| **Operating Expenses** | | | | | | |
| ***Labor:*** | | | | | | |
| Payroll | $5,211 | $5,334 | $5,525 | $5,610 | $5,744 | $5,833 |
| Overtime | 1,066 | 978 | 896 | 917 | 937 | 959 |
| Health and Welfare | 1,230 | 1,342 | 1,452 | 1,530 | 1,626 | 1,721 |
| OPEB Current Payments | 604 | 655 | 719 | 784 | 856 | 935 |
| Pension | 1,336 | 1,495 | 1,467 | 1,481 | 1,425 | 1,373 |
| Other Fringe Benefits | 881 | 898 | 940 | 986 | 1,027 | 1,062 |
| Reimbursable Overhead | (528) | (490) | (431) | (415) | (417) | (410) |
| ***Total Labor Expenses*** | ***$9,799*** | ***$10,211*** | ***$10,568*** | ***$10,893*** | ***$11,198*** | ***$11,471*** |
| ***Non-Labor:*** | | | | | | |
| Electric Power | $482 | $452 | $481 | $495 | $530 | $559 |
| Fuel | 185 | 176 | 172 | 170 | 169 | 172 |
| Insurance | (29) | 7 | 8 | 12 | 14 | 14 |
| Claims | 438 | 418 | 413 | 403 | 409 | 417 |
| Paratransit Service Contracts | 455 | 488 | 489 | 521 | 550 | 585 |
| Maintenance and Other Operating Contracts | 678 | 815 | 758 | 786 | 781 | 802 |
| Professional Services Contracts | 544 | 588 | 677 | 633 | 582 | 577 |
| Materials and Supplies | 637 | 632 | 676 | 672 | 683 | 689 |
| Other Business Expenses | 221 | 229 | 229 | 217 | 227 | 229 |
| ***Total Non-Labor Expenses*** | ***$3,611*** | ***$3,805*** | ***$3,901*** | ***$3,909*** | ***$3,945*** | ***$4,045*** |
| ***Other Expense Adjustments:*** | | | | | | |
| Other | $129 | $158 | $86 | $41 | $28 | $29 |
| General Reserve | 0 | 165 | 170 | 175 | 180 | 185 |
| ***Total Other Expense Adjustments*** | ***$129*** | ***$323*** | ***$256*** | ***$216*** | ***$208*** | ***$214*** |
| **Total Expenses Before Non-Cash Liability Adjs.** | **$13,539** | **$14,339** | **$14,725** | **$15,019** | **$15,352** | **$15,730** |
| Depreciation | $2,805 | $2,777 | $2,843 | $2,909 | $2,977 | $3,052 |
| GASB 75 OPEB Expense Adjustment | 1,048 | 1,457 | 1,628 | 1,749 | 1,823 | 1,898 |
| GASB 68 Pension Expense Adjustment | (373) | (221) | (272) | (343) | (318) | (242) |
| Environmental Remediation | 106 | 6 | 6 | 6 | 6 | 6 |
| **Total Expenses After Non-Cash Liability Adjs.** | **$17,124** | **$18,359** | **$18,930** | **$19,339** | **$19,840** | **$20,444** |
| Conversion to Cash Basis: Non-Cash Liability Adjs. | ($3,585) | ($4,020) | ($4,205) | ($4,320) | ($4,488) | ($4,714) |
| Debt Service (excludes Service Contract Bonds) | 2,541 | 2,664 | 2,837 | 3,140 | 3,457 | 3,848 |
| **Total Expenses with Debt Service** | **$16,079** | **$17,003** | **$17,561** | **$18,158** | **$18,808** | **$19,578** |
| Dedicated Taxes & State and Local Subsidies | $7,177 | $7,286 | $7,454 | $7,637 | $7,887 | $8,067 |
| **Net Surplus/(Deficit) After Subsidies and Debt Service** | **($128)** | **($603)** | **($871)** | **($1,261)** | **($1,633)** | **($2,197)** |
| Conversion to Cash Basis: GASB Account | $0 | $0 | $0 | $0 | $0 | $0 |
| Conversion to Cash Basis: All Other | 379 | 302 | 60 | 136 | 122 | 170 |
| **Cash Balance Before Prior-Year Carryover** | **$251** | **($301)** | **($811)** | **($1,125)** | **($1,511)** | **($2,027)** |

