

**NEW ISSUE**

**BOOK-ENTRY-ONLY**

**\$270,000,000\***

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY  
(MTA BRIDGES AND TUNNELS)  
General Revenue Refunding Bonds, Series 2018B**



**DATED: Date of Delivery**

**DUE: November 15, as shown on inside cover**

The Triborough Bridge and Tunnel Authority's (MTA Bridges and Tunnels) General Revenue Refunding Bonds, Series 2018B (the Series 2018B Bonds) are being issued to (i) refund certain outstanding indebtedness of MTA Bridges and Tunnels, and (ii) pay certain financing, legal and miscellaneous expenses. See "PLAN OF REFUNDING" herein.

The Series 2018B 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 Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., 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 2018B 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 Co-Bond Counsel's opinion, under existing law, interest on the Series 2018B 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 2018B Bonds will bear interest at the rates shown on the inside cover page hereof.

The Series 2018B Bonds are subject to redemption prior to maturity as described herein.

The Series 2018B 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 August 30, 2018.

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 2018B 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.

**Jefferies**

**Blaylock Van, LLC**

BofA Merrill Lynch  
J.P. Morgan

Loop Capital Markets  
RBC Capital Markets

Academy Securities Inc.  
BNY Mellon Capital Markets  
FTN Financial  
Rice Financial Products Company

**Drexel Hamilton, LLC**

Citigroup  
Ramirez & Co., Inc.

Morgan Stanley

Alamo Capital  
Cabrera Capital Markets, LLC  
KeyBanc Capital Markets Inc.  
Stifel

**Stern Brothers & Co.**

Goldman, Sachs & Co.  
Siebert Cisneros Shank & Co., L.L.C.

PNC Capital Markets LLC  
The Williams Capital Group, L.P.

Barclays  
Fidelity Capital Markets  
Raymond James  
TD Securities

August \_\_, 2018

\* Preliminary, subject to change.

This preliminary official statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this preliminary official statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities offered hereby to any person, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. A final official statement with respect to the securities offered hereby will be made available.

**\$270,000,000\***  
**Triborough Bridge and Tunnel Authority**  
**(MTA Bridges and Tunnels)**  
**General Revenue Refunding Bonds, Series 2018B**

<u>Maturity (November 15)*</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP Number<sup>†</sup> (89602R)</u>
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				

The Series 2018B Bonds are subject to redemption, as described under the caption “DESCRIPTION OF SERIES 2018B BONDS – Redemption Prior to Maturity” in **Part I**. The following summarizes the optional redemption provisions: the Series 2018B Bonds are subject to redemption prior to maturity on any date on and after November 15, 2028\*, 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.

---

\* Preliminary, subject to change.

† 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 2018B Bonds. MTA Bridges and Tunnels is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Series 2018B Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2018B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity 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 certain maturities of the Series 2018B 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**

Joseph J. Lhota .....	Chairman
Fernando Ferrer .....	Vice-Chairman
Andrew B. Albert .....	Non-Voting Member
Norman E. Brown.....	Non-Voting Member
Randolph Glucksman .....	Non-Voting Member
Ira R. Greenberg .....	Non-Voting Member
David Jones .....	Member
Susan G. Metzger .....	Member
Charles G. Moerdler .....	Member
Mitchell H. Pally .....	Member
Scott Rechler .....	Member
John Samuelsen .....	Non-Voting Member
Andrew Saul .....	Member
Lawrence Schwartz.....	Member
Vincent Tessitore, Jr. ....	Non-Voting Member
Polly Trottenberg.....	Member
Veronica Vanterpool.....	Member
James Vitiello .....	Member
Peter Ward.....	Member
Carl Weisbrod.....	Member
Carl V. Wortendyke.....	Member
Neal Zuckerman .....	Member

---

Cedrick T. Fulton.....	President
Joseph Keane .....	Vice President and Chief Engineer
M. Margaret Terry, Esq. ....	Senior Vice President and General Counsel
Mildred Chua.....	Vice President and Chief Financial Officer

---

NIXON PEABODY LLP New York, New York	D. SEATON AND ASSOCIATES, P.A., P.C. New York, New York
Co-Bond Counsel	

PUBLIC RESOURCES ADVISORY GROUP, INC. New York, New York	BACKSTROM MCCARLEY BERRY & CO., LLC San Francisco, California
Co-Financial Advisors	

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

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

**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

## SUMMARY OF TERMS

MTA Bridges and Tunnels has prepared this Summary of Terms to describe the specific terms of the Series 2018B 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 Refunding Bonds, Series 2018B (the Series 2018B Bonds).	
Purpose of Issue .....	The Series 2018B Bonds are being issued to (i) refund certain outstanding indebtedness of MTA Bridges and Tunnels, and (ii) to pay certain financing, legal and miscellaneous expenses. See “PLAN OF REFUNDING” in <b>Part I</b> .	
Maturities and Rates .....	The Series 2018B Bonds mature on the dates and bear interest at the rates shown on the inside cover page.	
Denominations .....	\$5,000 and integral multiples of \$5,000 in excess thereof.	
Interest Payment Dates .....	May 15 and November 15, commencing November 15, 2018.	
Redemption.....	See “DESCRIPTION OF SERIES 2018B BONDS – Redemption Prior to Maturity” in <b>Part I</b> .	
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.....	Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York.	
Special Disclosure Counsel.....	Hawkins Delafield & Wood LLP, New York, New York.	
Tax Status .....	See “TAX MATTERS” in <b>Part III</b> .	
Ratings .....	<u>Rating Agency</u>	<u>Rating</u>
	Fitch:	<i>Applied for</i>
	KBRA:	AA
	Moody’s:	Aa3
	S&P:	AA-
	See “RATINGS” in <b>Part III</b> .	
Co-Financial Advisors .....	Public Resources Advisory Group, Inc., New York, New York, and Backstrom McCarley Berry & Co., LLC, San Francisco, California.	
Underwriters .....	See cover page.	
Underwriters’ Discount.....	See “UNDERWRITING” in <b>Part III</b> .	
Counsel to the Underwriters .....	Norton Rose Fulbright US LLP, New York, New York.	
Independent Engineers.....	Stantec Consulting Services Inc., New York, New York.	
Verification Agent .....	The Arbitrage Group, Inc.	

- 
- ***No Unauthorized Offer.*** This official statement is not an offer to sell, or the solicitation of an offer to buy, the Series 2018B 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 2018B 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 2018B 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 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 MTA Bridges and Tunnels' financial statements for the years ended December 31, 2017 and 2016, which is a matter of public record, is included by specific cross-reference in this official statement. Deloitte & Touche LLP has performed a review of the consolidated interim financial information of Metropolitan Transportation Authority (MTA) for the three-month period ended March 31, 2018. 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 three-month period ended March 31, 2018 (except for the auditor's review report accompanying the consolidated interim financial information as described above) which has been included on MTA's website 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 or MTA, including without limitation any of the information contained in this official statement, since the date of such review report and has not been asked to consent to the inclusion, or incorporation by reference, of either its audit or review report in this official statement.
- ***No Guarantee of Information by Underwriters.*** The Underwriters have provided the following sentence for inclusion in this official statement: The Underwriters have reviewed the information in this official statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The Underwriters do not make any representation or warranty, express or implied, as to
  - the accuracy or completeness of information they have neither supplied nor verified,
  - the validity of the Series 2018B Bonds, or
  - the tax-exempt status of the interest on the Series 2018B Bonds.
- ***Overallotment and Stabilization.*** The Underwriters may overallot or effect transactions that stabilize or maintain the market prices of the Series 2018B Bonds at levels above those which might otherwise prevail in the open market. The Underwriters are not obligated to do this and are free to discontinue it at any time.
- ***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 (Rule 15c2-12).
- ***Rule 15c2-12.*** For purposes of compliance with Rule 15c2-12, this preliminary official statement constitutes an official statement of MTA Bridges and Tunnels that has been deemed final by MTA Bridges and Tunnels as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**



## TABLE OF CONTENTS

	<u>Page</u>
SUMMARY OF TERMS .....	iii
INTRODUCTION .....	1
MTA Bridges and Tunnels and Other Related Entities .....	1
Information Provided in the MTA Annual Disclosure Statement .....	2
Where to Find Information .....	2
Anticipated Debt Issuance .....	3
PART I. SERIES 2018B BONDS .....	4
PLAN OF REFUNDING .....	4
DESCRIPTION OF SERIES 2018B BONDS .....	4
General .....	4
Redemption Prior to Maturity .....	5
Debt Service on the Bonds .....	5
PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS .....	7
SOURCES OF PAYMENT .....	7
SECURITY .....	11
Pledge Effected by the MTA Bridges and Tunnels Senior Resolution .....	11
Revenues and Additional MTA Bridges and Tunnels Projects .....	11
Flow of Revenues .....	12
Rate Covenant .....	13
Additional Bonds .....	13
Refunding Bonds .....	14
Parity Debt .....	14
Subordinate Obligations .....	14
PART III. OTHER INFORMATION ABOUT THE SERIES 2018B BONDS .....	15
TAX MATTERS .....	15
General .....	15
The Series 2018B Bonds .....	15
Original Issue Discount and Bond Premium .....	16
Information Reporting and Backup Withholding .....	16
Miscellaneous .....	16
VERIFICATION OF MATHEMATICAL COMPUTATIONS .....	17
BOARD POLICY REGARDING SENIOR LIEN COVERAGE .....	17
LEGALITY FOR INVESTMENT .....	17
LITIGATION .....	18
CO-FINANCIAL ADVISORS .....	18
UNDERWRITING .....	18
RATINGS .....	19
LEGAL MATTERS .....	19
CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12 .....	20
FURTHER INFORMATION .....	21
<b>Attachment 1</b> – Book-Entry-Only System	
<b>Attachment 2</b> – Continuing Disclosure Under SEC Rule 15c2-12	
<b>Attachment 3</b> – Form of Approving Opinions of Co-Bond Counsel	
<b>Attachment 4</b> – Copy of Bringdown Letter of Stantec Consulting Services Inc.	
<b>Attachment 5</b> – Refunded Bonds	
<b>Attachment 6</b> – First Quarterly Update to the ADS, dated August 2, 2018	

**Information Included by Specific Cross-reference.** The following portions of MTA’s 2018 Combined Continuing Disclosure Filings, dated April 30, 2018, as supplemented on June 1, 2018 and on June 28, 2018, and as updated by a First Quarterly Update, dated August 2, 2018, 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 2018B 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, 2017 and 2016

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, 2018, prepared by Stantec Consulting Services Inc.
- MTA’s Unaudited Consolidated Interim Financial Statements as of and for the Three-Month Period Ended March 31, 2018 (except that the auditor’s review report accompanying the interim financial information does not express an opinion on the interim financial information because no audit was performed in connection therewith, and, consequently, the auditor’s review report is not considered a part of this official statement)

For convenience, copies of most of these documents can be found on the MTA website ([www.mta.info](http://www.mta.info)) under the caption “MTA Info–Financial Information–Budget and Financial Statements” in the case of the MTA’s Unaudited Consolidated Interim Financial Statements as of and for the Three-Month Period Ended March 31, 2018 and “MTA Info–Financial Information–Investor Information” in the case of (i) the Audited Consolidated Financial Statements of Triborough Bridge and Tunnel Authority for the Years Ended December 31, 2017 and 2016; (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, 2018, 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**. See **Attachment 4** for a copy of the Bringdown Letter of Stantec Consulting Services Inc., dated August 2, 2018. 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, 2017 and 2016, 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, 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 MTA Bridges and Tunnels’ financial statements for the years ended December 31, 2017 and 2016, which is a matter of public record, is included in such financial statements. The consolidated interim financial information of MTA for the three-month period ended March 31, 2018 (except for the auditor’s review report accompanying the interim financial information as described above), 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 and has not been asked to consent to the inclusion, or incorporation by reference, of its report on the audited financial statements or its review report, as the case may be, in this official statement.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

## 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 empowered 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. With limited exceptions in 2008, 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 2018 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.

