



Metropolitan Transportation Authority

Finance Committee Meeting April 2015

Committee Members

A. Saul, Chair
F. Ferrer, Vice Chair
A. Albert*
J. Ballan
J. Banks, III
R. Bickford
N. Brown
A. Cappelli
J. Kay
C. Moerder
M. Pally
J. Sedore, Jr.
V. Tessitore, Jr*
P. Trottenberg
I. Weinshall
C. Wortendyke
N. Zuckerman*

Finance Committee Meeting
2 Broadway, 20th Floor Board Room
New York, NY 10004
Monday, 4/27/2015
12:00 - 1:15 PM ET

1. PUBLIC COMMENTS PERIOD

2. APPROVAL OF MINUTES – MARCH 23, 2015

Finance Committee Minutes - Page 4

3. 2015 COMMITTEE WORK PLAN

2015 Work Plan 2 - Page 12

4. BUDGETS/CAPITAL CYCLE

BudgetWatch (Handout)

Finance Watch

Finance Watch - Page 20

5. MTA HEADQUARTERS & ALL-AGENCY ITEMS

Action Item

Approval of RRIF Loan for Positive Train Control - Page 30

Agreement with Operation Lifesaver - Page 128

2014 Annual Investment Report - Page 130

Report and Information Items

Annual Report of Variable Rate Debt (Presentation)

DRAFT MTA Financial Statements Fiscal Year-End Twelve-Months Ended December 2014
(Separate Document)

Procurements

MTAHQ Procurement Report - Page 132

MTAHQ Competitive Procurements - Page 134

6. METRO-NORTH RAILROAD & LONG ISLAND RAIL ROAD

MNR/LIRR Procurements - Page 140

7. NEW YORK CITY TRANSIT, and MTA BUS OPERATIONS

NYCT Procurements - Page 146

8. BRIDGES AND TUNNELS

B & T Action Item - Page 150

9. FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY (No Items)

10. MTA CONSOLIDATED REPORTS

Statement of Operations - Page 158

Overtime Report - Page 165

Report on Subsidies - Page 169

Positions - Page 176

Subsidy, Interagency Loans and Stabilization Fund Transactions - Page 179

Farebox Recovery Ratios - Page 182

MTA Ridership - Page 183

Fuel Hedge Program - Page 207

11. REAL ESTATE AGENDA

Action Items

Real Estate Action Items - Page 210

Report and Information Items

Real Estate Info Items - Page 234

Minutes of the MTA Finance Committee Meeting
March 23, 2015
2 Broadway, 20th Floor Board Room
New York, NY 10004
12:30 PM

The following Finance Committee members attended:

Hon. Fernando Ferrer, Vice Chair
Hon. Andrew Albert
Hon. Jonathan A. Ballan
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Carl V. Wortendyke

The following Finance Committee members did not attend:

Hon. Andrew M. Saul, Chairman
Hon. John H. Banks III
Hon. Robert C. Bickford
Hon. Norman Brown
Hon. Charles G. Moerdler
Hon. Vincent Tessitore, Jr.
Hon. Polly Trottenberg
Hon. Iris Weinshall
Hon. Neil Zuckerman

The following Board Members were also present:

Hon. Ira Greenberg
Hon. Susan G. Metzger

The following MTA staff attended:

Robert Foran
Douglas Johnson
Patrick McCoy
Jeffrey Rosen

Vice Chair Fernando Ferrer called the March 23, 2015 meeting of the Finance Committee to order at 12:30PM.

I. Public Comments

There were no public comments.

II. Approval of Minutes

The Committee approved the minutes to its prior meeting held on February 23, 2015.

III. Committee Work Plan

There were no changes to the Work Plan.

IV. Budgets/Capital Cycle

A. BudgetWatch

Mr. Douglas Johnson presented BudgetWatch and noted that reporting in BudgetWatch focuses on February operating results and subsidy results through March (see the MTA website for the entire BudgetWatch: <http://web.mta.info/mta/ind-finance/budgetwatch.pdf>).

Operating Revenues: For February, passenger and toll revenues were \$16.0 million, or 3.8% below budget. In addition, YTD passenger revenues were \$39.8 million, or 4.6% unfavorable due to lower ridership attributable to adverse winter weather. Mr. Johnson noted that lower revenues at Metro-North, \$1.2 million, or 2.5% unfavorable, also reflected the impact of the February 3, 2015 collision in Valhalla, NY. Toll revenues were slightly favorable for the month, \$2.1 million or 1.9% favorable, and YTD, \$1.1 million or 0.5% favorable, due to higher than anticipated traffic levels.

Expenses: Mr. Johnson reported that expenses through February have been slightly favorable. Much of the difference reflects timing-related variances for materials and supplies, maintenance and other operating contracts, as well as lower fuel and fringe benefit expenses that were offset by higher weather-related overtime expenses. Debt service expenses for February were \$188 million, which was \$32 million, or 14.5% favorable, due to lower than budgeted variable rates, and the timing of debt service deposits. Overall, YTD debt service reflects \$34 million or 7.7% favorable.

Subsidies: Mr. Johnson reported that overall subsidies through March were positive. The Payroll Mobility Taxes receipts through March were on target and YTD results were \$8.2 million or 2.0%, favorable. The Petroleum Business Tax (PBT) YTD results were \$19.2 million, or 13.5% favorable. In addition, collections from real property transfer taxes captured within the category of the NYC Urban Tax remain strong. Overall, real estate transaction taxes were \$31.7 million favorable, increasing the YTD variance to \$110.0 million, or 42.3% favorable.

Overall: Preliminary net results were favorable for the month and YTD mainly due to higher subsidies, especially the collection of real estate transaction taxes. Operating results remain slightly unfavorable due to weather-related revenue losses and overtime costs that were somewhat offset by lower expenses. With improved weather, operating results are expected to trend back towards budgeted levels.

Discussion: Mr. Cappelli inquired whether the strong real estate taxes are a trend that can be expected to continue. Mr. Johnson indicated it is not clear how long the trend will continue, but it has been positive for several months and it is being watched closely. Mr. Robert Foran noted that while real estate taxes are positive, they have not reached the peak that was realized in 2007. Mr. Johnson noted that in 2007, real estate taxes totaled approximately \$1.7 billion. During the recession, these receipts were reduced to approximately \$400,000. Mr. Johnson indicated that while the level of receipts from real estate transactions remains below the peak, it is improving and is estimated to provide \$1.1 billion in 2015. Mr. Kay asked whether the legislation providing

the real estate taxes intended the receipts to support MTA's capital plans. Mr. Foran indicated that real estate transaction taxes were intended to support MTA's operating budget which includes debt service. Mr. Foran noted that the adopted budget includes a certain expectation for real estate transaction receipts. And, for any positive variances, the goal is to use the additional funds for direct pay as you go capital or to reduce ongoing expenses such as unfunded pension liability. Mr. Foran confirmed that best practice for any positive variance is not to use it for increased debt service due to the volatility of the receipts.