# METROPOLITAN TRANSPORTATION AUTHORITY
## November Financial Plan 2020 - 2023
### Accrued Statement of Operations by Agency
($ in millions)

| | Actual 2018 | November Forecast 2019 | Final Proposed Budget 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| **Non-Reimbursable** | | | | | | |
| **Total Revenues** | | | | | | |
| New York City Transit | $4,893 | $5,054 | $5,116 | $5,116 | $5,132 | $5,140 |
| Long Island Rail Road | 790 | 813 | 817 | 823 | 831 | 840 |
| Metro-North Railroad | 793 | 825 | 839 | 848 | 848 | 854 |
| MTA Headquarters | 38 | 53 | 54 | 56 | 59 | 59 |
| First Mutual Transportation Assurance Company | 13 | 18 | 18 | 19 | 19 | 20 |
| MTA Bus Company | 240 | 242 | 246 | 246 | 246 | 246 |
| Staten Island Railway | 9 | 9 | 9 | 9 | 9 | 9 |
| Bridges and Tunnels | 2,000 | 2,099 | 2,137 | 2,145 | 2,144 | 2,146 |
| **Total** | **$8,774** | **$9,113** | **$9,237** | **$9,261** | **$9,288** | **$9,314** |
| **Total Expenses before Non-Cash Liability Adjs.*** | | | | | | |
| New York City Transit | $8,516 | $8,936 | $8,977 | $9,189 | $9,454 | $9,737 |
| Long Island Rail Road | 1,491 | 1,545 | 1,775 | 1,856 | 1,892 | 1,961 |
| Metro-North Railroad | 1,335 | 1,342 | 1,341 | 1,357 | 1,387 | 1,416 |
| MTA Headquarters | 739 | 775 | 941 | 944 | 916 | 927 |
| First Mutual Transportation Assurance Company | (12) | (6) | (6) | (15) | (23) | (36) |
| MTA Bus Company | 780 | 832 | 819 | 835 | 865 | 854 |
| Staten Island Railway | 60 | 64 | 62 | 59 | 60 | 61 |
| Bridges and Tunnels | 501 | 527 | 560 | 576 | 593 | 596 |
| Other | 129 | 323 | 256 | 216 | 208 | 214 |
| **Total** | **$13,539** | **$14,339** | **$14,725** | **$15,019** | **$15,352** | **$15,730** |
| **Depreciation** | | | | | | |
| New York City Transit | $1,958 | $1,878 | $1,928 | $1,978 | $2,029 | $2,082 |
| Long Island Rail Road | 362 | 397 | 398 | 402 | 406 | 410 |
| Metro-North Railroad | 230 | 247 | 247 | 247 | 247 | 247 |
| MTA Headquarters | 40 | 37 | 46 | 46 | 46 | 46 |
| First Mutual Transportation Assurance Company | 0 | 0 | 0 | 0 | 0 | 0 |
| MTA Bus Company | 53 | 54 | 54 | 55 | 56 | 56 |
| Staten Island Railway | 12 | 12 | 12 | 12 | 12 | 18 |
| Bridges and Tunnels | 149 | 152 | 159 | 170 | 182 | 194 |
| **Total** | **$2,805** | **$2,777** | **$2,843** | **$2,909** | **$2,977** | **$3,052** |
| **GASB 75 OPEB Expense Adjustment** | | | | | | |
| New York City Transit | $706 | $1,084 | $1,346 | $1,472 | $1,557 | $1,643 |
| Long Island Rail Road | 133 | 100 | 52 | 39 | 21 | 0 |
| Metro-North Railroad | 98 | 94 | 40 | 34 | 27 | 26 |
| MTA Headquarters | 24 | 32 | 49 | 60 | 70 | 79 |
| First Mutual Transportation Assurance Company | 0 | 0 | 0 | 0 | 0 | 0 |
| MTA Bus Company | 42 | 100 | 100 | 100 | 103 | 103 |
| Staten Island Railway | 3 | 8 | 8 | 8 | 8 | 8 |
| Bridges and Tunnels | 41 | 40 | 34 | 36 | 38 | 39 |
| **Total** | **$1,048** | **$1,457** | **$1,628** | **$1,749** | **$1,823** | **$1,898** |
| **GASB 68 Pension Expense Adjustment** | | | | | | |
| New York City Transit | ($335) | ($296) | ($303) | ($309) | ($309) | ($309) |
| Long Island Rail Road | (5) | (14) | (7) | (37) | (29) | 3 |
| Metro-North Railroad | 4 | (4) | 4 | (15) | (6) | 17 |
| MTA Headquarters | (11) | 0 | 2 | (4) | 0 | 8 |
| MTA Bus Company | (14) | 111 | 46 | 36 | 37 | 46 |
| Staten Island Railway | (2) | 1 | 0 | (1) | (1) | (1) |
| Bridges and Tunnels | (9) | (18) | (14) | (13) | (9) | (5) |
| **Total** | **($373)** | **($221)** | **($272)** | **($343)** | **($318)** | **($242)** |
| **Environmental Remediation** | | | | | | |
| New York City Transit | $84 | $0 | $0 | $0 | $0 | $0 |
| Long Island Rail Road | 2 | 2 | 2 | 2 | 2 | 2 |
| Metro-North Railraod | 17 | 4 | 4 | 4 | 4 | 4 |
| MTA Bus Company | 0 | 0 | 0 | 0 | 0 | 0 |
| Staten Island Railway | 2 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **$106** | **$6** | **$6** | **$6** | **$6** | **$6** |
| **Net Surplus/(Deficit)** | | | | | | |
| New York City Transit | ($6,037) | ($6,548) | ($6,831) | ($7,215) | ($7,599) | ($8,013) |
| Long Island Rail Road | (1,193) | (1,217) | (1,403) | (1,439) | (1,461) | (1,536) |
| Metro-North Railroad | (891) | (858) | (796) | (778) | (811) | (856) |
| MTA Headquarters | (754) | (791) | (983) | (989) | (972) | (1,000) |
| First Mutual Transportation Assurance Company | 25 | 24 | 24 | 34 | 42 | 56 |
| MTA Bus Company | (622) | (855) | (774) | (781) | (815) | (813) |
| Staten Island Railway | (65) | (75) | (72) | (68) | (69) | (75) |
| Bridges and Tunnels | 1,317 | 1,397 | 1,398 | 1,375 | 1,341 | 1,322 |
| Other | (129) | (323) | (256) | (216) | (208) | (214) |
| **Total** | **($8,350)** | **($9,245)** | **($9,693)** | **($10,078)** | **($10,551)** | **($11,130)** |