<u>Legal Name</u>	<u>Popular Name</u>
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 memorandums 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 2018B Bonds.
- ***Part II*** describes the sources of payment and security for all General Revenue Bonds, including the Series 2018B Bonds.
- ***Part III*** provides miscellaneous information relating to the Series 2018B Bonds.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Series 2018B Bonds.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2018B Bonds.
- ***Attachment 3*** is the form of approving opinions of Co-Bond Counsel in connection with the issuance of the Series 2018B Bonds.
- ***Attachment 4*** sets forth a copy of the Bringdown Letter of Stantec Consulting Services Inc., dated August 2, 2018.
- ***Attachment 5*** sets forth a list of the bonds of MTA Bridges and Tunnels to be refunded.
- ***Attachment 6*** sets forth a copy of First Quarterly Update to the ADS, dated August 2, 2018.

***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 2018B 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 the address on page (i). 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 2018B Bonds, Stantec Consulting Services Inc. prepared a bringdown letter, dated August 2, 2018, of its 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," which is attached hereto as **Attachment 4**.

### **Anticipated Debt Issuance**

In addition to the issuance of the Series 2018B Bonds, MTA Bridges and Tunnels expects to issue approximately \$160,000,000 of its General Revenue Refunding Bonds, Series 2018C (the Series 2018C Bonds) on or about August 30, 2018. The Series 2018C Bonds are expected to mature in the years 2031 through 2038.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

## PART I. SERIES 2018B BONDS

**Part I** of this official statement, together with the Summary of Terms, provides specific information about the Series 2018B Bonds.

### PLAN OF REFUNDING

MTA Bridges and Tunnels anticipates that the proceeds of the Series 2018B Bonds (the principal amount thereof, plus original issue premium of \$ \_\_\_\_\_) in the total amount of \$ \_\_\_\_\_, will be used to (i) refund certain outstanding obligations of MTA Bridges and Tunnels (the Refunded Bonds) in the aggregate principal amount of \$ \_\_\_\_\_, as further described in **Attachment 5** to this official statement, and (ii) pay certain financing, legal and miscellaneous expenses.

Such Series 2018B Bond proceeds in the amount of \$ \_\_\_\_\_, together with certain other funds of MTA Bridges and Tunnels in the amount of \$ \_\_\_\_\_, will be used to acquire direct obligations of, or obligations guaranteed by, the United States of America (the Government Obligations), the principal of and interest on which, when due, will provide, together with any moneys that may be deposited by MTA Bridges and Tunnels with the applicable escrow agents, moneys sufficient to pay the redemption price of the Refunded Bonds, and the interest to become due on the Refunded Bonds, on and prior to their redemption date. The Government Obligations and such other moneys, if any, will be deposited with the applicable escrow agents upon the issuance and delivery of the Series 2018B Bonds and will be held in trust for the payment of the redemption price of and interest on the Refunded Bonds. Upon making such deposits with each escrow agent and the issuance of certain irrevocable instructions to such escrow agents pursuant to the MTA Bridges and Tunnels Senior Resolution and the MTA Bridges and Tunnels Subordinate Resolution, as applicable, the Refunded Bonds will be deemed to have been paid and will no longer be outstanding under the MTA Bridges and Tunnels Senior Resolution and the MTA Bridges and Tunnels Subordinate Resolution, as applicable.

### DESCRIPTION OF SERIES 2018B BONDS

#### General

**Record Date.** The Record Date for the payment of principal of, and interest on, the Series 2018B Bonds shall be the May 1 or November 1 immediately preceding such payment date.

**Book-Entry-Only System.** The Series 2018B 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 2018B Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof (Authorized Denominations). So long as DTC is the registered owner of the Series 2018B Bonds, all payments on the Series 2018B 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.”

**Interest Payments.** The Series 2018B Bonds will bear interest at the rates and mature in the amounts and on the dates shown on the inside cover page of this official statement. Interest on the Series 2018B Bonds will be paid on each May 15 and November 15, commencing on November 15, 2018, 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 2018B Bonds, it will be the sole registered owner of the Series 2018B Bonds, and transfers of ownership interests in the Series 2018B Bonds will occur through the DTC Book-Entry-Only System.



*Trustee.* U.S. Bank Trust National Association, New York, New York, is Trustee and Paying Agent with respect to the Series 2018B Bonds.

### **Redemption Prior to Maturity**

*Optional Redemption.* The Series 2018B Bonds are subject to redemption prior to maturity on any date on and after November 15, 2028\*, 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 2018B Bonds as a whole at the time and at the price and in accordance with the terms upon which the Series 2018B Bonds are otherwise redeemable.

*Redemption Notices.* So long as DTC is the securities depository for the Series 2018B Bonds, the Trustee must mail redemption notices to DTC at least 20 days before the redemption date. If the Series 2018B Bonds are not held in book-entry-only form, then the Trustee must mail redemption notices directly to bondholders within the same time frame. A redemption of the Series 2018B 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 did not receive their notice, and even if that notice had a defect.**

*Redemption Process.* If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2018B Bonds called for redemption will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the affected Series 2018B Bonds, and any other conditions included in such notice have been satisfied, then on the redemption date the Series 2018B Bonds called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Series 2018B Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Series 2018B 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 (other than the Series 2018B Bonds), (ii) the debt service on the Series 2018B Bonds, and (iii) the aggregate debt service on all General Revenue Bonds to be outstanding after the issuance of the Series 2018B Bonds. **Table 1** does not include debt service on outstanding subordinate bonds issued by MTA Bridges and Tunnels.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

---

\* Preliminary, subject to change.

**Table 1**  
**Aggregate Senior Lien Debt Service<sup>(1)</sup>**  
**(\$ in thousands)**

Year Ending December 31,	Debt Service on Outstanding Bonds <sup>(2)(3)(4)</sup>	Debt Service on Series 2018B Bonds			Aggregate Debt Service <sup>(4)</sup>
		Principal	Interest	Total	
2018	\$ 350,686				
2019	569,504				
2020	579,167				
2021	569,039				
2022	564,356				
2023	581,137				
2024	574,776				
2025	574,454				
2026	574,568				
2027	570,841				
2028	575,111				
2029	576,669				
2030	569,919				
2031	577,149				
2032	645,959				
2033	322,626				
2034	314,849				
2035	351,668				
2036	342,689				
2037	343,557				
2038	341,533				
2039	232,065				
2040	184,973				
2041	161,734				
2042	161,733				
2043	143,439				
2044	140,096				
2045	124,674				
2046	120,416				
2047	101,122				
2048	81,870				
2049	13,726				
2050	13,729				
<b>Total</b>	<b>\$11,949,833</b>				

(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 of 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 amounts outstanding as of the date of this preliminary official statement and include debt service on the Refunded Bonds issued under the MTA Bridges and Tunnels Senior Resolution.

## 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 2018B 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),
- Verrazano-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", dated April 30, 2018, and the Bringdown Letter of Stantec Consulting Services Inc., dated August 2, 2018, 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 than the methodologies and assumptions used by MTA Bridges and Tunnels in connection with preparing the 2018 MTA July Financial Plan adopted by the Board of MTA at its July 25, 2018 meeting (the July 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, 2017 and 2016, 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,				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Bridge and Tunnel Revenues:					
Robert F. Kennedy Bridge	\$376,768	\$393,622	\$422,756	\$428,083	\$437,735
Verrazano-Narrows Bridge	352,370	345,466	372,347	393,017	416,312
Bronx Whitestone Bridge	264,174	260,756	294,022	320,486	327,812
Throgs Neck Bridge	291,433	302,110	324,702	335,732	345,556
Henry Hudson Bridge	62,444	64,879	71,388	76,309	84,479
Marine Parkway Gil Hodges Memorial Bridge	16,633	15,578	16,906	17,263	18,182
Cross Bay Veterans' Memorial Bridge	16,840	16,269	17,517	18,431	18,662
Queens Midtown Tunnel	168,982	178,630	182,382	171,121	157,443
Hugh L. Carey Tunnel (formerly Brooklyn-Battery)	95,549	99,135	106,881	109,250	105,677
<b>Total Bridge and Tunnel Revenues:</b>	<b>\$1,645,193</b>	<b>\$1,676,445</b>	<b>\$1,808,901</b>	<b>\$1,869,693</b>	<b>\$1,911,858</b>
Investment Income and Other <sup>(1)</sup>	30,745	35,184	48,551	35,135	20,082
<b>Total Revenues</b>	<b>\$1,675,938</b>	<b>\$1,711,629</b>	<b>\$1,857,452</b>	<b>\$1,904,828</b>	<b>\$1,931,940</b>
Operating Expenses <sup>(2)</sup>					
Personnel Costs	\$220,692	\$238,528	\$226,408	\$250,285	\$254,621
Maintenance and Other Operating Expenses	188,804	205,225	217,658	221,418	241,838
<b>Total Operating Expenses</b>	<b>\$409,496</b>	<b>\$443,753</b>	<b>\$444,066</b>	<b>\$471,703</b>	<b>\$496,459</b>
<b>Net Revenues Available for Debt Service</b>	<b>\$1,266,442</b>	<b>\$1,267,876</b>	<b>\$1,413,386</b>	<b>\$1,433,125</b>	<b>\$1,435,481</b>
<b>MTA Bridges and Tunnels Senior Lien Debt Service</b>	<b>\$460,402</b>	<b>\$470,418</b>	<b>\$484,852</b>	<b>\$513,277</b>	<b>\$536,427</b>
<b>Senior Lien Coverage</b>	<b>2.75x</b>	<b>2.70x</b>	<b>2.92x</b>	<b>2.79x</b>	<b>2.68x</b>

<sup>(1)</sup> 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 \$8.3 million in 2013, \$8.4 million in 2014, \$8.7 million in 2015, \$8.4 million in 2016 and \$8.1 million in 2017. 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 2013 through 2017, respectively (\$ in thousands): \$127, \$121, \$185, \$708, and \$1,824. 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 2013 through 2017.

<sup>(2)</sup> 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 3, 2013, March 22, 2015 and March 19, 2017. Traffic in 2017 was the highest year ever with approximately 310.0 million paid vehicle crossings.
- Operating Expenses - Personnel Costs – The 2013 to 2014 increase in personnel costs was largely the result of additional wage and associated fringe benefit costs primarily stemming from payments for actual union contract settlements retroactive to 2009 and an actuarial adjustment for workers' compensation. The 2015 decrease 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.
- Operating Expenses - Maintenance and Other Operating Expenses – In 2013, the increase in non-labor expenses was primarily due to increases in major maintenance and bridge painting, E-ZPass Customer Service Center costs, E-ZPass tag purchases, and bond service fees. In 2014, the increase in non-labor expenses was primarily due to additional major maintenance and bridge painting costs and increases in property and general liability insurance. 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.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

**Table 3** sets forth certain revenues and expenses, including debt service, relating to MTA Bridges and Tunnels' Mid-Year Forecast 2018 and Preliminary Budget 2019 based on the July Financial Plan, presented to and approved by the Board of MTA Bridges and Tunnels on July 25, 2018. 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 Mid-Year Forecast 2018 and Preliminary Budget 2019, 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  
Mid-Year Forecast 2018 and Preliminary Budget 2019  
(\$ in thousands)**

	<b>Mid-Year Forecast 2018</b>	<b>Preliminary Budget 2019</b>
Total Bridge and Tunnel Revenues	\$1,954,806	\$1,969,219
Investment Income and Other <sup>(1)</sup>	<u>20,176</u>	<u>20,176</u>
<b>Total Revenues</b>	<b><u>\$1,974,983</u></b>	<b><u>\$1,989,396</u></b>
Operating Expenses <sup>(2)</sup>		
Personnel Costs (net of reimbursements) <sup>(3)</sup>	\$260,398	\$275,003
Maintenance and Other Operating Expenses	<u>314,046</u>	<u>313,489</u>
<b>Total Operating Expenses</b>	<b><u>\$574,444</u></b>	<b><u>\$588,492</u></b>
<b>Net Revenues Available for Debt Service<sup>(4)</sup></b>	<b>\$1,400,539</b>	<b>\$1,400,904</b>
<b>MTA Bridges and Tunnels Senior Lien Debt Service<sup>(5)</sup></b>	<b>\$537,286</b>	<b>\$585,026</b>
<b>Senior Lien Coverage</b>	<b>2.61x</b>	<b>2.39x</b>

<sup>(1)</sup> Includes the net revenues from the Battery Parking Garage, as well as E-ZPass administrative fees.

<sup>(2)</sup> Excludes depreciation and other post-employment benefits other than pensions.

<sup>(3)</sup> Includes regular and overtime salaries and fringe annual benefits, less capitalized personnel reimbursements.