B. FinanceWatch

Mr. Patrick McCoy presented FinanceWatch (see pages 20 through 31 of the Committee book for the complete FinanceWatch report).

Fuel Hedge: Mr. McCoy reported that on February 26, 2015, MTA executed an approximately 2.9 million gallon ultra-low sulfur diesel fuel hedge with Merrill Lynch Commodities Inc., at an all-in price of \$2.052/gallon. Three of MTA's existing approved commodity counterparties participated in competitive bidding on the transaction: Goldman, Sachs & Co./J Aron, J.P. Morgan Ventures Energy Corporation, and Merrill Lynch Commodities Inc. The hedge covers the period from February 2016 through January 2017.

Transaction – Series 2015B: Mr. McCoy discussed the statistics of the recent fixed-rate transaction priced on March 11, 2015, the Transportation Revenue Bonds, Series 2015B, which retired \$300 million of the Series 2013A Transportation Revenue Bond Anticipation Notes (BANs). Mr. McCoy indicated that the bonds were priced to a receptive market, including a retail period on March 10, 2015 that provided \$136 million in orders. Mr. McCoy reported that the Series 2015B bonds were unique by being structured as 40 year level debt service bonds, which was the first time MTA has issued 40 year bonds. Mr. McCoy noted that initial response to the 40 year bond was lukewarm, but the market improved later in the day, resulting in investor interest at MTA's intended yields. The final sale of the 40-year bond was priced to yield 3.8%, which is an attractive cost of funds for MTA. Furthermore, the issuance provided the unique opportunity to issue bonds with the average life of 26.8 years to better match the long average useful life of the assets (approximately 38.7 years) that the BANs financed. The all-in TIC for the Series 2015B was 4.29% and the average coupon was 4.93%.

V. MTA Headquarters and All-Agency Items

A. Action Item

Mr. Johnson reported that there was one action item for MTA Headquarters and All-Agency items, the All-Agency Annual Procurement Report (see page 32 of the Committee book for the staff summary discussing the report and see the MTA website for the full report under the March Finance Committee materials: <http://web.mta.info/mta/news/books/>).

All-Agency Annual Procurement Report: The action item is to authorize the filing of the annual MTA All-Agency Procurement Report for the period January 1, 2014 – December 31, 2014 with the State, in accordance with Section 2879 of NY State Public Authorities Law.

The Committee voted to recommend the action item before the Board for approval.

B. Report and Information Items

Mr. Johnson presented two MTA HQ Reports and Information items, the MTA Prompt-Payment Annual Report 2014 and the Contract Change Order Report.

1. MTA Prompt Payment Annual Report 2014

Mr. Johnson noted the report reviews MTA-wide success in meeting mandated prompt-payment deadlines, including the interest penalties incurred as a result of late payment. In 2014, the MTA, agency-wide, paid a total of \$80,011 in interest for late payments on invoices valued at \$9.9 billion (see pages 33 through 43 of the Committee book).

2. Contract Change Order Report

The Contract Change Order Report is for the fourth quarter 2014. Mr. Johnson noted that also included, is the Capital Contract Change Order report that is provided to the CPOC Committee (see pages 44 through 47 of the Committee book).

Discussion: Mr. Greenberg inquired regarding the reason for the late payments. Mr. Wael Hibri, Senior Director, MTA Business Service Center, indicated there are several reasons for delayed payments, including the timing of invoices being entered into the system, disagreements with vendors, matching invoices to receipts, and accepting the goods or services provided.

C. Procurements

Mr. Johnson reported there were five procurements for MTA Headquarters for a total of \$28,403,324 (see pages 48 through 54 of the Committee book). Four of the procurements were competitive, totaling \$28,317,824, and one was non-competitive for \$85,500.

Mr. Johnson invited Mr. Michael Salvato, Director and Program Executive, Enterprise Asset Management, to provide additional information on the Enterprise Asset Management (EAM) competitive procurement for \$14.0 million (see pages 52 and 54 of the Committee book).

Enterprise Asset Management: Mr. Salvato highlighted the EAM process and progress. In April 2013, the Board approved a task order contract to nine asset management consultants. With the authorization of \$11.5 million, the contract enabled all agencies to proceed with the early stage planning to comply with new federal funding requirements being developed under MAP-21 (federal highway authorization) following international best practices for asset management. Under this contract all agencies proceeded with gap assessments, improvement plans, defined IT system requirements and demonstration projects such as the introduction of mobile technologies into track and signals to streamline work practices. Mr. Salvato commented that since its beginnings, EAM has become a major transformation program that is moving the MTA from its reactive, maintain-and-replace approach to a more proactive, whole-life asset management. Mr. Salvato noted that all agencies are committed to introducing proven approaches and technologies for supporting more informed, uniformed and transparent investment decisions.

The EAM Program will be delivered through a series of rapid improvement projects over the next five years with early stage estimates of approximately \$160.0 million in one-time operating and capital investments and an additional \$35.0 million in recurring operating costs at LIRR and MNR. NYCT is still developing an estimate. The full cost and benefits are still being identified through the gap assessment process, which will be incorporated later this year and presented to the Board. All projects in the EAM Program must have a business case in which the benefits in operations, asset utilization or capital investment outweigh the total investment.

To enable the EAM Program, MTA will reissue a competitive RFP later this year, and bring it to Finance Committee in early 2016. The request today is for an increase to the not-to-exceed amount of the existing task order contract by \$14.0 million as part of our \$23.0 million 2015 EAM spending plan. Board support will enable all agencies to move forward with business process reviews, demonstration projects and early stage activities such as asset registration and condition assessments. All projects follow pre-defined criteria and rigorous reviews to proceed. Mr. Salvato noted that governance for the EAM Program is provided by the Asset Management Coordinating Committee comprised of the executive sponsor from each agency, MTA Budget, Audit, Procurement and IT. Additionally, each agency has an executive steering group and program management office and MTA HQ has an internationally recognized program manager to ensure the program delivers value for money. The Asset Management Coordinating Committee will present the complete asset management strategy, costs and benefits to the Board later this year, and will also report regularly on the progress of the EAM Program. Mr. Salvato concluded by thanking the Board for its support of the EAM effort.

The Committee voted to recommend the five procurement items, including EAM funding, before the Board for approval.

VI. Metro-North Railroad

There were no items for Metro-North.