**Note: * Excludes Debt Service**

# METROPOLITAN TRANSPORTATION AUTHORITY
## November Financial Plan 2020 - 2023
### Cash Receipts and Expenditures
($ in millions)

| | Actual 2018 | November Forecast 2019 | Final Proposed Budget 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| **Cash Receipts and Expenditures** | | | | | | |
| **Receipts** | | | | | | |
| Farebox Revenue | $6,207 | $6,341 | $6,437 | $6,427 | $6,439 | $6,448 |
| Other Revenue | 642 | 780 | 733 | 788 | 742 | 759 |
| Capital and Other Reimbursements | 2,554 | 2,379 | 2,271 | 2,114 | 2,049 | 2,024 |
| **Total Receipts** | **$9,403** | **$9,501** | **$9,441** | **$9,329** | **$9,231** | **$9,230** |
| **Expenditures** | | | | | | |
| ***Labor:*** | | | | | | |
| Payroll | $5,742 | $5,887 | $6,116 | $6,132 | $6,254 | $6,330 |
| Overtime | 1,351 | 1,229 | 1,088 | 1,095 | 1,115 | 1,134 |
| Health and Welfare | 1,317 | 1,383 | 1,503 | 1,578 | 1,673 | 1,765 |
| OPEB Current Payments | 601 | 644 | 712 | 776 | 847 | 926 |
| Pension | 1,404 | 1,549 | 1,533 | 1,544 | 1,486 | 1,433 |
| Other Fringe Benefits | 922 | 946 | 968 | 981 | 1,011 | 1,036 |
| Contribution to GASB Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Reimbursable Overhead | 0 | 0 | 0 | 0 | 0 | 0 |
| ***Total Labor Expenditures*** | ***$11,336*** | ***$11,639*** | ***$11,919*** | ***$12,106*** | ***$12,386*** | ***$12,622*** |
| ***Non-Labor:*** | | | | | | |
| Electric Power | $488 | $462 | $489 | $503 | $538 | $567 |
| Fuel | 187 | 173 | 169 | 167 | 166 | 170 |
| Insurance | (37) | 13 | 11 | 11 | 14 | 13 |
| Claims | 316 | 307 | 278 | 268 | 275 | 281 |
| Paratransit Service Contracts | 450 | 486 | 487 | 519 | 548 | 583 |
| Maintenance and Other Operating Contracts | 658 | 846 | 754 | 706 | 679 | 697 |
| Professional Services Contracts | 613 | 692 | 748 | 677 | 623 | 617 |
| Materials and Supplies | 835 | 783 | 845 | 803 | 786 | 793 |
| Other Business Expenses | 196 | 201 | 209 | 186 | 196 | 207 |
| ***Total Non-Labor Expenditures*** | ***$3,707*** | ***$3,962*** | ***$3,991*** | ***$3,842*** | ***$3,826*** | ***$3,929*** |
| ***Other Expenditure Adjustments:*** | | | | | | |
| Other | $105 | $174 | $184 | $185 | $193 | $214 |
| General Reserve | 0 | 165 | 170 | 175 | 180 | 185 |
| ***Total Other Expenditure Adjustments*** | ***$105*** | ***$339*** | ***$354*** | ***$360*** | ***$373*** | ***$399*** |
| **Total Expenditures** | **$15,148** | **$15,940** | **$16,264** | **$16,308** | **$16,586** | **$16,951** |
| **Net Cash Balance Before Subsidies and Debt Service** | **($5,745)** | **($6,439)** | **($6,823)** | **($6,979)** | **($7,355)** | **($7,721)** |
| Dedicated Taxes & State and Local Subsidies | $7,874 | $8,116 | $8,095 | $8,181 | $8,430 | $8,522 |