<sup>(4)</sup> Numbers may not add due to rounding

<sup>(5)</sup> Debt service is net of the expected receipt of annual Build America Bond interest credit payments of approximately \$8.4 million in 2018 and 2019 each. Such interest credit payments do not constitute pledged revenues under the MTA Bridges and Tunnels Senior Resolution.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

## 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 2018B 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.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

## PART III. OTHER INFORMATION ABOUT THE SERIES 2018B BONDS

**Part III** of this official statement provides miscellaneous additional information relating to the Series 2018B Bonds.

### TAX MATTERS

#### General

Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C. are Co-Bond Counsel for the Series 2018B 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 2018B 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 2018B 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 2018B Bonds are delivered.

#### The Series 2018B Bonds

The Internal Revenue Code of 1986 imposes requirements on the Series 2018B Bonds that MTA Bridges and Tunnels must continue to meet after the Series 2018B Bonds are issued. These requirements generally involve the way that Series 2018B Bond proceeds must be invested and ultimately used and the way that assets financed and refinanced with proceeds of the Series 2018B 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 2018B 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 2018B 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 2018B 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 2018B Bonds or affect the market price of the Series 2018B 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 2018B Bonds, or under State, local or foreign tax law.

### **Original Issue Discount and Bond Premium**

Each maturity of the Series 2018B Bonds will have “original issue discount” if the price first paid by the purchasers of a substantial amount of such Series 2018B Bonds is less than the principal amount of these Series 2018B Bonds. Original issue discount on these Series 2018B Bonds as it accrues is excluded from an Owner’s federal gross income under the Internal Revenue Code of 1986 to the same extent and subject to the same considerations discussed above as interest paid on the Series 2018B Bonds. In addition, original issue discount on these Series 2018B Bonds as it accrues is exempt from personal income taxes of the State and its political subdivisions, including the City. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues an Owner’s tax basis in these Series 2018B Bonds will be increased. If an Owner owns one of these Series 2018B Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

If an Owner purchases a Series 2018B Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Series 2018B 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 2018B Bond will be reduced. The Owner of a Series 2018B 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 2018B Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Series 2018B Bond with bond premium, even though the Series 2018B Bond is sold for an amount less than or equal to the Owner’s original cost. If an Owner owns any Series 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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 2018B Bonds may occur. Prospective purchasers of the Series 2018B Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2018B Bonds. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of issuance of the Series 2018B Bonds may affect the tax status of interest on the Series 2018B Bonds.

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

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The arithmetical accuracy of certain computations was independently verified by The Arbitrage Group, Inc. These computations indicate (i) the sufficiency of the receipts from the Government Obligations together with an initial cash deposit, to pay at early redemption, the principal of and interest on the Refunded Bonds, and (ii) the yields to be considered in determining that the Series 2018B Bonds are not “arbitrage bonds” under Section 148 of the Internal Revenue Code. The Verification Agent relied upon assumptions and information supplied by the financial advisor on behalf of MTA Bridges and Tunnels and has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the debt service requirements of the Refunded Bonds will be satisfied as described in its report.

### **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 2018B 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 2018B 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 Backstrom McCarley Berry & Co., LLC are MTA Bridges and Tunnels’ Co-Financial Advisors for the Series 2018B Bonds. The Co-Financial Advisors have provided MTA Bridges and Tunnels advice on the plan of refunding and reviewed the pricing of the Series 2018B 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**

The Underwriters for the Series 2018B Bonds, acting through Jefferies LLC, as Representative, have agreed, subject to certain conditions, to purchase from MTA Bridges and Tunnels the Series 2018B Bonds described on the inside cover page of this official statement at an aggregate purchase price of \$ \_\_\_\_\_, reflecting an original issue premium of \$ \_\_\_\_\_ and an underwriters’ discount of \$ \_\_\_\_\_ and to reoffer such Series 2018B Bonds at the public offering prices or yields set forth on the inside cover page.

The Series 2018B Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2018B Bonds into investment trusts) at prices lower or yields higher than such public offering prices or yields and prices or yields may be changed, from time to time, by the Underwriters.

The Underwriters’ obligations to purchase the Series 2018B Bonds are subject to certain conditions precedent, and they will be obligated to purchase all such Series 2018B Bonds if any Series 2018B Bonds are purchased.

Two Underwriters, PNC Capital Markets LLC and The Williams Capital Group, L.P., have entered into a joint-venture arrangement. Such joint-venture arrangement provides for sharing of Underwriters’ discount in connection with orders for the Series 2018B Bonds.

In addition, certain of the Underwriters have 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 2018B Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service 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. Certain of the Underwriters and their respective 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 Underwriters and their respective 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 account 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 Underwriters and their respective 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 assigned to the Series 2018B 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 33 Whitehall Street New York, New York 10004 (212) 908-0500	Kroll Bond Ratings Agency 845 Third Avenue New York, New York 10022 (212) 702-0707
Moody's Investors Service, Inc. 7 World Trade Center New York, New York 10007 (212) 553-0300	S&P Global Ratings 55 Water Street New York, New York 10041 (212) 438-2000

MTA Bridges and Tunnels has furnished information to each rating agency rating the Series 2018B 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 2018B Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2018B Bonds.

## LEGAL MATTERS

All legal proceedings in connection with the issuance of the bonds being offered are subject to the approval of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel to MTA Bridges and Tunnels. The form of the opinions of Co-Bond Counsel is **Attachment 3** to this official statement.

The Underwriters have appointed Norton Rose Fulbright US LLP as Counsel to the Underwriters in connection with the underwriting of the Series 2018B Bonds, which firm will pass on certain legal matters.

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; and
- appointment of a successor or additional trustee or the change in name of a trustee, if material.

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.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**



## **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: \_\_\_\_\_  
Patrick J. McCoy  
Director, Finance  
Metropolitan Transportation Authority and  
Authorized Officer  
Triborough Bridge and Tunnel Authority  
(MTA Bridges and Tunnels)

**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

## ATTACHMENT 1

### BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Series 2018B Bonds. The Series 2018B 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 2018B Bond will be issued for each maturity of the Series 2018B 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 2018B 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](http://www.dtcc.com).

3. Purchases of Series 2018B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018B Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018B 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 2018B 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 2018B Bonds, except in the event that use of the book-entry-only system for the Series 2018B Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2018B 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 2018B 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 2018B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018B 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 2018B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018B Bond documents. For example, Beneficial Owners of the Series 2018B Bonds may wish to ascertain that the nominee holding the Series 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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, 2018 (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 2018B 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, 2018, 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 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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.

**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**



ATTACHMENT 3

FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

**Upon delivery of the Series 2018B Bonds in definitive form, each of Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., 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 \$\_\_\_\_\_ aggregate principal amount of Triborough Bridge and Tunnel Authority General Revenue Refunding Bonds, Series 2018B (the “Series 2018B 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 2018B 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 13, 2017 (collectively, the “Resolution”).

The Series 2018B 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 2018B Bonds in order that interest on the Series 2018B 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 2018B Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2018B 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 2018B 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 2018B 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 2018B 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 2018B 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.

A portion of the proceeds of the Series 2018B Bonds is being used to refund certain of the Outstanding Obligations of TBTA issued pursuant to the Resolution (the "Senior Refunded Bonds") and certain of the Outstanding Obligations of TBTA (the "Subordinate Refunded Bonds", and together with the Senior Refunded Bonds, the "Refunded Bonds") issued pursuant to a resolution adopted by the members of TBTA on March 26, 2002 entitled "2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations" (the "Subordinate Resolution"). The Refunded Bonds are as described in the hereinafter defined Escrow Agreements as being refunded with proceeds of the Series 2018B Bonds. Portions of the proceeds of the Series 2018B Bonds, together with any other amounts made available by TBTA (the "Defeasance Deposit"), have been used to purchase direct obligations of, or obligations guaranteed by, the United States of America in an aggregate amount sufficient, together with any amounts held uninvested, to pay when due the principal or applicable redemption price of and interest due and to become due on the Refunded Bonds, respectively (the "Defeasance Requirement"). The Defeasance Deposit is being held in trust under escrow agreements, dated the date hereof (the "Escrow Agreements"), by and between TBTA and the respective escrow agents thereunder. TBTA has given the applicable trustee, in form satisfactory to it, irrevocable instructions to give notice in accordance with the Resolution or the Subordinate Resolution, as applicable, of the redemption of the Refunded Bonds and the deposit of the Defeasance Deposit. The Arbitrage Group, Inc. has prepared a report stating that it has reviewed the accuracy of the mathematical computations of the adequacy of the Defeasance Deposit, as invested, to pay in full the Defeasance Requirement when due. We have undertaken no independent verification of the adequacy of the Defeasance Deposit.

We have also examined one of said Series 2018B Bonds as executed and, in our opinion, the form of said Series 2018B 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 2018B 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 2018B 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 2018B Bonds.
4. The Series 2018B 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 2018B Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2018B 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 2018B Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

7. The Escrow Agreements have been duly authorized, executed and delivered by TBTA and, assuming the due authorization, execution and delivery by the other parties thereto, are valid and binding obligations of TBTA, enforceable in accordance with their terms. The Refunded Bonds have been paid within the meaning and with the effect expressed in the Resolution and the Subordinate Resolution, respectively, and the covenants, agreements and other obligations of TBTA to the holders of the Refunded Bonds have been discharged and satisfied.

The opinions expressed in paragraphs 2, 3 and 7 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 2018B 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 2018B 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 2018B 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 2018B 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,

**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

**ATTACHMENT 4**

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

**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**



**Stantec Consulting Services Inc.**  
475 Fifth Avenue, 12<sup>th</sup> Floor  
New York, NY 10017-7239  
Tel: (212) 366-5600  
Fax: (212) 366-5629

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

August 2, 2018  
Triborough Bridge and Tunnel Authority  
Triborough Station, Box 35  
New York, New York 10035

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, 2018 (the "Report") was reviewed in connection with, and included by specific reference in the Preliminary Official Statement dated August 2, 2018 of the Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels) General Revenue Refunding Bonds, Series 2018B and is expected to be included by specific reference in the Preliminary General Revenue Refunding Bonds, Series 2018C, expected to be dated August 15, 2018. Data available through May 2018 indicate that the traffic and revenue forecasts for 2018 presented in the Report continue to be valid.

In the Report, Stantec estimated total 2018 traffic on the MTA Bridges and Tunnels at 314,202,000 vehicles, an increase of 1.4 percent when compared to 2017. The estimated increase in traffic is primarily due to continued economic improvement and sustained lower gasoline prices. Preliminary data through May 2018 are now available and indicate that traffic volumes for the first five months of 2018 are 4.2 percent greater than the comparable period in 2017.

With regard to toll revenues, the estimates in the April 2018 Report anticipated toll revenues of \$1,942.0 million for 2018, an increase of 1.6 percent compared to 2017. Preliminary data through May 2018 indicate that toll revenues are 3.9 percent greater than the same period for 2017.

At the present time, Stantec has not revised its forecast of traffic volumes and toll revenues for 2018 and following years since the forecast of traffic volumes and revenues for 2018 continues to be valid in light of actual performance through May.



**Traffic Volumes**

Stantec’s development of traffic and toll revenue estimates for 2018 took into account the revised toll rates implemented March 19, 2017, the economic condition of the region, fuel prices, unusual weather events, and construction projects, among other factors. Estimated toll traffic for 2018 in the Report were based on actual performance through March and anticipated traffic volumes for the April – 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 2013 and 2015 toll increases, as well as trends at MTA Bridges and Tunnels facilities, Port Authority of New York and New Jersey facilities, and at competing toll-free East River crossings. A shift of traffic from Tolls by Mail to E-ZPass tolls was also included in the forecasts since the differential between the E-ZPass and Tolls by Mail rates increased, making E-ZPass more attractive.

Actual traffic for January through March (the period available at the time of the Report) and for April through May (the period for which actual data are now available) are compared to actual results for 2017 in the following table. At the time of the Report, actual traffic was 3.6 percent greater than the same period in 2017; this was attributed to continued growth of the economy and sustained favorable gasoline prices. It was estimated that the base traffic levels for the last nine months of 2018 would increase at an average rate of 0.7 percent. For the full year, traffic was projected to increase 1.4 percent. As shown in the table, traffic through May 2018 is 4.2 percent greater than the same period in 2017. Traffic for the April through May period is 5.1 percent greater than the same period in 2017; this is 4.4 percent above the average of 0.7 percent that Stantec has projected for the remainder of the year. Stronger than forecasted transaction growth at the Hugh L. Carey and Queens-Midtown Tunnels, where post Superstorm Sandy construction was recently completed, has helped drive high transaction growth on the system.