VII. LIRR

A. Action Item

Mr. Johnson reported one action item for the LIRR, requesting that the Board grant approval authorizing the negotiation and execution of an amendment to the existing Gateway Tunnel agreement with Amtrak, to incorporate a new tandem wheel truing machine in the rebuilt Maintenance of Equipment Facility at West Side Yard. The project to replace the outmoded equipment is not to exceed a cost of \$9.5 million (see pages 56 through 58 of the Committee book).

The Committee voted to recommend the action item before the Board for approval.

VIII. NYCT/MTA Bus Operations

A. Action Item

Mr. Johnson reported that there was one action item for NYCT requesting Board approval to accept the assignment and assume a contract between the Port Authority of NY and NJ and the Downtown

Design partnership, a joint venture of AECOM and STV, Inc., for expert professional architectural and engineering services for the permanent World Trade Center Path Terminal on a task order basis. Also, the Board is asked to approve a modification of the contact for the not-to-exceed amount of \$3,788,671 (see pages 60 and 61 of the Committee book). Mr. Johnson noted that MTA Capital Construction is seeking permission to assume only the portion of this contract that is related to the reconstruction of the Cortlandt Street #1 Line Station.

The Committee voted to recommend the action item before the Board for approval.

B. Procurements

Mr. Johnson reported that there were four procurement items for NYCT for a total of \$92,542,441. One procurement is non-competitive and three are competitive (see pages 62 through 66 of the Committee book).

The Committee voted to recommend the procurement items before the Board for approval.

XI Bridges and Tunnels

There were no items for Bridges and Tunnels.

X. FMTAC

There were no items for FMTAC.

XI. MTA Consolidated Reports

This month's consolidated reports include the January statements of operations; overtime reports; report on subsidies; positions; subsidy, interagency loans and stabilization fund transactions; farebox recovery ratios; MTA ridership; and the fuel hedge program (see pages 68 through 118 of the Committee book).

XII. Real Estate Agenda

A. Action Items

Mr. Rosen noted that there were five action items for Committee approval (see pages 120 through 145 of the Committee book for all real estate action and information items).

Mr. Rosen indicated that, because it is March, the Board must renew the MTA's statutorily required guidelines for dispositions of real and personal property, in accordance with Sections 2895-2897 of the NY Public Authorities Law (which requires approved guidelines to be filed with the State Comptroller by March 31 annually). Staff is not recommending any significant changes to the previously adopted guidelines.

Mr. Rosen noted that Oyster Rides LLC item is a routine license agreement for a taxi dispatch office and three taxi parking spaces at LIRR's Massapequa Station in Massapequa, NY, which are being awarded to the highest bidder.

Mr. Rosen highlighted the remaining three items as exemplifying MTA Real Estate's efforts to identify and monetize surplus real estate assets that can be sold without compromising the MTA system's operations. First, regarding the 59th Columbus Circle Station, Mr. Rosen noted the project demonstrates the ability to work with the private sector to provide dramatic transformations of existing and underutilized subway mezzanines to provide high quality retail stores and services to benefit MTA customers. The developer of the project has put together an eclectic mix of subtenants and is now prepared to invest more than twice as much capital as was originally contemplated, but requires certain adjustments to the previously contemplated percentage rent formula in order to enable it to attract the institutional financing required to support such increased financing (see pages 125 and 126 of the Committee book).

Mr. Rosen also discussed two proposed transactions involving the sale transferable development rights associated with MTA properties in Long Island City, Queens (see pages 123 to 124 and 135 through 138 of the Committee book). Both transactions are "as-of-right" under applicable New York City zoning regulations, and the adjoining landowners indicate that their projects are "shovel ready." It is anticipated that, together, the two transactions will provide more than \$60 million for the MTA Capital Program.

Mr. Rosen advised the Committee that, subsequent to the printing of the Committee book, the developer's structural engineers had notified the MTA of technical concerns related to the foundation needed to support the proposed building on Queens Block 403. To allow for the possibility that such concerns might preclude the developer from using all of the development rights referenced in the applicable staff summary, he requested that the Board authorize MTA Real Estate to sell up to 478,000 square feet of such development rights, at the stipulated price of \$117 per square foot.

Mr. Rosen further noted that approving the transaction related to Queens Block 403 required an environmental assessment under the State Environmental Quality Review Act (SEQRA), which has been completed and distributed to Board members, and adoption by the Board of a "negative declaration" under SEQRA that was likewise included in the Committee materials (see page 138 of the Committee book).

Discussion: Mr. Greenberg noted that one of the two staff summaries indicated that proceeds were to be applied toward the 2010-2014 Capital Program and inquired whether such proceeds were covering a shortfall. Mr. Rosen stated that the MTA and the City had undertaken to make cooperative efforts to create approximately \$250 million through dispositions of master lease properties and other "value capture" initiatives. Mr. Foran commented that the MTA still anticipates being able to achieve that goal. Mr. Greenberg commented that with projects such as this that involve building large towers adding population near already busy subway stations, the improvement of existing infrastructure, such as implementing communication-based train control (CBTC) on these heavily used subway lines, is necessary. Related to the Jackson Avenue project, Mr. Ballan inquired whether MTA has the right to refuse the selection of the appraiser engaged by NYC Economic Development Corporation (EDC). Mr. Joseph Chan, Director of Real Estate Development, confirmed that MTA has input on the scope of the appraiser's assignment and could add components specifically required to the scope of the job. Mr. Rosen noted that typically the appraisal is known before the transaction moves forward, so there is an opportunity to comment if the appraisal raises concerns.

Additionally, Committee discussion explored the extent to which the MTA could or should condition such dispositions of real property on the provision of affordable housing. Some Members voiced a preference for endeavoring to use the value that MTA offers as an enticement for requiring specific affordable housing commitments, while others expressed the view that it is the Board's fiduciary duty to approve projects that earn maximum revenues for operations and capital projects for the benefit of MTA customers. Mr. Rosen noted that the specific projects at hand were going to proceed with or without the MTA's development rights and that once they are underway the opportunity to sell those development rights would be lost. Vice Chair Ferrer and several other Members concluded that involving MTA in local housing projects merits a broader discussion internally within the Board as well as with MTA leadership to provide clear guidance for any policy changes affecting future transactions.

The Committee voted to recommend Board approval of all of the referenced real estate action items. Mr. Pally opposed both of the proposed Long Island City development rights transfers.

XIII. Adjournment

Upon motion duly made and seconded, the March 23, 2015 meeting of the Finance Committee was adjourned at 1:10 PM.