| Debt Service (excludes Service Contract Bonds) | (1,878) | (1,978) | (2,084) | (2,326) | (2,586) | (2,828) |
| **Cash Balance Before Prior-Year Carryover** | **$251** | **($301)** | **($811)** | **($1,125)** | **($1,511)** | **($2,027)** |

## METROPOLITAN TRANSPORTATION AUTHORITY
### November Financial Plan 2020 - 2023
#### Consolidated Cash Statement of Operations By Agency
($ in millions)

| | Actual 2018 | November Forecast 2019 | Final Proposed Budget 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| **Total Receipts** | | | | | | |
| New York City Transit | $6,389 | $6,406 | $6,322 | $6,276 | $6,251 | $6,252 |
| Long Island Rail Road | 1,286 | 1,232 | 1,184 | 1,164 | 1,172 | 1,162 |
| Metro-North Railroad | 1,116 | 1,183 | 1,203 | 1,155 | 1,125 | 1,126 |
| MTA Headquarters | 306 | 353 | 397 | 399 | 344 | 350 |
| Capital Construction Company | 37 | 39 | 44 | 45 | 46 | 47 |
| First Mutual Transportation Assurance Company | 13 | 18 | 18 | 19 | 19 | 20 |
| MTA Bus Company | 245 | 253 | 257 | 257 | 258 | 258 |
| Staten Island Railway | 12 | 16 | 16 | 15 | 15 | 16 |
| **Total** | **$9,403** | **$9,501** | **$9,441** | **$9,329** | **$9,231** | **$9,230** |
| **Total Expenditures** | | | | | | |
| New York City Transit | $9,687 | $10,029 | $9,992 | $10,107 | $10,351 | $10,624 |
| Long Island Rail Road | 1,983 | 1,965 | 2,156 | 2,215 | 2,248 | 2,297 |
| Metro-North Railroad | 1,667 | 1,779 | 1,831 | 1,697 | 1,688 | 1,714 |
| MTA Headquarters | 926 | 1,034 | 1,171 | 1,134 | 1,084 | 1,087 |
| Capital Construction Company | 37 | 39 | 44 | 45 | 46 | 47 |
| First Mutual Transportation Assurance Company | 13 | 18 | 18 | 19 | 19 | 20 |
| MTA Bus Company | 762 | 827 | 772 | 788 | 818 | 806 |
| Staten Island Railway | 63 | 67 | 68 | 63 | 64 | 65 |
| Other | 11 | 181 | 212 | 241 | 268 | 290 |
| **Total** | **$15,148** | **$15,940** | **$16,264** | **$16,308** | **$16,586** | **$16,951** |
| **Net Operating Surplus/(Deficit)** | | | | | | |
| New York City Transit | ($3,299) | ($3,623) | ($3,670) | ($3,830) | ($4,100) | ($4,373) |
| Long Island Rail Road | (697) | (734) | (971) | (1,051) | (1,076) | (1,135) |
| Metro-North Railroad | (551) | (596) | (628) | (543) | (563) | (588) |
| MTA Headquarters | (620) | (680) | (775) | (735) | (740) | (737) |
| Capital Construction Company | 0 | 0 | 0 | 0 | 0 | 0 |
| First Mutual Transportation Assurance Company | 0 | 0 | 0 | 0 | 0 | 0 |
| MTA Bus Company | (517) | (574) | (515) | (532) | (560) | (549) |
| Staten Island Railway | (51) | (51) | (52) | (47) | (49) | (49) |
| Other | (11) | (181) | (212) | (241) | (268) | (290) |
| **Total** | **($5,745)** | **($6,439)** | **($6,823)** | **($6,979)** | **($7,355)** | **($7,721)** |