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	2017	2018	Percent Change
January - March	69,669,037	72,148,997	3.6%
April - May	52,072,580	54,744,377	5.1%
Total 5 Months	121,741,617	126,893,374	4.2%

Actual 2017 v. Forecast 2018 (Full Year)	309,997,000	314,202,000	1.4%
Actual 2017 v. Forecast 2018 (January-May)	121,741,617	124,594,228	2.3%





## Toll Rates

The toll schedule implemented in March 2017 included an increase of approximately 4 percent for E-ZPass tolls and 6 percent for Tolls by Mail at the major and minor crossings and the Verrazano-Narrows Bridge. (Note: E-ZPass charges apply to New York Customer Service Center [NYCSC] transponders only; customers of other Customer Service Centers within and outside New York State are charged the cash toll and any motorist, regardless of residence, can obtain a NYCSC transponder.) The E-ZPass toll at the Henry Hudson Bridge increased approximately 4 percent and the Tolls by Mail rate is approximately 9 percent greater than the former rate. As a result of the March 2017 increase, the difference between E-ZPass and Tolls by Mail rates increased from \$2.46 to \$2.74 at the major crossings and the Verrazano-Narrows Bridge and from \$1.92 to \$2.09 at the minor crossings. At the Henry Hudson Bridge, the difference between the E-ZPass and Tolls by Mail rates increased from \$2.96 to \$3.36. The passenger car toll rates before and after the March 2017 toll increase are shown in the following table.

**Passenger Car Tolls before and after March 19, 2017 Toll Increase**

Facility	Prior to March 19, 2017			March 19, 2017 and after			Percent Change	
	Tolls by Mail	E-ZPass(1)	Difference	Tolls by Mail	E-ZPass(1)	Difference	Tolls by Mail	E-ZPass(1)
Verrazano-Narrows <sup>(2)</sup> , RFK, Bronx-Whitestone, and Throgs Neck bridges; Queens-Midtown and Hugh L. Carey tunnels	\$8.00	\$5.54	\$2.46	\$8.50	\$5.76	\$2.74	6.3%	4.0%
Marine Parkway and Cross Bay bridges	\$4.00	\$2.08	\$1.92	\$4.25	\$2.16	\$2.09	6.3%	3.8%
Henry Hudson Bridge	\$5.50	\$2.54	\$2.96	\$6.00	\$2.64	\$3.36	9.1%	3.9%

Notes: <sup>(1)</sup> 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.

<sup>(2)</sup> Under the Verrazano-Narrows one-way crossing charge collection program, all per crossing charges shown should be doubled; toll is collected in the westbound direction only.

Actual data indicate that the average toll for the first five months of 2018 is \$6.11. Stantec had estimated a rate of \$6.18 for the year. Total E-ZPass penetration rates exceed our forecast, which has resulted in a lower than forecasted average toll rate.

## Toll Revenue

Estimated toll revenues for 2018 in the Report were based on actual performance through March, anticipated traffic volumes for the April – December period, and current toll rates (implemented March 2017). Actual toll revenues for January through March (the period available at the time of the Report) and for April through May (the period for which actual data are now available) are compared to the results for 2017 in the following table. For the Report, it was estimated that toll revenue for the full year would increase 1.6 percent; however, as shown in the table, toll revenue has increased 3.9 percent through May 2018. As outlined above, higher than forecasted transaction growth has outpaced the lower than forecasted average toll rate, leading to higher actual revenues than forecasted. The forecast of revenues, while conservative, continues to be valid.



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

Time Period	2017	2018	Percent Change
January - March	\$421,671,942	\$441,113,356	4.6%
April - May	\$325,001,863	\$334,637,840	3.0%
Total 5 Months	\$746,673,805	\$775,751,196	3.9%

Actual 2017 v. Forecast 2018 (Full Year)	\$ 1,911,857,000	\$ 1,941,982,000	1.6%
Actual 2017 v. Forecast 2018 (January-May)	\$746,673,805	\$768,417,627	2.9%

\* \* \* \* \*

At the present time, Stantec has not revised its forecast of toll revenues for 2018 and following years since the forecast for 2018 contained in the Report, while conservative, continues to be valid in light of actual performance through May. Please note that, within the context of the above 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 (MTA Bridges and Tunnels) General Revenue Refunding Bonds, Series 2018B and General Revenue Refunding Bonds, Series 2018C.

Very truly yours,

**STANTEC CONSULTING SERVICES INC.**

---

Steve Abendschein, PE  
Senior Principal

**ATTACHMENT 5**

**REFUNDED BONDS**

The following table provides information regarding the Refunded Bonds. The Outstanding Bonds shown below are being refunded. The refunding is contingent upon the delivery of the Series 2018B Bonds.

<u>Series</u>	<u>Dated Date</u>	<u>Refunded Par Amount</u>	<u>Remaining Outstanding Par Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>Original CUSIP Number*</u>	<u>Pre-Refunded CUSIP Number*</u>	<u>Unrefunded CUSIP Number*</u>
---------------	-----------------------	--------------------------------	---	---------------------------	--------------------------	----------------------------	-----------------------------	---------------------------------------	---	---

---

\* 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 Refunded Bonds. MTA Bridges and Tunnels is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Refunded Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity 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 certain maturities of the Refunded Bonds.

**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

**ATTACHMENT 6**

**FIRST QUARTERLY UPDATE TO THE ADS**

**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

**MTA ANNUAL DISCLOSURE STATEMENT UPDATE**  
**(2018 First Quarterly Update)**  
**August 2, 2018**

This Metropolitan Transportation Authority (“MTA”) Annual Disclosure Statement Update (including Attachment A hereto, the “First Quarterly Update”) is dated August 2, 2018, is the first quarterly update to the Annual Disclosure Statement (the “ADS”) of MTA, dated April 30, 2018, as supplemented June 1, 2018, and contains information only through its date. MTA expects to file this First 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 July Plan hereinafter referred to, is also posted on the MTA website under “MTA Info – Financial Information – Budget and Financial Statements” at [www.mta.info](http://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 First 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 First 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 First Quarterly Update.

**MTA ANNUAL DISCLOSURE STATEMENT UPDATE**  
**(2018 First Quarterly Update)**  
**August 2, 2018**

**Introduction**

This update, dated August 2, 2018 (the “First Quarterly Update”), is the first quarterly update to the Annual Disclosure Statement (the “ADS”) of the Metropolitan Transportation Authority (“MTA”), dated April 30, 2018, as supplemented June 1, 2018. This First Quarterly Update contains information only through August 2, 2018, 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 First Quarterly Update, readers will find:

1. A summary of recent events and changes to MTA’s 2018-2021 Financial Plan released by MTA in February 2018 (the “February Plan”), made since the date of the ADS, to reflect provisions of the 2018 MTA July Financial Plan presented to the MTA Board on July 25, 2018 (the “July Plan”). The complete July Plan is posted on MTA’s website under “MTA Info – Financial Information – Budget and Financial Statements” at [www.mta.info](http://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 July Plan includes revised February Plan projections for fiscal years 2018 through 2021, with additional projections for 2022.
2. **Attachment A** to this First Quarterly Update, which presents the July Plan in tabular form and includes Financial Plan tables that summarize MTA’s July Plan for fiscal year 2017 (actual) and projected receipts and expenditures for fiscal years 2018 through 2022, in each case prepared by MTA management.

The July Plan includes the 2018 Mid-Year Forecast, the 2019 Preliminary Budget and a Financial Plan for the years 2019-2022. Since 2010, MTA’s financial plans have included MTA management initiatives to achieve recurring cost reductions, to moderate the amount of revenues needed from biennial fare and toll increases and governmental subsidies, and to provide funding for the capital program and enhanced maintenance.

As discussed below in further detail, the July Plan includes significant additional investments to address maintenance and operational requirements. Despite projected biennial fare and toll increases that generate a 4% net increase in farebox and toll revenue, increased savings targets and favorable re-estimates, the July Plan continues to project significant out-year deficits in years 2020 through 2022. As stated previously in both the 2017 November Plan and the February Plan, MTA continues to require a new source of sustainable revenue to cover operating and capital costs.

**The February Plan**

The February Plan projected break-even cash balances through 2019 with deficits of \$403 million in 2020 and \$602 million in 2021. The February Plan was based on three key inter-related



elements: (i) fare and toll price increases that net 4% in both 2019 and 2021; (ii) annually recurring cost reduction and containment targets that will increase the level of annual savings to \$2.3 billion per year by 2021; and (iii) support for \$100 million in additional funding needed for the amended Capital Program.

The February Plan reflected significant changes occurring during the preceding year. MTA's finances were adversely impacted by reductions in real estate transaction tax revenues of approximately \$200 million per year, lower farebox revenue of about \$100 million per year, and reduced Metropolitan Mass Transportation Operating Assistance ("MMTOA") funding averaging over \$130 million per year. The February Plan also reflected the inclusion of funding for half the operating and capital costs for the Subway Action Plan proposed in Governor Cuomo's State Fiscal Year 2018-2019 Executive Budget and a corresponding "phase-in" of the Subway Action Plan, prioritizing the elements most critical to reducing incidents and delays on the subway system, and improving service reliability. Debt service savings, including the drawdown of cash balances in lieu of issuing bonds, totaled \$413 million over the February Plan period. The February Plan also relied on one-time drawdowns of the \$155 million MTA 2017 General Reserve and \$149 million from the MTA GASB Fund.

### **Changes Since the February Plan**

In April, the approved New York 2018-2019 State Budget committed both the State and City to equally cover the costs of the Subway Action Plan, enabling the Subway Action Plan to be restored to its originally intended \$836 million level (\$508 million of which is operating-funded; \$324 million is capital). This action will reimburse MTA for funds already used to advance the Subway Action Plan, as well as to cover the cost of the remaining Subway Action Plan through the end of 2018.

Additionally, State legislation also established a surcharge on For-Hire Vehicle ("FHV") trips that begin, end or pass through a congestion zone in Manhattan south of 96<sup>th</sup> Street, starting in 2019. The surcharge is anticipated to provide MTA with \$342 million in 2019, \$301 million in 2020, and \$300 million annually thereafter to maintain the operational goals started with the Subway Action Plan. Another \$50 million is earmarked for outer borough transportation projects, and any remaining funds from the surcharge – currently estimated to be \$23 million in 2019 and \$85 million per year thereafter – will be distributed directly to MTA. As a result, the net impact is projected to be favorable to MTA by \$365 million in 2019 and \$385 million per year starting in 2020.

Other changes from the February Plan include:

#### Changes and re-estimates improving financial results over the July Plan period:

- Higher MMTOA and PBT receipt projections (\$141 million);
- Higher MTA Bridges and Tunnels toll revenue projections (\$138 million);
- Lower energy costs (\$137 million);
- Lower pension expenses (\$75 million); and
- Higher real estate subsidy projections (\$74 million).

Changes and re-estimates worsening financial results over the July Plan period:

- Lower passenger revenue projections (\$376 million).

Over 90% of projected lower passenger revenue is attributable to MTA New York City Transit operations. Increased fare evasion on buses, planned subway service changes to accommodate construction and maintenance/repair work, increase in FHV's, and increases in telecommuting and the use of e-commerce have all adversely impacted projected utilization levels.

In total, changes and re-estimates, including the above, are \$239 million favorable for the July Plan period. A reconciliation of Plan-to-Plan changes can be found in **Attachment A** to this First Quarterly Update.