Respectfully submitted,

Marcia Tannian
Assistant Director, Finance

2015 Finance Committee Work Plan

I. RECURRING AGENDA ITEMS

BudgetWatch
FinanceWatch
Approval of Minutes
Procurements (if any)
Action Items (if any)
MTA Consolidated Reports

Responsibility

MTA Div. Mgmt/Budget
MTA Finance
Board Secretary
Procurement
Agency
MTA Budget

II. SPECIFIC AGENDA ITEMS

Responsibility

May 2015

Action Item:

Station Maintenance Billings Approval

MTA Comptroller

Other:

Annual Pension Fund Report (Audit Committee Members to be invited)
Annual FMTAC Meeting
Annual FMTAC Investment Performance Report

MTA Labor
MTA RIM
MTA RIM

June 2015

Action Item:

PWEF Assessment

MTA Capital Program Mgmt/
MTA Div. Mgmt/Budget

Other:

Update on IT Transformation
Update on Procurement Consolidation
Contract Change Order Report
MTA Financial Statements 1st Quarter for the Three-Months
Ended March 2015

MTA Information Technology
MTA Procurement
MTA Proc., Agencies
MTA Comptroller

July 2015

Update on the Business Service Center
2016 Preliminary Budget/July Financial Plan 2016-2019
(Joint Session with MTA Board)

MTA Business Service Center
MTA Div. Mgmt/Budget

September 2015

2016 Preliminary Budget/July Financial Plan 2016-2019
(materials previously distributed)

MTA Div. Mgmt/Budget

Action Item:

Resolution to Authorize the Execution, Filing and Acceptance of
Federal Funds
2016-2020 Capital Plan

MTA Grant Mgmt.
MTA Capital Programs

Other:

Annual Report – Fuel Hedge Program
Contract Change Order Report
MTA Financial Statements 2nd Quarter for the Six-Months Ended
June 2015

MTA Finance
MTA Proc., Agencies
MTA Comptroller

October 2015

2016 Preliminary Budget/July Financial Plan 2016-2019
(materials previously distributed)

MTA Div. Mgmt/Budget

Other:

Annual Review of MTA's Derivative Portfolio
MTA 2015 Semi-Annual Investment Report

MTA Finance
MTA Treasury

November 2015

2016 Final Proposed Budget/November Financial Plan 2016-2019
(Joint Session with MTA Board)

MTA Div. Mgmt/Budget

Other:

Station Maintenance Billing Update
Review and Assessment of the Finance Committee Charter

MTA Comptroller
MTA CFO

December 2015

Adoption of 2016 Budget and 2016-2019 Financial Plan

MTA Div. Mgmt/Budget

Action Items:

MTA and TBTA Reimbursement Resolutions for Federal Tax Purposes
Authorization to issue Transportation Revenue Bonds, Dedicated Tax
Fund Bonds, TBTA General Revenue Bonds, and TBTA Subordinated
Revenue Bonds
Approval of Supplemental Resolutions Authorizing Refunding Bonds

MTA Treasury
MTA Finance
MTA Finance

Other:

Draft 2016 Finance Committee Work Plan
Contract Change Order Report

MTA Div. Mgmt/Budget
MTA Proc., Agencies

January 2016

Financing Issues:

Special Report: Finance Department 2015 Year-End Review

MTA Finance

Other:

MTA Financial Statements 3rd Quarter for the Nine-Months
Ended September 2015

MTA Comptroller

February 2016

Action Items:

2015 TBTA Operating Surplus
Mortgage Recording Tax – Escalation Payments to Dutchess,
Orange and Rockland Counties

B&T/MTA
MTA Treasury, MTA
Div. Mgmt/Budget

Other:

February Financial Plan 2016-2019

MTA Div. Mgmt/Budget

March 2016

Action Items:

All-Agency Real Property Disposition Guidelines and All-Agency
Personal Property Disposition Guidelines

All-Agency Annual Procurement Report

MTA Real Estate/MTA
Corporate Compliance
MTA Proc., Agencies

Other:

MTA Prompt Payment Annual Report 2015

MTA Business Service
Center
MTA Proc., Agencies

Contract Change Order Report

April 2016

Action Item:

MTA 2015 Annual Investment Report

MTA Treasury

Other:

Annual Report on Variable Rate Debt

MTA Finance

MTA Financial Statements Fiscal Year-End Twelve-Months
Ended December 2015

MTA Comptroller

DETAILS

MAY 2015

Action Item:

Station Maintenance Billings Approval

Under the Public Authorities Law, the Board is required to certify to the City and the counties in the Metropolitan Transportation District the total costs to MTA for operating and maintaining Commuter Railroad passenger stations. The City and county assessments are both now determined through a formula.

Other:

Annual Pension Fund Report

The MTA Labor Division, representatives of the various pension fund boards, and their pension consultants should be prepared to answer questions on a report, to be included in the Agenda materials, that reviews the 2014 investment performance and other experience of the various MTA pension funds. Among other matters, this report should (i) make recommendations on appropriate investment-earnings assumptions in light of the experience of the past three years; (ii) discuss the implications for asset allocations in light of such recommendations; (iii) discuss the effect on (under) funding of the systems in light of such performance and recommendation; (iv) provide appropriate comparisons with other public pension systems; and (v) solicit the opinions of the Board Operating Committees on these recommendations in light of their effects on Agency budgets.

Annual Meeting of the First Mutual Transportation Assurance Company

The MTA's Captive Insurance Company will hold its statutorily required annual meeting in which it will review the prior year's operations as well as submit its financial statements and actuarial report for final approval.

Annual First Mutual Transportation Assurance Company Investment Performance Report

The MTA Risk and Insurance Management Divisions, along with the FMTAC's outside investment managers, should be prepared to answer questions on a report that reviews outside-managers performance.

JUNE 2015

Action Item:

PWEF Assessment

The MTA Division of Management and Budget, assisted by MTA Capital Program Management, should prepare the usual annual staff summary authorizing the payment of this assessment to the State. The State levies an assessment of the value of construction-contract awards to cover its cost of enforcing prevailing-wage legislation.

Other:

IT Transformation

IT Management will present progress made to date to promote IT Transformation. A general organizational overview will be provided and an outline of key milestones and project deliverables will be shared. Initiatives that have made IT more resilient will also be discussed.

Update on Procurement Consolidation

Procurement Management will present progress made to date to promote Non-Core Procurement Consolidation. A general organizational overview will be provided and an outline of key milestones and project deliverables will be shared.

Contract Change Order Report

Change orders that would have required Board approval prior to the July 2013 Governance Committee measure increasing the approval threshold to \$750,000 are included in this quarterly report, for information only. All such contract change orders are reported to the Finance Committee; in addition, such capital contract change orders are reported to the CPOC Committee.

MTA Financial Statements for the Three-Months Ended, March 2015

Included for information is a copy of the Independent Accountant's Review Report of MTA Financial Statements for the Three-Months ended, March 31, 2015.