## METROPOLITAN TRANSPORTATION AUTHORITY
### November Financial Plan 2020-2023
**MTA Consolidated November Financial Plan Compared with July Financial Plan**
**Cash Reconciliation before Below-the-Line Adjustments**
($ in millions)

| | Favorable/(Unfavorable) | | | | |
|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| **JULY FINANCIAL PLAN 2020-2023 CASH BALANCE BEFORE PRIOR YEAR CARRYOVER** | **($384)** | **($392)** | **($838)** | **($1,133)** | **($1,566)** |
| **Agency Baseline Adjustments** | **$106** | **($222)** | **($75)** | **$9** | **$4** |
| Farebox/Toll Revenue Reforecast | 31 | 44 | 51 | 52 | 51 |
| NYCT & MTA Bus Wage Adjustments | (81) | (31) | (31) | (31) | (31) |
| Rates and Related Assumptions [1] | (44) | (22) | (27) | (22) | (30) |
| NYCT Public Liability & Worker's Compensation | (37) | (27) | (14) | (15) | (15) |
| Paratransit Service Expenses | 7 | (0) | (15) | (15) | (17) |
| Other Baseline Re-estimates (includes Timing) [2] | 230 | (185) | (38) | 41 | 46 |
| **New Needs/Investments** | **($18)** | **($171)** | **($168)** | **($175)** | **($172)** |
| 500 New MTA Police Officers | (1) | (52) | (61) | (64) | (71) |
| Technology Enhancements | - | (52) | (52) | (52) | (42) |
| Maintenance | (3) | (24) | (21) | (26) | (26) |
| Safety and Security [3] | (7) | (10) | (10) | (9) | (9) |
| Other New Needs | (7) | (32) | (25) | (24) | (24) |
| **Savings Programs** | **$25** | **($76)** | **($70)** | **($70)** | **($68)** |
| 2019 BRP Savings (New) | 7 | 9 | 6 | 6 | 6 |
| Adjustments to Prior Period BRPs [4] | (10) | (85) | (76) | (75) | (74) |
| Impact of Hiring Freeze and Additional Savings Actions [5] | 28 | - | - | - | - |
| **Subsidies (Cash)** | **($36)** | **$48** | **$95** | **($19)** | **($17)** |
| Real Estate Taxes | 10 | 34 | 41 | 58 | 61 |
| Payroll Mobility Tax | (38) | (31) | (26) | (25) | (24) |
| Outerborough Transportation Account | (38) | - | - | - | - |
| Less: Assumed Capital or Member Project | 38 | - | - | - | - |
| City Subsidy for MTA Bus | (35) | 45 | 94 | (15) | 28 |
| B&T Surplus Transfer | 20 | 0 | (20) | (46) | (94) |
| Other Subsidies | 7 | (0) | 5 | 9 | 13 |
| **Debt Service** | **$5** | **$1** | **($68)** | **($124)** | **($208)** |
| **NOVEMBER FINANCIAL PLAN 2020-2023 CASH BALANCE BEFORE PRIOR YEAR CARRYOVER** | **($301)** | **($811)** | **($1,125)** | **($1,511)** | **($2,027)** |