**Highlights of the July Plan**

The July Plan continues to follow the approach reflected in earlier plans, including investments of \$1.5 billion to improve Related Entity service and reliability. Those investments include:

*Investments in Related Entity "Action Plans".* The July Plan provides for targeted investments of \$1 billion over the July Plan period to address agency-specific concerns in a comprehensive manner. In addition to the fully funded Subway Action Plan, the July Plan includes:

- The MTA Long Island Rail Road "Forward" Plan (\$132 million over the July Plan period), which upgrades various switches and 370 track circuits; installs high visibility safety delineators at 296 grade crossings; clears 180 miles of overgrown vegetation along the right-of-way; installs 60 snow switches, 14 third-rail heaters, 80 utility poles and countdown clocks; replaces key M7 railcar door components; and augments station and car cleaning;
- "Bus Plans" at MTA New York City Transit and MTA Bus (\$52 million in total for the two bus plans over the July Plan period), for a redesign of the bus network and maps; pilot an increase in off-peak service frequency; increase bus lanes and enforcement cameras; upgrade security and technology; evaluate the feasibility of transitioning to a zero-emissions fleet; and
- MTA Metro-North Railroad "Way Ahead" (\$56 million over the July Plan period), which installs an energy storage system between Chappaqua and Mt. Kisco; replaces/repairs Upper Harlem Line transmission poles; installs Help Point commuter assistance kiosks; augments security camera surveillance and countdown clocks; and, replaces center-door fleet seats and vestibule floors.

*Additional Maintenance and Operations Investments.* Another \$208 million over the July Plan period will be invested in additional maintenance and operating needs, including:

- At MTA New York City Transit, providing appropriate resources for weather-related overtime and improve the reliability and frequency of service in response to ridership trends, operating conditions and maintenance requirements;

- At MTA Long Island Rail Road, advance implementation of the Lifecycle Asset Maintenance Plan for the evaluation and replacement of critical railcar components, investment in elements of the M7 railcar propulsion systems, installation of positive train control on the M3 railcars, maintain rolling-stock modification schedules, and other operational requirements;
- At MTA Metro-North Railroad, support FRA-mandated testing and service protection requirements, establish a provision to address post-storm tree removal needs, rehabilitate the Brewster maintenance yard, and other operational requirements; and
- At MTA Headquarters, increase police and homeless outreach support by the MTA Police, and cover maintenance cost increases for the operation of the Gowanus Expressway high-occupancy vehicle lanes.

*IT New Needs in Support of Operations.* Over the July Plan period, \$183 million is allocated to implement, maintain and replace critical IT systems:

- Replace equipment that enables MTA Long Island Rail Road and MTA Metro-North Railroad to securely access IT systems and files remotely;
- Establish an MTA-wide application to support the efficient administration of Workers Compensation claims processing;
- Review of numerous IT initiatives, including the Transit Wireless Lease;
- Replacement and addition of iPads for MTA New York City Transit and MTA Bus dispatchers using the BusTrek mobile application to manage bus service; and
- Provide resiliency for New Fare Payment System Data Centers for all the Related Entities and support for MTA-wide Cyber Security and Threat Intelligence Operations.

*Maintain projected fare/toll increases to net 4% in 2019 and 2021.* The July 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 5.3% and 4.7% in 2019 and 2021, respectively. Consistent with recent financial plans, a March 1st implementation is assumed for both the 2019 and 2021 increases. The annualized yield of these increases is projected to be \$321 million and \$334 million, respectively.

*Increase annual savings targets.* The February Plan required the Related Entities to identify annually recurring savings of \$214 million beginning in 2018; larger targets would remain for the following years. The Related Entities have identified recurring savings of that value, falling slightly short in 2018. Remaining targets to be identified from the February Plan targets are \$25 million in 2018, \$99 million in 2019, \$175 million in 2020 and \$206 million for 2021. The July Plan maintains these targets, and includes additional one-time targets of \$50 million in 2018 and \$100 million in 2019, as well an additional recurring savings target of \$130 million a year beginning in 2019.

The July Plan savings are captured in a myriad of areas, including restricting hiring to only essential positions, along with tighter controls on spending not required to meet operational needs,

and additional savings from paratransit, maintenance and IT. Major savings initiatives in the July Plan include:

MTA New York City Transit (\$562 million over the July Plan period):

- Elimination of non-essential vacant positions, re-engineer positions to maximize productivity and control staff additions, and restricting hiring to essential operating positions;
- Efficiencies in administering Paratransit Service - revised ridership growth and increased utilization of low-cost usage of voucher, taxi and e-hail car service, reduce rates and reliance on third-party carriers, and reduced fleet and related injury insurance;
- Efficiencies in maintenance material/operating needs, including procured services - main areas of savings include automation of track and corridor inspections using geometry cars, improved fleet reliability, extend shop program cycles for selected railcars, and efficiencies in cleaning at terminals, stations, and depots; and
- Tighter control and prioritization of spending - main areas of savings include stationery, training and dues, subscriptions, test fees, and reduced material usage.

MTA Bus (\$24 million over the July Plan period):

- Tighter control and prioritization of spending - main areas of savings include re-estimate of non-payroll needs based on trend analysis, and efficiencies in operations, including depot maintenance work.

MTA Long Island Rail Road (\$134 million over the July Plan period):

- Reduced maintenance material/operating needs - main areas of savings include lower M3 railcar reliability-centered maintenance funding with the fleet retiring at end of 2018, reduce running repair material based on current run-rate, and lower material needs due to significant capital investments; and
- Tighter control and prioritization of spending - reduce spending in non-payroll expense categories.

MTA Bridges and Tunnels (\$101 million over the July Plan period):

- Open Road Tolling and increased E-ZPass usage - additional efficiency savings, reflecting lower back-office costs for administering the Tolls-by-Mail Program and reduced toll collection costs.

MTA Metro-North Railroad (\$89 million over the July Plan period):

- Tighter control and prioritization of spending - savings include improved scheduling of Ticket Vending Machine armored car service, outside training, advertising/marketing, various professional service expenses, rolled ticket stock, non-capital equipment purchases, travel and membership and dues, rubbish removal,

environmental waste removal and various maintenance contracts, and communications and signal equipment; and

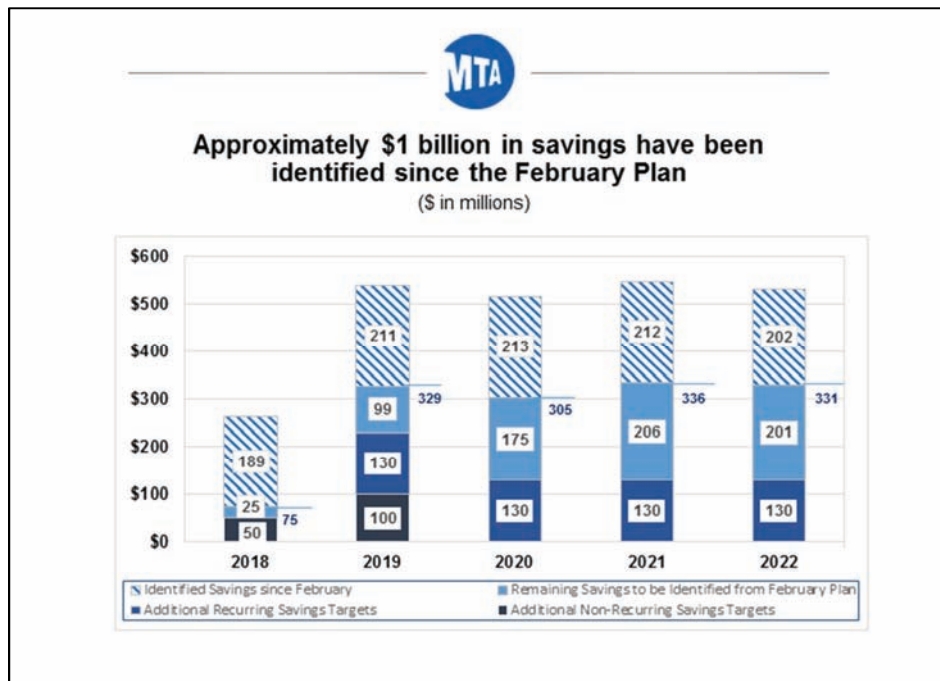
- Reduced maintenance material/operating needs - savings include reimbursable work performed by the Maintenance-of-Way division will begin being charged to the Capital Program, reduce engineering services for the Grand Central Terminal Trainshed Inspection Program, and more efficient “COT&S” (clean, oil, test and stencil) maintenance on the M8 railcar fleet.

MTA Headquarters (\$87 million over the July Plan period):

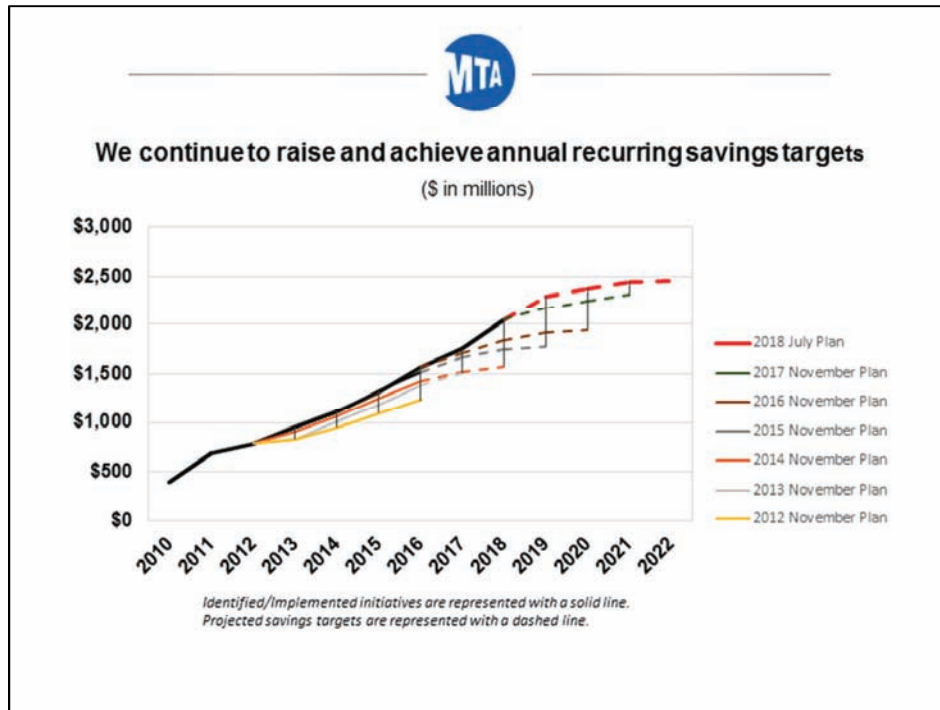
- Tighter control of procured services and prioritization of non-payroll spending - main areas of savings include professional services (mainly MTA IT), re-assess needs for MTA-wide sleep apnea testing, and reduced spending in stationery, training and test fees, and dues and subscriptions.

*Board Working Group Initiatives.* In an effort to identify possible future initiatives to reduce capital costs and improve service and operational efficiencies, in December 2017 the MTA Board formed five working groups to take a new and intense look at areas of persistent challenge: Construction Costs; Procurement Reform; Paratransit/Access-a-Ride; Subway/Railroad Accessibility; and, Implementation of Positive Train Control. As results from these working groups are reported back to the MTA Board, implemented actions resulting in cost savings and efficiencies will be captured in future financial plans.

As shown on the following bar chart, \$1 billion in savings initiatives have been implemented or identified, leaving approximately \$329 million in 2019 targeted savings still to be identified.



The chart below identifies MTA’s management’s cost reduction/containment targets for the current and prior financial plans. Since 2010, MTA has implemented initiatives with annualized savings of \$2.0 billion. These programs, when combined with the additional targets from February and July are projected to result in annual savings of \$2.5 billion by 2022.