JULY 2015

Update on Business Service Center

The Business Service Center will provide an update on its initiatives and upcoming project milestones. Operational performance metrics will also be shared.

2016 Preliminary Budget/July Financial Plan 2016-2019 (Joint Session with MTA Board)

The Chief Financial Officer and MTA Budget Division will present an updated forecast for 2015, a Preliminary Budget for 2016, and an updated Financial Plan for 2016-2019.

SEPTEMBER 2015

2016 Preliminary Budget/July Financial Plan 2016-2019

Public comment will be accepted on the 2016 Preliminary Budget.

Action Item:

Resolution to Authorize the Execution, Filing and Acceptance of Federal Funds

The MTA Office of Grant Management will hold a public hearing in accordance with Federal law and then request the Board's approval of a resolution that would authorize the Chairman or a designated officer to execute the applications and accept grants of financial assistance from the Federal government.

2016-2020 Capital Plan

After the completion of its 2015-2034 Twenty Year Needs Assessment in September 2013, the MTA commenced the development its 2015-2019 Capital Plan. Stakeholder engagement will take place over the summer of 2014 with a planned submission to the MTA Board of Directors at its September 2014 Board meeting. This will be followed by submission of the proposed plan to the New York State Capital Program Review Board on or before October 1, 2014.

Other:

Contract Change Order Report

Change orders that would have required Board approval prior to the July 2013 Governance Committee measure increasing the approval threshold to \$750,000 are included in this quarterly report, for information only. All such contract change orders are reported to the Finance Committee; in addition, such capital contract change orders are reported to the CPOC Committee.

MTA Financial Statements for the Six-Months Ended, June 2015

Included for information is a copy of the Independent Accountant's Review Report of MTA Financial Statements for the Six-Months ended, June 30, 2015.

OCTOBER 2015

2016 Preliminary Budget/July Financial Plan 2016-2019

Public comment will be accepted on the 2016 Preliminary Budget.

Other:

Annual Review of MTA's Derivative Portfolio

The Finance Department will provide an update on MTA's portfolio of derivative contracts.

MTA 2015 Semi-Annual Investment Report

The MTA Treasury Division should be prepared to answer questions on this report.

NOVEMBER 2015

2016 Final Proposed Budget/November Financial Plan 2016-2019 (Joint Session with MTA Board)

The Chief Financial Officer and MTA Budget Division will present an updated forecast for 2015, a Final Proposed Budget for 2016, and an updated Financial Plan for 2016-2019.

Other:

Station Maintenance Billing Update

The MTA Comptroller Division will provide a report on the collection and audit status of station maintenance billings issued as of June 1, 2015.

Review and Assessment of the Finance Committee Charter

MTA Chief Financial Officer will present the most updated Finance Committee Charter to the Finance Committee members for them to review and assess its adequacy. The annual assessment is required under the current Committee Charter.

DECEMBER 2015

Adoption of 2016 Budget and 2016-2019 Financial Plan

The Committee will recommend action to the Board on the Final Proposed Budget for 2016 and 2016-2019 Financial Plan.

Action Item:

Approval of MTA and TBTA Reimbursement Resolutions for Federal Tax Purposes.

Board approval required to allow for the reimbursement of capital expenditures at a later date from the proceeds of tax-exempt bond sales.

Approval of Supplemental Resolutions Authorizing Refunding Bonds

Board action required to allow for the refunding to fixed-rate bonds from time to time provided that such refundings comply with the Board approved refunding policy.

Other:

Draft 2016 Finance Committee Work Plan

The MTA Chief Financial Officer will present a proposed 2016 Finance Committee Work Plan that will address major issues, SBP and budget process issues, and reports required by statute.

Contract Change Order Report

Change orders that would have required Board approval prior to the July 2013 Governance Committee measure increasing the approval threshold to \$750,000 are included in this quarterly report, for information only. All such contract change orders are reported to the Finance Committee; in addition, such capital contract change orders are reported to the CPOC Committee.

JANUARY 2016

Other:

Special Report: Finance Department 2015 Year-End Review

The MTA Finance Department will present a report that summarizes financing activities for 2015.

MTA Financial Statements for the Nine-Months Ended, September 2015

Included for information is a copy of the Independent Accountant's Review Report of MTA Financial Statements for the Nine-Months ended, September 30, 2015.

FEBRUARY 2016

Action Items:

2015 TBTA Operating Surplus

MTA Bridges and Runnels should be prepared to answer questions on a staff summary requesting (1) transfer of TBTA 2015 Operating Surplus and Investment Income, (2) advances of TBTA 2016 Operating Surplus, and (3) the deduction from 2016 TBTA Operating Revenue, funds which shall be paid into the Necessary Reconstruction Reserve.

Mortgage Recording Tax – Escalation Payments to Dutchess, Orange and Rockland Counties

By State statute, each of these counties is entitled to a share of MTA's MRT-2 tax receipts. The amount may be no less than they received in 1987 (even if the taxes collected fall below the 1987 levels), but there are proportional upward adjustments if taxes collected in the particular county exceed the 1987 totals. Such upward adjustments are expected to be required this year, based on the 2009 experience thus far. The MTA Budget and Treasury Division will be prepared to answer questions on the related Staff Summary authorizing the payments.

Other:

February Financial Plan 2016-2019

The MTA Division of Management and Budget will present for information purposes a revised 2016-2019 Financial Plan reflecting any technical adjustments from the Adopted Budget and the incorporation of certain "below-the-line" policy actions into the baseline.

MARCH 2016

Action Items:

All-Agency Real Property Disposition Guidelines and All-Agency Personal Property Disposition Guidelines

Board approval of above guidelines as required annually by Public Authorities Law Sections 2895-2897. MTA Real Estate and MTA Corporate Compliance should be prepared to answer questions regarding these guidelines.

All-Agency Annual Procurement Report

The Agencies and the MTA Procurement Division should be prepared to answer questions on this voluminous State-required report.

Other:

MTA Annual Prompt Payment Status Report 2015

The Senior Director of the MTA Business Service Center should be prepared to discuss a report, to be included in the Agenda materials, that reviews MTA-wide success in meeting mandated prompt-payment deadlines (including the interest penalties incurred as a result of late payment).

Contract Change Order Report

Change orders that would have required Board approval prior to the July 2013 Governance Committee measure increasing the approval threshold to \$750,000 are included in this quarterly report, for information only. All such contract change orders are reported to the Finance Committee; in addition, such capital contract change orders are reported to the CPOC Committee.

APRIL 2016

Action Item:

MTA Annual Investment Report

The MTA Treasury Division should be prepared to answer questions on this State-required report.