*Totals may not add due to rounding*

1 *Includes plan-to-plan rate adjustments for health & welfare (including retirees), pension, energy, etc.*

2 *Changes in this category include updated reimbursable assumptions and adjustments for operating capital and cash. Includes the timing of other operating revenues, wage settlements, maintenance program requirements and reimbursable receipts.While B&T Operating Surplus Transfer is captured as a subsidy, B&T's baseline impacts are captured in individual reconciliation categories in the Agency Baseline Adjustments above; to avoid duplication, the total baseline impacts are eliminated within the line "Other Baseline Re-estimates."*

3 *Includes homeless outreach and additional fare evasion efforts, $40 million of which will be reimbursed from the Manhattan District Attorney office.*

4 *The bulk of these adjustments consist of the elimination of NYCT savings that were also captured within AlixPartners assessment, and the elimination of operations-related BRPs that were proposed solely because of budgetary constraints. Additional below-the-line BRP savings reduce the Adjustments to Prior Period BRPs to $317 million over the Plan period.*

5 *Ongoing savings from hiring freeze on non-essential positions and spending restrictions that were put in place effective 2017.*

## METROPOLITAN TRANSPORTATION AUTHORITY

### November Financial Plan 2020-2023

### Baseline Farebox Recovery and Farebox Operating Ratios

**FAREBOX RECOVERY RATIOS**

| | November Forecast 2019 | Final Proposed Budget 2020 | Plan 2021 | Plan 2022 | Plan 2023 |
|---|---|---|---|---|---|
| New York City Transit | 36.3% | 35.6% | 34.4% | 33.4% | 32.3% |
| Staten Island Railway | 8.8% | 7.9% | 7.8% | 7.3% | 6.6% |
| Long Island Rail Road | 30.4% | 27.6% | 26.5% | 25.7% | 24.8% |
| Metro-North Railroad | 40.8% | 41.2% | 40.9% | 39.7% | 38.4% |
| Bus Company | 20.8% | 22.2% | 21.9% | 21.2% | 21.1% |
| **MTA Total Agency Average** | **34.9%** | **34.1%** | **33.0%** | **32.0%** | **31.0%** |

**FAREBOX OPERATING RATIOS**

| | November Forecast 2019 | Final Proposed Budget 2020 | Plan 2021 | Plan 2022 | Plan 2023 |
|---|---|---|---|---|---|
| New York City Transit | 52.2% | 52.7% | 51.3% | 49.9% | 48.4% |
| Staten Island Railway | 13.3% | 13.4% | 14.1% | 13.8% | 13.7% |
| Long Island Rail Road | 49.4% | 43.4% | 42.0% | 41.7% | 40.7% |
| Metro-North Railroad | 56.1% | 55.8% | 57.9% | 57.5% | 56.5% |
| Bus Company | 28.5% | 29.3% | 28.7% | 27.7% | 28.0% |
| **MTA Total Agency Average** | **50.5%** | **50.1%** | **49.1%** | **47.9%** | **46.7%** |

*Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 20% (and sometimes more) of MTA costs are not recovered in the current year from farebox revenues, other operating revenues or subsidies. That is why MTA operating statements generally show deficits. In addition, the recovery ratio allocates centralized MTA services to the Agencies, such as Security, the costs of the Inspector General, Civil Rights, Audit, Risk Management, Legal and Shared Services.*

*Farebox operating ratio focuses on Agency operating financial performance. It reflects the way MTA meets its statutory and bond-covenant budget-balancing requirements, and it excludes certain costs that are not subject to Agency control, but are provided centrally by MTA.*

*In the agenda materials for the Meeting of the Metro-North and Long Island Committees, the calculations of the farebox operating and recovery ratios for the LIRR and MNR use a revised methodology to put the railroads on a more comparable basis. Those statistics, which are included in the respective financial and ridership reports of both Agencies, differ from the statistics presented in this table.*

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