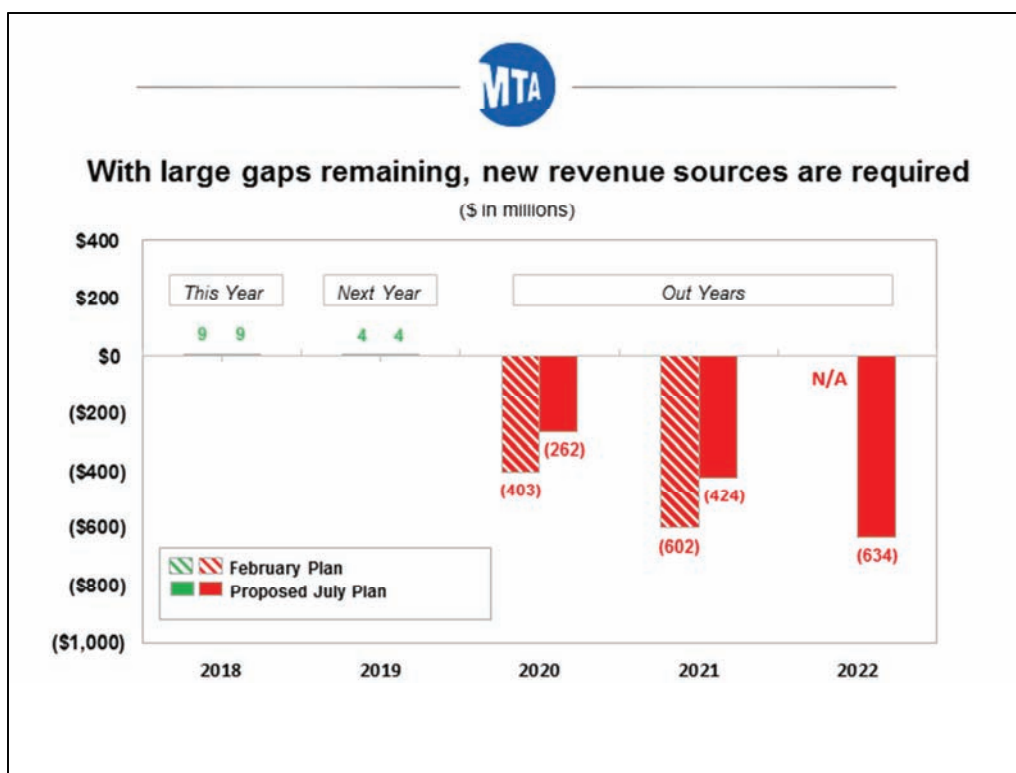


**Other MTA Actions**

For each year of the July Plan period, MTA management expects to continue its practice of setting aside an amount approximating 1% of its annual budget in a general reserve fund (the “General Reserve”) to cover revenue and subsidy shortfalls and unanticipated expenses. With half the 2018 year elapsed, the 2018 Mid-Year Forecast is balanced in part by using \$80 million of the \$160 million set aside in the 2018 General Reserve.

**Challenges and Risks Going Forward**

Combined, the above noted changes result in a net improvement to MTA’s financial forecast over the July Plan period, although significant projected unfavorable balances remain for the years 2020 through 2022. As detailed in the following chart, the July Plan is balanced through 2019; however, the July Plan projects gaps of \$262 million, \$424 million and \$634 million for 2020 through 2022, respectively.



There are many challenges facing MTA:

*Secure new sustainable funding for operations and capital.* The July Plan assumes aggressive cost-cutting yet is still projecting significant out-year gaps. In order to sustain operations and protect investments made to date and/or planned, MTA will almost certainly require a new source of future funding to support its operating and capital budgets.

*Implement biennial fare and toll increases that net to 4%.* While MTA management works to control costs, the reality is that 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 beyond MTA management’s direct control (e.g., energy, health and welfare and pensions). If projected fare and toll increases are not implemented, MTA’s financial situation will quickly deteriorate as revenue will not be able to keep pace with inflation and other cost growth.

*Achieve increased cost reduction targets.* Unidentified savings targets are \$75 million in 2018, \$329 million in 2019, \$305 million in 2020, \$337 million in 2021 and \$331 million in 2022. MTA management recognizes that these targets will be harder to achieve, but remains committed to meeting these goals. If MTA management does not achieve its targets, operating gaps will occur earlier and be larger.

*Increase investments to address reliability and service.* MTA management’s challenge is to continue maintaining and improving the operations of MTA’s aging infrastructure, including MTA New York City Transit’s 114-year old subway system. MTA management continuously seeks to improve all its systems in the most efficient way possible to enhance customer service.

*Respond to developing economic environment.* The finances of MTA 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 national and regional economies. If the economic assumptions reflected in the July Plan are not realized, the July Plan projected results could be adversely affected.

*Potential impact of changes in federal law.* MTA's finances are also influenced by federal public transportation funding levels and provisions and by federal tax law. The Presidential administration and Congress are currently 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 beginning 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.* Since 2008, MTA has benefitted from historically low interest rates. In December 2015, the Federal Open Markets Committee ("FOMC") increased the federal funds rate for the first time since late 2008, by a quarter point to a target range of 0.25% to 0.50%. This increase has been followed by additional quarter point increases in December 2016, March 2017, June 2017, March 2018 and finally to 2.0% in June 2018. The FOMC continues to expect that, with gradual adjustments in the stance of monetary policy, economic activity and labor market conditions will lead inflation to stabilize around the FOMC's 2% objective. While the July Plan includes interest rate assumptions in line with the FOMC's recent actions and policy statements on future actions, 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 July Plan.



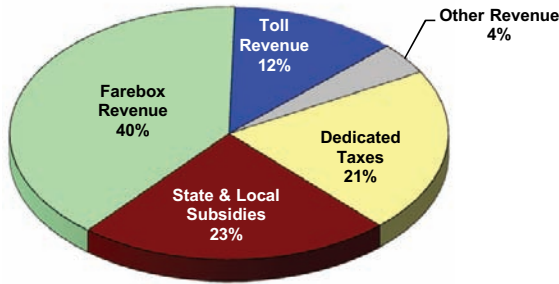
**Attachment A to MTA Annual Disclosure Statement  
First Quarterly Update  
August 2, 2018**

**MTA July Plan**

This Attachment A to the 2018 First Quarterly Update sets forth the July Plan in tabular form and includes Financial Plan tables that summarize MTA's July Plan for fiscal year 2017 (actual) and projected receipts and disbursements for fiscal years 2018 through 2022, in each case prepared by MTA management. The complete July Plan is posted on MTA's website under "MTA Info – Financial Information – Budget and Financial Statements" at [www.mta.info](http://www.mta.info). No statement on MTA's website or any other website is included by specific cross-reference herein.

**MTA 2019 Preliminary Budget**  
**Baseline Expenses After Below-the-Line (BTL) Adjustments**  
**Non-Reimbursable**

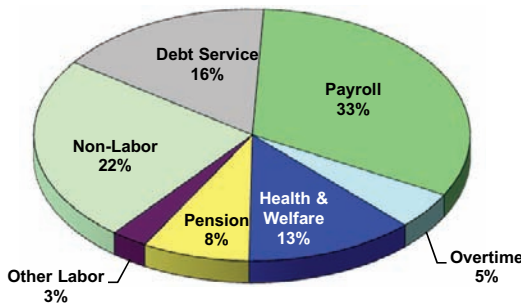
**Where the Dollars Come From ...**



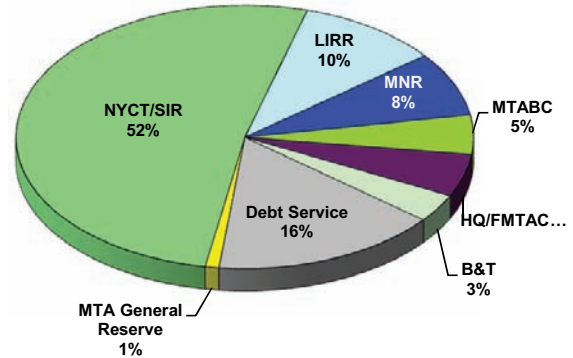
By Revenue Source (\$ in millions)	
Farebox Revenue	\$6,422
Toll Revenue	2,027
Other Revenue	665
Dedicated Taxes	3,441
State & Local Subsidies	3,780
<b>Total<sup>1</sup></b>	<b>\$16,335</b>

**Where the Dollars Go ...**

**By Expense Category**



**By MTA Agency**



By Expense Category <sup>2</sup> includes below-the-line adjustments (\$ in millions)	
Payroll	\$5,458
Overtime	813
Health & Welfare	2,139
Pension	1,352
Other Labor	455
Non-Labor	4,073
Debt Service	2,731
BTL Adjustments for Expenses <sup>3</sup>	(343)
<b>Total<sup>1</sup></b>	<b>\$16,677</b>

By MTA Agency <sup>2</sup> includes below-the-line adjustments (\$ in millions)	
NYCT/SIR	\$8,788
LIRR	1,701
MNR	1,340
MTABC	818
HQ/FMTAC	890
B&T	588
Debt Service	2,731
MTA General Reserve	165
BTL Adjustments for Expenses <sup>3</sup>	(343)
<b>Total<sup>1</sup></b>	<b>\$16,677</b>

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Expenses exclude Depreciation, OPEB Obligation, GASB 68 Pension Adjustment and Environmental Remediation. MTA Capital Construction is not included, as its budget contains reimbursable expenses only.

<sup>3</sup> These below-the-line adjustments impact expense dollars and have not been allocated to specific Agencies as yet.

**Note:** The revenues and expenses reflected in these charts are on an accrued basis and exclude cash adjustments and carryover balances. Any comparison of revenues versus expenses will not directly correspond to the cash balances reflected in the Statement of Operations.

**METROPOLITAN TRANSPORTATION AUTHORITY**

**July Financial Plan 2019-2022**

**MTA Consolidated Statement Of Operations By Category**

(\$ in millions)

Line No.		Actual 2017	Mid-Year Forecast 2018	Preliminary Budget 2019	2020	2021	2022
7	<b>Non-Reimbursable</b>						
10	<b>Operating Revenue</b>						
11	Farebox Revenue	\$6,172	\$6,176	\$6,218	\$6,260	\$6,255	\$6,272
12	Toll Revenue	1,912	1,955	1,969	1,981	1,992	1,994
13	Other Revenue	653	657	665	705	735	724
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	<b>Total Operating Revenue</b>	<b>\$8,737</b>	<b>\$8,788</b>	<b>\$8,852</b>	<b>\$8,945</b>	<b>\$8,982</b>	<b>\$8,990</b>
17	<b>Operating Expense</b>						
18	<b>Labor Expenses:</b>						
19	Payroll	\$5,021	\$5,266	\$5,458	\$5,599	\$5,715	\$5,844
20	Overtime	934	945	813	822	853	872
21	Health & Welfare	1,209	1,322	1,454	1,537	1,630	1,736
22	OPEB Current Payment	564	623	685	746	813	886
23	Pensions	1,345	1,327	1,352	1,326	1,313	1,263
24	Other-Fringe Benefits	792	911	916	959	1,004	1,028
25	Reimbursable Overhead	(492)	(452)	(461)	(424)	(403)	(395)
26	<b>Total Labor Expenses</b>	<b>\$9,373</b>	<b>\$9,942</b>	<b>\$10,216</b>	<b>\$10,566</b>	<b>\$10,925</b>	<b>\$11,234</b>
28	<b>Non-Labor Expenses:</b>						
29	Electric Power	\$430	\$495	\$483	\$494	\$541	\$566
30	Fuel	150	183	175	170	164	169
31	Insurance	(3)	13	17	24	31	38
32	Claims	526	343	345	356	360	364
33	Paratransit Service Contracts	393	412	409	419	453	488
34	Maintenance and Other Operating Contracts	695	843	900	863	903	893
35	Professional Service Contracts	507	599	516	482	478	488
36	Materials & Supplies	588	722	682	689	678	684
37	Other Business Expenses	217	230	228	227	241	243
38	<b>Total Non-Labor Expenses</b>	<b>\$3,505</b>	<b>\$3,840</b>	<b>\$3,754</b>	<b>\$3,723</b>	<b>\$3,850</b>	<b>\$3,933</b>
40	<b>Other Expense Adjustments:</b>						
41	Other	\$49	\$143	\$154	\$78	\$36	\$23
42	General Reserve	\$0	160	165	170	175	180
43	<b>Total Other Expense Adjustments</b>	<b>\$49</b>	<b>\$303</b>	<b>\$319</b>	<b>\$248</b>	<b>\$211</b>	<b>\$203</b>
45	<b>Total Operating Expense before Non-Cash Liability Adj.</b>	<b>\$12,927</b>	<b>\$14,085</b>	<b>\$14,289</b>	<b>\$14,538</b>	<b>\$14,986</b>	<b>\$15,369</b>
47	Depreciation	\$2,608	\$2,665	\$2,739	\$2,805	\$2,868	\$2,928
48	OPEB Liability Adjustment	1,567	1,808	1,909	2,013	2,124	2,246
49	GASB 68 Pension Expense Adjustment	(168)	(238)	(272)	(286)	(321)	(303)
50	Environmental Remediation	13	6	6	6	6	6
52	<b>Total Operating Expense after Non-Cash Liability Adj.</b>	<b>\$16,948</b>	<b>\$18,327</b>	<b>\$18,671</b>	<b>\$19,076</b>	<b>\$19,663</b>	<b>\$20,246</b>
54	Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$4,021)	(\$4,242)	(\$4,382)	(\$4,538)	(\$4,677)	(\$4,877)
56	Debt Service (excludes Service Contract Bonds)	2,525	2,575	2,731	2,888	3,124	3,270
58	<b>Total Operating Expense with Debt Service</b>	<b>\$15,452</b>	<b>\$16,660</b>	<b>\$17,020</b>	<b>\$17,425</b>	<b>\$18,110</b>	<b>\$18,640</b>
60	Dedicated Taxes and State/Local Subsidies	\$6,416	\$7,147	\$7,221	\$7,394	\$7,631	\$7,879
62	<b>Net Surplus/(Deficit) After Subsidies and Debt Service</b>	<b>(\$300)</b>	<b>(\$725)</b>	<b>(\$946)</b>	<b>(\$1,086)</b>	<b>(\$1,497)</b>	<b>(\$1,771)</b>
64	Conversion to Cash Basis: GASB Account	0	0	0	0	0	0
65	Conversion to Cash Basis: All Other	173	459	337	185	123	132
67	<b>CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER</b>	<b>(\$127)</b>	<b>(\$267)</b>	<b>(\$609)</b>	<b>(\$901)</b>	<b>(\$1,374)</b>	<b>(\$1,639)</b>
68	<b>ADJUSTMENTS</b>	<b>0</b>	<b>155</b>	<b>604</b>	<b>635</b>	<b>950</b>	<b>1,005</b>
69	<b>PRIOR-YEAR CARRYOVER</b>	<b>248</b>	<b>121</b>	<b>9</b>	<b>4</b>	<b>0</b>	<b>0</b>
70	<b>NET CASH BALANCE</b>	<b>\$121</b>	<b>\$9</b>	<b>\$4</b>	<b>(\$262)</b>	<b>(\$424)</b>	<b>(\$634)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**