Other:

Annual Report on Variable Rate Debt

The MTA Finance Department will present a report that summarizes the performance of the MTA's various variable-rate debt programs, including a discussion of the savings (compared to long-term rates) achieved through variable rate debt and a discussion on the current policy and limits on the use of variable rate debt.

MTA Financial Statements for the Twelve-Months Ended, December 2015

Included for information is a copy of the Independent Accountant's Audit Report of MTA Financial Statements for the Twelve-Months ended, December 31, 2015.

FinanceWatch

April 27, 2015

Fuel Hedging Program

\$5,629,297 Diesel Fuel Hedge

On March 25, 2015, MTA executed a 2,932,689 gallon ultra-low sulfur diesel fuel hedge with Merrill Lynch Commodities Inc. at an all-in price of \$1.9195/gallon. Three of MTA's existing approved commodity counterparties participated in bidding on the transaction: Goldman, Sachs & Co./ J Aron, J.P. Morgan Ventures Energy Corporation and Merrill Lynch Commodities Inc. The hedge covers the period from March 2016 through February 2017.

Upcoming Financing

New Money and BAN Takeout

\$250,000,000 Triborough Bridge and Tunnel Authority General Revenue Bonds, Series 2015A

In May 2015, MTA expects to issue \$250 million of Triborough Bridge and Tunnel Authority General Revenue Bonds, Series 2015A, to finance approved capital projects for MTA Bridges and Tunnels own facilities and to retire the Triborough Bridge and Tunnel Authority General Revenue Bond Anticipation Notes, Series 2014A. Nixon Peabody will serve as bond counsel and Public Financial Management, Inc. will serve as financial advisor.

**METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN - FINAL FORECAST**

DEBT SERVICE

(\$ in millions)

March 2015

	Adopted Budget	Actual	Variance	% Variance	Explanation
Dedicated Tax Fund:					Lower than budgeted variable rates.
NYC Transit	\$31.7	\$29.8	\$1.9		
Commuter Railroads	6.5	6.4	0.1		
<i>Dedicated Tax Fund Subtotal</i>	\$38.2	\$36.2	\$2.0	5.2%	
MTA Transportation Revenue:					Timing of debt service deposits.
NYC Transit	\$74.0	\$79.7	(\$5.6)		
Commuter Railroads	47.8	49.9	(2.0)		
MTA Bus	1.8	2.5	(0.7)		
SIRTOA	0.0	0.1	(0.0)		
<i>MTA Transportation Subtotal</i>	\$123.7	\$132.1	(\$8.4)	-6.8%	
Commercial Paper:					Lower than budgeted variable rates.
NYC Transit	\$1.7	\$0.0	\$1.7		
Commuter Railroads	1.1	0.0	1.1		
MTA Bus	0.0	0.0	0.0		
<i>Commercial Paper Subtotal</i>	\$2.8	\$0.0	\$2.8	99.4%	
2 Broadway COPs:					
NYC Transit	\$1.6	\$1.7	(\$0.0)		
Bridges & Tunnels	0.2	0.2	(0.0)		
MTA HQ	0.2	0.2	(0.0)		
<i>2 Broadway COPs Subtotal</i>	\$2.1	\$2.1	(\$0.0)	-0.3%	
TBTA General Resolution (2)					Reversal of prior month's timing variance.
NYC Transit	\$15.5	\$17.6	(\$2.1)		
Commuter Railroads	7.3	8.3	(1.0)		
Bridges & Tunnels	19.1	21.3	(2.2)		
<i>TBTA General Resolution Subtotal</i>	\$42.0	\$47.2	(\$5.3)	-12.6%	
TBTA Subordinate (2)					Timing of debt service deposits.
NYC Transit	\$6.3	\$5.5	\$0.8		
Commuter Railroads	2.8	2.4	0.3		
Bridges & Tunnels	2.5	2.2	0.3		
<i>TBTA Subordinate Subtotal</i>	\$11.5	\$10.1	\$1.4	12.2%	
Total Debt Service	\$220.3	\$227.7	(\$7.4)	-3.4%	
Debt Service by Agency:					
NYC Transit	\$130.9	\$134.2	(\$3.4)		
SIRTOA	0.0	0.1	(0.0)		
Commuter Railroads	65.5	67.0	(1.5)		
MTA Bus	1.8	2.5	(0.7)		
Bridges & Tunnels	21.8	23.7	(1.9)		
MTAHQ	0.2	0.2	(0.0)		
Total Debt Service	\$220.3	\$227.7	(\$7.4)	-3.4%	

Notes:

- (1) Forecasted debt service is calculated based upon projected monthly deposits from available pledged revenues into debt service accounts. Actual payments to bondholders are made from the debt service accounts when due as required for each series of bonds and do not conform to this schedule.
- (2) Generally, the calendarization of monthly debt service deposits is calculated by dividing projected annual debt service by 12. Month to month variations ("timing differences") on the existing debt portfolio can occur based upon, among other things, (a) for all bonds, the date when income from the securities in which the debt service accounts are invested becomes available varies, (b) for variable rate financings, differences between (i) the budgeted interest rate and the actual interest rate, (ii) projected interest payment dates to bondholders and actual interest payment dates to bondholders, and (iii) projected monthly funding dates for accrued debt service and actual funding dates, (c) for transactions with swaps, the difference between when MTA/TBTA funds debt service and the receipt of the corresponding swap payment by the counterparty, and difference between rates received and rates paid and (d) for commercial paper, the interest payment date is the date of the maturity of the commercial paper and the dealers set the term of the commercial paper from 1 to 270 days, which is not foreseeable at the time the annual debt service budgets are prepared.
- (3) Debt service is allocated among Transit, Commuter, MTA Bus, and TBTA categories based on actual spending of bond proceeds for approved capital projects. Allocation of 2 Broadway COPs is based on occupancy.
Totals may not add due to rounding.

**METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN - FINAL FORECAST**

DEBT SERVICE

(\$ in millions)

March 2015 Year-to-Date

	Adopted Budget	Actual	Variance	% Variance	Explanation
Dedicated Tax Fund:					Lower than budgeted variable rates.
NYC Transit	\$95.1	\$89.2	\$5.9		
Commuter Railroads	19.5	19.3	0.3		
<i>Dedicated Tax Fund Subtotal</i>	\$114.6	\$108.5	\$6.2	5.4%	
MTA Transportation Revenue:					
NYC Transit	\$222.1	\$223.0	(\$0.9)		
Commuter Railroads	143.5	139.7	3.8		
MTA Bus	5.3	7.2	(1.9)		
SIRTOA	0.1	0.2	(0.1)		
<i>MTA Transportation Subtotal</i>	\$371.0	\$370.1	\$0.9	0.3%	
Commercial Paper:					Lower than budgeted variable rates.
NYC Transit	\$5.1	\$0.1	\$5.0		
Commuter Railroads	3.3	0.0	3.3		
MTA Bus	0.1	0.0	0.1		
<i>Commercial Paper Subtotal</i>	\$8.5	\$0.1	\$8.4	98.5%	
2 Broadway COPs:					
NYC Transit	\$4.9	\$4.9	\$0.0		
Bridges & Tunnels	0.7	0.7	0.0		
MTA HQ	0.7	0.7	0.0		
<i>2 Broadway COPs Subtotal</i>	\$6.3	\$6.3	\$0.0	0.5%	
TBTA General Resolution (2)					Timing of debt service deposits.
NYC Transit	\$46.6	\$43.5	\$3.1		
Commuter Railroads	21.9	20.4	1.5		
Bridges & Tunnels	57.4	52.5	5.0		
<i>TBTA General Resolution Subtotal</i>	\$125.9	\$116.3	\$9.6	7.6%	
TBTA Subordinate (2)					
NYC Transit	\$18.8	\$18.0	\$0.8		
Commuter Railroads	8.3	7.9	0.3		
Bridges & Tunnels	7.4	7.1	0.3		
<i>TBTA Subordinate Subtotal</i>	\$34.5	\$33.1	\$1.4	4.1%	
Total Debt Service	\$660.9	\$634.4	\$26.5	4.0%	
Debt Service by Agency:					
NYC Transit	\$392.7	\$378.7	\$14.0		
SIRTOA	0.1	0.2	(0.1)		
Commuter Railroads	196.5	187.4	9.1		
MTA Bus	5.4	7.2	(1.8)		
Bridges & Tunnels	65.5	60.3	5.3		
MTAHQ	0.7	0.7	0.0		
Total Debt Service	\$660.9	\$634.4	\$26.5	4.0%	

Notes:

- (1) Forecasted debt service is calculated based upon projected monthly deposits from available pledged revenues into debt service accounts. Actual payments to bondholders are made from the debt service accounts when due as required for each series of bonds and do not conform to this schedule.
- (2) Generally, the calendarization of monthly debt service deposits is calculated by dividing projected annual debt service by 12. Month to month variations ("timing differences") on the existing debt portfolio can occur based upon, among other things, (a) for all bonds, the date when income from the securities in which the debt service accounts are invested becomes available varies, (b) for variable rate financings, differences between (i) the budgeted interest rate and the actual interest rate, (ii) projected interest payment dates to bondholders and actual interest payment dates to bondholders, and (iii) projected monthly funding dates for accrued debt service and actual funding dates, (c) for transactions with swaps, the difference between when MTA/TBTA funds debt service and the receipt of the corresponding swap payment by the counterparty, and difference between rates received and rates paid and (d) for commercial paper, the interest payment date is the date of the maturity of the commercial paper and the dealers set the term of the commercial paper from 1 to 270 days, which is not foreseeable at the time the annual debt service budgets are prepared.
- (3) Debt service is allocated among Transit, Commuter, MTA Bus, and TBTA categories based on actual spending of bond proceeds for approved capital projects. Allocation of 2 Broadway COPs is based on occupancy.
Totals may not add due to rounding.

**METROPOLITAN TRANSPORTATION AUTHORITY
VARIABLE RATE: WEEKLY MODE
RATE RESETS REPORT (Trailing 6-Weeks)**

Transportation Revenue Bonds

Issue		TRB 2005E-1		TRB 2005E-2		TRB 2005D-1	
Remarketing Agent		BofA Merrill Lynch		J.P.Morgan		Merrill Lynch	
Liquidity Provider		BofA Merrill Lynch		J.P.Morgan		Helaba	
Liquidity/Insurer		LoC		LoC		LoC	
Par Outstanding (\$m)		100.00		75.00		150.00	
Swap Notional (\$m)		60.00		45.00		150.00	
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
3/4/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.03%	0.01%
3/11/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.03%	0.01%
3/18/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.03%	0.01%
3/25/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.04%	0.02%
4/1/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.03%	0.01%
4/8/2015	0.02%	0.02%	0.00%	0.02%	0.00%	0.04%	0.02%

Dedicated Tax Fund Bonds

Issue		DTF 2002B-1	
Remarketing Agent		Morgan Stanley	
Liquidity Provider		State Street Bank	
Liquidity/Insurer		LoC	
Par Outstanding (\$m)		150.00	
Swap Notional (\$m)		None	
Date	SIFMA	Rate	Spread to SIFMA
3/4/2015	0.02%	0.01%	-0.01%
3/11/2015	0.02%	0.01%	-0.01%
3/18/2015	0.02%	0.01%	-0.01%
3/25/2015	0.02%	0.01%	-0.01%
4/1/2015	0.02%	0.01%	-0.01%
4/8/2015	0.02%	0.01%	-0.01%

TBTA General Revenue Bonds

Issue		TBTA 2005B-3	
Remarketing Agent		Jefferies & Co.	
Liquidity Provider		BofA Merrill Lynch	
Liquidity/Insurer		SBPA	
Par Outstanding (\$m)		193.10	
Swap Notional (\$m)		193.10	
Date	SIFMA	Rate	Spread to SIFMA
3/4/2015	0.02%	0.01%	-0.01%
3/11/2015	0.02%	0.01%	-0.01%
3/18/2015	0.02%	0.01%	-0.01%
3/25/2015	0.02%	0.03%	0.01%
4/1/2015	0.02%	0.02%	0.00%
4/8/2015	0.02%	0.02%	0.00%

TBTA General Revenue and Subordinate Revenue Bonds

Issue		TBTA 2001B		TBTA 2001C		TBTA 2003B-1	
Remarketing Agent		Citigroup		Citigroup		PNC Capital	
Liquidity Provider		State Street		JP Morgan		PNC Bank	
Liquidity/Insurer		LoC		SBPA		LoC	
Par Outstanding (\$m)		122.57		122.57		85.27	
Swap Notional (\$m)		None		None		None	
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
3/3/2015	0.02%	0.01%	-0.01%	0.02%	0.00%	0.02%	0.00%
3/10/2015	0.02%	0.01%	-0.01%	0.02%	0.00%	0.02%	0.00%
3/17/2015	0.02%	0.01%	-0.01%	0.02%	0.00%	0.02%	0.00%
3/24/2015	0.02%	0.01%	-0.01%	0.02%	0.00%	0.02%	0.00%
3/31/2015	0.02%	0.01%	-0.01%	0.02%	0.00%	0.02%	0.00%
4/7/2015	0.02%	0.02%	0.00%	0.03%	0.01%	0.02%	0.00%