**July Financial Plan 2019-2022**

**Plan Adjustments**

(\$ in millions)

Line No.	Actual 2017	Mid-Year Forecast 2018	Preliminary Budget 2019	2020	2021	2022
11	<b>(\$127)</b>	<b>(\$267)</b>	<b>(\$609)</b>	<b>(\$901)</b>	<b>(\$1,374)</b>	<b>(\$1,639)</b>
12						
13	<b>Fare/Toll Increases:</b>					
14		-	272	321	321	322
15		-	-	-	284	334
16		-	(11)	(9)	(20)	(19)
17		<b>Sub-Total</b>	<b>\$0</b>	<b>\$311</b>	<b>\$585</b>	<b>\$637</b>
18						
19	<b>MTA Efficiencies:</b>					
20		25	99	175	207	201
21		50	100	-	-	-
22		-	130	130	130	130
23		<b>Sub-Total</b>	<b>\$75</b>	<b>\$329</b>	<b>\$337</b>	<b>\$331</b>
24						
25	<b>Policy Actions:</b>					
26		80	-	-	-	-
27		<b>Sub-Total</b>	<b>\$80</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
28						
29	<b>MTA Re-estimates:</b>					
30		0	13	19	29	37
31		<b>Sub-Total</b>	<b>\$0</b>	<b>\$13</b>	<b>\$19</b>	<b>\$37</b>
32						
33		<b>TOTAL ADJUSTMENTS</b>	<b>\$155</b>	<b>\$604</b>	<b>\$635</b>	<b>\$950</b>
34						
35		Prior-Year Carry-Over	248	121	9	4
36						
37		<b>Net Cash Surplus/(Deficit)</b>	<b>\$121</b>	<b>\$9</b>	<b>\$4</b>	<b>(\$262)</b>
					<b>(\$424)</b>	<b>(\$634)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2019-2022**  
**MTA Consolidated Cash Receipts and Expenditures**  
(\$ in millions)

Line No.	<b>Cash Receipts and Expenditures</b>	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>			
		<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
10	<b>Receipts</b>						
11	Farebox Revenue	\$6,179	\$6,180	\$6,222	\$6,263	\$6,258	\$6,274
12	Other Operating Revenue	691	654	786	736	747	737
13	Capital and Other Reimbursements	2,057	2,478	2,257	2,050	1,911	1,887
14	<b>Total Receipts</b>	<b>\$8,927</b>	<b>\$9,312</b>	<b>\$9,264</b>	<b>\$9,050</b>	<b>\$8,917</b>	<b>\$8,898</b>
15							
16	<b>Expenditures</b>						
17	<b>Labor:</b>						
18	Payroll	\$5,491	\$5,877	\$6,072	\$6,150	\$6,204	\$6,337
19	Overtime	1,166	1,127	959	965	990	1,013
20	Health and Welfare	1,270	1,357	1,497	1,577	1,669	1,775
21	OPEB Current Payment	553	611	672	732	798	870
22	Pensions	1,393	1,389	1,417	1,387	1,372	1,320
23	Other Fringe Benefits	863	905	912	927	947	968
24	Contribution to GASB Fund	0	0	0	0	0	0
25	Reimbursable Overhead	0	0	0	0	(0)	(0)
26	<b>Total Labor Expenditures</b>	<b>\$10,735</b>	<b>\$11,266</b>	<b>\$11,529</b>	<b>\$11,740</b>	<b>\$11,980</b>	<b>\$12,283</b>
27							
28	<b>Non-Labor:</b>						
29	Electric Power	\$440	\$494	\$480	\$491	\$538	\$562
30	Fuel	142	181	172	167	162	167
31	Insurance	12	11	19	26	29	35
32	Claims	286	259	249	259	265	270
33	Paratransit Service Contracts	390	410	407	417	451	486
34	Maintenance and Other Operating Contracts	631	825	826	776	762	738
35	Professional Service Contracts	487	734	586	509	480	480
36	Materials & Supplies	770	898	818	808	790	794
37	Materials & Supplies	198	211	204	196	208	209
38	<b>Total Non-Labor Expenditures</b>	<b>\$3,357</b>	<b>\$4,023</b>	<b>\$3,761</b>	<b>\$3,649</b>	<b>\$3,683</b>	<b>\$3,739</b>
39							
40	<b>Other Expenditure Adjustments:</b>						
41	Other	\$71	\$130	\$117	\$103	\$106	\$154
42	General Reserve	0	160	165	170	175	180
43	<b>Total Other Expenditure Adjustments</b>	<b>\$71</b>	<b>\$290</b>	<b>\$282</b>	<b>\$273</b>	<b>\$281</b>	<b>\$334</b>
44							
45	<b>Total Expenditures</b>	<b>\$14,163</b>	<b>\$15,579</b>	<b>\$15,573</b>	<b>\$15,661</b>	<b>\$15,945</b>	<b>\$16,356</b>
46							
47	<b>Net Cash Deficit Before Subsidies and Debt Service</b>	<b>(\$5,236)</b>	<b>(\$6,266)</b>	<b>(\$6,308)</b>	<b>(6,612)</b>	<b>(7,028)</b>	<b>(7,459)</b>
48							
49	Dedicated Taxes and State/Local Subsidies	\$6,967	\$7,890	\$7,694	\$7,842	\$7,984	\$8,279
50	Debt Service (excludes Service Contract Bonds)	(\$1,858)	(\$1,891)	(\$1,995)	(\$2,131)	(\$2,330)	(\$2,459)
51							
52	<b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>	<b>(\$127)</b>	<b>(\$267)</b>	<b>(\$609)</b>	<b>(\$901)</b>	<b>(\$1,374)</b>	<b>(\$1,639)</b>
53	<b>ADJUSTMENTS</b>	<b>\$0</b>	<b>155</b>	<b>604</b>	<b>635</b>	<b>950</b>	<b>1,005</b>
54	<b>PRIOR-YEAR CARRY-OVER</b>	<b>\$248</b>	<b>121</b>	<b>9</b>	<b>4</b>	<b>0</b>	<b>0</b>
55	<b>NET CASH BALANCE</b>	<b>\$121</b>	<b>\$9</b>	<b>\$4</b>	<b>(\$262)</b>	<b>(\$424)</b>	<b>(\$634)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2019-2022**  
**MTA Consolidated July Financial Plan Compared with February Financial Plan**  
**Cash Reconciliation after Below-the-Line Adjustments**  
(\$ in millions)

	Favorable/(Unfavorable)			
	2018	2019	2020	2021
<b>FEBRUARY FINANCIAL PLAN 2018-2021</b>				
<b>NET CASH SURPLUS/(DEFICIT)</b>	<b>\$9</b>	<b>\$4</b>	<b>(\$403)</b>	<b>(\$602)</b>
<b>Agency Baseline Adjustments</b>	<b>(\$143)</b>	<b>(\$88)</b>	<b>\$34</b>	<b>\$128</b>
<i>Farebox/Toll Revenues</i>	(70)	(58)	(52)	(58)
<i>Rates:</i>				
<i>Pension</i>	13	8	33	61
<i>Power</i>	10	36	53	62
<i>Fuel</i>	(31)	(23)	7	23
<i>Other Baseline Re-estimates <sup>1</sup></i>	(65)	(51)	(6)	41
<b>Agency Action Plans <sup>2</sup></b>	<b>(\$285)</b>	<b>(\$255)</b>	<b>(\$201)</b>	<b>(\$206)</b>
<i>NYCT "Subway Action Plan" (full funding) <sup>3</sup></i>	(251)	(192)	(151)	(150)
<i>NYCT "Bus Plan" (included in Agency baseline)</i>	(3)	(15)	(6)	(6)
<i>LIRR "Forward" (included in Agency baseline)</i>	(25)	(29)	(26)	(24)
<i>MNR "Way Ahead"</i>	(2)	(12)	(16)	(24)
<i>MTA Bus "Bus Plan"</i>	(4)	(6)	(2)	(2)
<b>New Needs/Investments</b>	<b>(\$103)</b>	<b>(\$148)</b>	<b>(\$60)</b>	<b>(\$27)</b>
<i>Maintenance / Operations</i>	(63)	(68)	(38)	(7)
<i>IT New Needs in Support of Operations</i>	(40)	(80)	(22)	(20)
<b>Savings Program</b>	<b>\$189</b>	<b>\$210</b>	<b>\$213</b>	<b>\$212</b>
<i>2018 BRP Savings (New) <sup>4,5</sup></i>	189	210	213	212
<b>General Reserve</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>
<b>Subsidies</b>	<b>\$764</b>	<b>\$532</b>	<b>\$515</b>	<b>\$503</b>
<i>Metropolitan Mass Transportation Operating Assist. (MMTOA)</i>	0	21	26	36
<i>Petroleum Business Tax (PBT) Receipts</i>	-	18	21	18
<i>Real Estate Taxes</i>	61	26	6	(17)
<i>MTA Aid</i>	-	(5)	(7)	(8)
<i>NYS Operating Support for SAP <sup>6</sup></i>	254	-	-	-
<i>NYC Operating Support for SAP</i>	254	-	-	-
<i>NYC Transportation Assistance Fund</i>	-	365	385	385
<i>Other Subsidy Adjustments <sup>6</sup></i>	196	106	84	89
<b>Debt Service <sup>3</sup></b>	<b>(\$4)</b>	<b>\$55</b>	<b>\$101</b>	<b>\$34</b>
<b>Below-the-Line Adjustments</b>	<b>(\$421)</b>	<b>(\$306)</b>	<b>(\$466)</b>	<b>(\$472)</b>
<i>Fare/Toll Increases</i>	-	(2)	(2)	(4)
<i>MTA Efficiencies:</i>				
<i>MTA Efficiencies - Identified in the 2018 July Plan <sup>5</sup></i>	(189)	(210)	(213)	(212)
<i>Additional Savings Targets - 2018 July Plan</i>	50	100	-	-
<i>Additional Recurring Savings Targets - 2018 July Plan</i>	-	130	130	130
<i>Policy Actions:</i>				
<i>NYS Capital Funding Reprogrammed for Operations <sup>6</sup></i>	(65)	-	-	-
<i>Restoration of PMT Replacement Funds</i>	-	(65)	(65)	(65)
<i>GASB 45 OPEB Fund Reserves - Suspend Planned Contributions <sup>6</sup></i>	(8)	(19)	(30)	(43)
<i>B&amp;T Necessary Reconstruction - Suspend Planned Contributions <sup>6</sup></i>	(52)	(53)	(54)	(55)
<i>Additional State Funding for Subway Action Plan (SAP) <sup>6</sup></i>	(254)	(150)	(150)	(150)
<i>Pre-Funding of 2017 Capital Expenses <sup>6</sup></i>	(63)	-	-	-
<i>Drawdown/(Redeposit) GASB 45 OPEB Reserves <sup>6</sup></i>	80	-	-	-
<i>Drawdown 50% of General Reserve</i>	80	-	-	-
<i>MTA Re-estimates</i>				
<i>Drawdown on Cash Balances in Lieu of Issuing Bonds <sup>6</sup></i>	-	(50)	(101)	(101)
<i>MTA Re-estimates</i>	0	13	19	29
<b>Prior Year Carryover</b>	<b>\$3</b>	<b>(\$0)</b>	<b>\$0</b>	<b>\$0</b>
<b>JULY FINANCIAL PLAN 2019-2022</b>				
<b>NET CASH SURPLUS/(DEFICIT)</b>	<b>\$9</b>	<b>\$4</b>	<b>(\$262)</b>	<b>(\$424)</b>

\* Totals may not add due to rounding

<sup>1</sup> Changes capture updated reimbursable assumptions, revised inflation forecasts, timing and adjustments for operating capital and cash. The B&T Operating Surplus Transfer is captured as a subsidy. While B&T's impacts are also captured in individual reconciliation categories in the Agency Baseline Adjustments above, the duplication is eliminated within the line "Other Baseline Re-estimates."

<sup>2</sup> Includes programs with non-rate-related adjustments to pension, health and welfare, and energy.

<sup>3</sup> This incremental change reflects New York City's match to NY State's funding level of the SAP, enabling NYCT to implement the entire action plan of \$836 million.

<sup>4</sup> 2018 includes \$162 million in new BRP savings and a \$27 million credit for additional 2017 savings.

<sup>5</sup> Savings are captured in the baseline with corresponding decreases to the previous level of unidentified savings.

<sup>6</sup> Items reflected "below-the-line" in the February, but now captured within the baseline. This results in offsetting variances in this reconciliation.

**METROPOLITAN TRANSPORTATION AUTHORITY**

**July Financial Plan 2019-2022**

**Consolidated Subsidies**

**Cash Basis**

(\$ in millions)

	<u>Actual</u> <u>2017</u>	<u>Mid-Year</u> <u>Forecast</u> <u>2018</u>	<u>Preliminary</u> <u>Budget</u> <u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Subsidies</b>						
<b>Dedicated Taxes</b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,668.0	\$1,686.6	\$1,777.6	\$1,840.4	\$1,918.3	\$1,999.4
Petroleum Business Tax (PBT) Receipts	617.1	624.5	633.5	633.4	630.0	629.1
Mortgage Recording Tax (MRT)	461.4	451.7	467.7	488.4	505.5	523.7
MRT Transfer to Suburban Counties	(4.1)	(4.9)	(5.6)	(6.0)	(6.4)	(6.8)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
MTA Bus Debt Service	(24.9)	(23.8)	(23.8)	(23.8)	(23.8)	(23.8)
Use of MRT Balances	0.0	0.0	0.0	0.0	0.0	0.0
Carryover Balances	0.0	0.0	0.0	0.0	0.0	0.0
Enhanced Security Training	0.0	0.0	0.0	0.0	0.0	0.0
Service Marketing Campaign	0.0	0.0	0.0	0.0	0.0	0.0
Cash Defeasance Loan for TBTA	0.0	0.0	0.0	0.0	0.0	0.0
Interest	5.4	5.3	5.3	5.3	5.3	5.3
Urban Tax	585.5	607.4	594.6	587.0	587.0	611.5
Investment Income	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
	<b>\$3,299.5</b>	<b>\$3,338.0</b>	<b>\$3,440.5</b>	<b>\$3,516.0</b>	<b>\$3,607.0</b>	<b>\$3,729.6</b>
<b>PMT and MTA Aid</b>						
Payroll Mobility Tax	\$1,435.6	\$1,526.4	\$1,602.1	\$1,673.9	\$1,751.2	\$1,833.8
Payroll Mobility Tax Replacement Funds	244.3	244.3	244.3	244.3	244.3	244.3
MTA Aid	<u>306.2</u>	<u>303.0</u>	<u>308.2</u>	<u>308.2</u>	<u>309.2</u>	<u>310.2</u>
	<b>\$1,986.1</b>	<b>\$2,073.7</b>	<b>\$2,154.5</b>	<b>\$2,226.3</b>	<b>\$2,304.7</b>	<b>\$2,388.3</b>
<b>New Funding Sources</b>						
NYS Operating Support for SAP <sup>1</sup>	\$0.0	\$254.0	\$0.0	\$0.0	\$0.0	\$0.0
NYC Operating Support for SAP	0.0	254.0	0.0	0.0	0.0	0.0
NYC Transportation Assistance Fund	<u>0.0</u>	<u>0.0</u>	<u>365.0</u>	<u>385.0</u>	<u>385.0</u>	<u>385.0</u>
	<b>\$0.0</b>	<b>\$508.0</b>	<b>\$365.0</b>	<b>\$385.0</b>	<b>\$385.0</b>	<b>\$385.0</b>
<b>State and Local Subsidies</b>						
State Operating Assistance (18-b)	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance (18-b)	188.4	187.9	187.9	187.9	187.9	187.9
Station Maintenance	<u>166.1</u>	<u>168.7</u>	<u>172.4</u>	<u>177.2</u>	<u>181.9</u>	<u>186.7</u>
	<b>\$542.4</b>	<b>\$544.5</b>	<b>\$548.2</b>	<b>\$553.0</b>	<b>\$557.8</b>	<b>\$562.6</b>
<b>Other Subsidy Adjustments</b>						
NYCT Charge Back of MTA Bus Debt Service	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)
Forward Energy Contracts Program - Gain/(Loss)	2.3	14.0	6.3	1.4	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Committed to Capital Contributions	(300.9)	(38.8)	(63.9)	(122.8)	(180.6)	(120.2)
Drawdown GASB 45 OPEB Reserves	<u>17.0</u>	<u>132.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>(\$295.6)</b>	<b>\$94.1</b>	<b>(\$71.6)</b>	<b>(\$135.4)</b>	<b>(\$194.5)</b>	<b>(\$134.1)</b>
<b>Subtotal Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$5,532.3</b>	<b>\$6,558.2</b>	<b>\$6,436.7</b>	<b>\$6,545.0</b>	<b>\$6,660.0</b>	<b>\$6,931.3</b>
<b>Other Funding Agreements</b>						
City Subsidy for MTA Bus Company	\$519.9	\$520.7	\$533.5	\$524.2	\$525.6	\$549.7
City Subsidy for Staten Island Railway	53.0	58.5	48.8	46.6	49.8	56.4
CDOT Subsidy for Metro-North Railroad	<u>130.6</u>	<u>116.8</u>	<u>129.4</u>	<u>124.6</u>	<u>131.6</u>	<u>138.1</u>
	<b>\$703.5</b>	<b>\$696.0</b>	<b>\$711.8</b>	<b>\$695.4</b>	<b>\$707.0</b>	<b>\$744.2</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$6,235.9</b>	<b>\$7,254.2</b>	<b>\$7,148.4</b>	<b>\$7,240.4</b>	<b>\$7,367.0</b>	<b>\$7,675.6</b>
<b>Inter-agency Subsidy Transactions</b>						
B&T Operating Surplus Transfer	<u>\$731.0</u>	<u>\$636.2</u>	<u>\$545.6</u>	<u>\$601.7</u>	<u>\$616.9</u>	<u>\$603.3</u>
	<b>\$731.0</b>	<b>\$636.2</b>	<b>\$545.6</b>	<b>\$601.7</b>	<b>\$616.9</b>	<b>\$603.3</b>
<b>GROSS SUBSIDIES</b>	<b>\$6,966.9</b>	<b>\$7,890.4</b>	<b>\$7,694.0</b>	<b>\$7,842.1</b>	<b>\$7,983.9</b>	<b>\$8,278.8</b>

<sup>1</sup> This subsidy was captured below-the-line in the February Plan.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**Summary of Changes Between the July and February Financial Plans**  
**Consolidated Subsidies**  
**Cash Basis**  
(\$ in millions)

<u>Subsidies</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Dedicated Taxes</b>				
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$0.0	\$21.5	\$25.8	\$35.7
Petroleum Business Tax (PBT) Receipts	0.0	18.3	21.0	18.3
Mortgage Recording Tax (MRT)	(19.1)	(22.5)	(18.5)	(20.0)
MRT Transfer to Suburban Counties	0.2	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0
MTA Bus Debt Service	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0
Urban Tax	79.8	48.1	24.1	2.6
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$60.8</b>	<b>\$65.4</b>	<b>\$52.5</b>	<b>\$36.5</b>
<b>PMT and MTA Aid</b>				
Payroll Mobility Tax	\$0.0	\$0.0	\$0.0	\$0.0
Payroll Mobility Tax Replacement Funds	0.0	0.0	0.0	0.0
MTA Aid	<u>0.0</u>	<u>(4.7)</u>	<u>(6.7)</u>	<u>(7.7)</u>
	<b>\$0.0</b>	<b>(\$4.7)</b>	<b>(\$6.7)</b>	<b>(\$7.7)</b>
<b>New Funding Sources</b>				
NYS Operating Support for SAP <sup>1</sup>	\$254.0	\$0.0	\$0.0	\$0.0
NYC Operating Support for SAP	254.0	0.0	0.0	0.0
NYC Transportation Assistance Fund	<u>0.0</u>	<u>365.0</u>	<u>385.0</u>	<u>385.0</u>
	<b>\$508.0</b>	<b>\$365.0</b>	<b>\$385.0</b>	<b>\$385.0</b>
<b>State and Local Subsidies</b>				
State Operating Assistance (18-b)	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0
Station Maintenance	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
	<b>\$0.7</b>	<b>\$0.7</b>	<b>\$0.7</b>	<b>\$0.7</b>
<b>Other Subsidy Adjustments</b>				
NYCT Charge Back of MTA Bus Debt Service	\$0.0	\$0.0	\$0.0	\$0.0
Forward Energy Contracts Program - Gain/(Loss)	\$11.6	\$4.4	\$1.4	\$0.0
MNR Repayment for 525 North Broadway	0.0	0.0	0.0	0.0
Committed to Capital Contributions	184.7	133.0	56.6	13.9
Drawdown GASB 45 OPEB Reserves	<u>(16.7)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$179.5</b>	<b>\$137.3</b>	<b>\$58.0</b>	<b>\$13.9</b>
<b>Subtotal Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$749.0</b>	<b>\$563.7</b>	<b>\$489.5</b>	<b>\$428.4</b>
<b>Other Funding Agreements</b>				
City Subsidy for MTA Bus Company	\$22.3	\$14.4	\$3.0	(\$1.0)
City Subsidy for Staten Island Railway	(5.7)	3.4	(2.0)	(2.5)
CDOT Subsidy for Metro-North Railroad	<u>(1.6)</u>	<u>(2.4)</u>	<u>(9.2)</u>	<u>(10.3)</u>
	<b>\$15.1</b>	<b>\$15.4</b>	<b>(\$8.2)</b>	<b>(\$13.8)</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$764.1</b>	<b>\$579.1</b>	<b>\$481.3</b>	<b>\$414.6</b>
<b>Inter-agency Subsidy Transactions</b>				
B&T Operating Surplus Transfer	<u>\$0.3</u>	<u>(\$47.4)</u>	<u>\$33.5</u>	<u>\$88.3</u>
	<b>\$0.3</b>	<b>(\$47.4)</b>	<b>\$33.5</b>	<b>\$88.3</b>
<b>GROSS SUBSIDIES</b>	<b>\$764.3</b>	<b>\$531.8</b>	<b>\$514.8</b>	<b>\$502.9</b>

<sup>1</sup> This subsidy was captured below-the-line in the February Plan.



**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

**[THIS PAGE IS INTENTIONALLY LEFT BLANK.]**





Printed by: ImageMaster, LLC  
[www.imagemaster.com](http://www.imagemaster.com)