Issue		TBTA 2005A	
Remarketing Agent		TD Securities	
Liquidity Provider		TD Bank	
Liquidity/Insurer		LoC	
Par Outstanding (\$m)		122.42	
Swap Notional (\$m)		23.52	
Outstanding (\$m)	SIFMA	Rate	Spread to SIFMA
3/3/2015	0.02%	0.01%	-0.01%
3/10/2015	0.02%	0.01%	-0.01%
3/17/2015	0.02%	0.01%	-0.01%
3/24/2015	0.02%	0.01%	-0.01%
3/31/2015	0.02%	0.01%	-0.01%
4/7/2015	0.02%	0.01%	-0.01%

Report Date 4/10/2015

**METROPOLITAN TRANSPORTATION AUTHORITY
VARIABLE RATE: FLOATING RATE NOTES (SIFMA)
RATE RESETS REPORT (Trailing 6-Weeks)**

Transportation Revenue Bonds

Issue		TRB 2012A-2	TRB 2012A-3	TRB 2014D-2	TRB 2015A-2				
Remarketing Agent		N/A	N/A	N/A	N/A				
Initial Purchase Date		05/15/16	05/15/15	11/15/2017	6/1/2020				
Liquidity/Insurer		None	None	None	None				
Par Outstanding (\$m)		50.00	50.00	165.00	250.00				
Swap Notional (\$m)		None	None	None	None				
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
3/4/2015	0.02%	0.29%	0.27%	0.41%	0.39%	0.38%	0.36%	0.60%	0.58%
3/11/2015	0.02%	0.29%	0.27%	0.41%	0.39%	0.38%	0.36%	0.60%	0.58%
3/18/2015	0.02%	0.29%	0.27%	0.41%	0.39%	0.38%	0.36%	0.60%	0.58%
3/25/2015	0.02%	0.29%	0.27%	0.41%	0.39%	0.38%	0.36%	0.60%	0.58%
4/1/2015	0.02%	0.29%	0.27%	0.52%	0.50%	0.38%	0.36%	0.60%	0.58%
4/8/2015	0.02%	0.29%	0.27%	0.52%	0.50%	0.38%	0.36%	0.60%	0.58%

Dedicated Tax Fund Bonds

Issue		DTF 2002B-3a	DTF 2002B-3b	DTF 2002B-3c	DTF 2002B-3d				
Remarketing Agent		Morgan Stanley	Morgan Stanley	Morgan Stanley	Morgan Stanley				
Maturity Date		11/01/17	11/01/18	11/01/19	11/01/20				
Liquidity/Insurer		None	None	None	None				
Par Outstanding (\$m)		46.60	48.60	50.70	15.90				
Swap Notional (\$m)		None	None	None	None				
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
3/4/2015	0.02%	0.77%	0.75%	0.92%	0.90%	0.97%	0.95%	1.02%	1.00%
3/11/2015	0.02%	0.77%	0.75%	0.92%	0.90%	0.97%	0.95%	1.02%	1.00%
3/18/2015	0.02%	0.77%	0.75%	0.92%	0.90%	0.97%	0.95%	1.02%	1.00%
3/25/2015	0.02%	0.77%	0.75%	0.92%	0.90%	0.97%	0.95%	1.02%	1.00%
4/1/2015	0.02%	0.77%	0.75%	0.92%	0.90%	0.97%	0.95%	1.02%	1.00%
4/8/2015	0.02%	0.77%	0.75%	0.92%	0.90%	0.97%	0.95%	1.02%	1.00%

Issue		DTF 2008A-2a	DTF 2008A-2b	DTF 2008B-3a	DTF 2008B-3b	DTF 2008B-3c					
Remarketing Agent		Goldman Sachs	Goldman Sachs	Goldman Sachs	Goldman Sachs	Goldman Sachs					
Maturity Date		11/01/26	11/01/31	11/01/28	11/01/30	11/01/34					
Liquidity/Insurer		None	None	None	None	None					
Par Outstanding (\$m)		84.86	84.86	35.00	54.47	44.74					
Swap Notional (\$m)		83.03	83.47	None	None	None					
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
3/4/2015	0.02%	0.40%	0.38%	0.60%	0.58%	0.39%	0.37%	0.38%	0.36%	0.47%	0.45%
3/11/2015	0.02%	0.40%	0.38%	0.60%	0.58%	0.39%	0.37%	0.38%	0.36%	0.47%	0.45%
3/18/2015	0.02%	0.40%	0.38%	0.60%	0.58%	0.39%	0.37%	0.38%	0.36%	0.47%	0.45%
3/25/2015	0.02%	0.40%	0.38%	0.60%	0.58%	0.39%	0.37%	0.38%	0.36%	0.47%	0.45%
4/1/2015	0.02%	0.40%	0.38%	0.60%	0.58%	0.39%	0.37%	0.38%	0.36%	0.47%	0.45%
4/8/2015	0.02%	0.40%	0.38%	0.60%	0.58%	0.39%	0.37%	0.38%	0.36%	0.47%	0.45%

TBTA General Revenue Bonds

Issue		TBTA SUB 2000ABCD-2	TBTA SUB 2000ABCD-3	TBTA SUB 2000ABCD-4	TBTA SUB 2000ABCD-5				
Remarketing Agent		N/A	N/A	N/A	N/A				
Initial Purchase Date		1/1/2016	1/1/2017	1/1/2018	1/1/2019				
Liquidity/Insurer		None	None	None	None				
Par Outstanding (\$m)		34.40	36.60	38.85	18.85				
Swap Notional (\$m)		20.35	21.66	22.99	11.15				
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
3/4/2015	0.02%	0.19%	0.17%	0.27%	0.25%	0.37%	0.35%	0.46%	0.44%
3/11/2015	0.02%	0.19%	0.17%	0.27%	0.25%	0.37%	0.35%	0.46%	0.44%
3/18/2015	0.02%	0.19%	0.17%	0.27%	0.25%	0.37%	0.35%	0.46%	0.44%
3/25/2015	0.02%	0.19%	0.17%	0.27%	0.25%	0.37%	0.35%	0.46%	0.44%
4/1/2015	0.02%	0.19%	0.17%	0.27%	0.25%	0.37%	0.35%	0.46%	0.44%
4/8/2015	0.02%	0.19%	0.17%	0.27%	0.25%	0.37%	0.35%	0.46%	0.44%

Report Date 4/10/2015

**METROPOLITAN TRANSPORTATION AUTHORITY
VARIABLE RATE: FLOATING RATE NOTES (LIBOR)
RATE RESETS REPORT (Trailing 6-Weeks)**

Transportation Revenue Bonds

Issue		TRB 2002D-2a	TRB 2002D-2b	TRB 2002G-1b	TRB 2002G-1c				
Remarketing Agent		N/A	N/A	N/A	N/A				
Initial Purchase Date		5/15/2017	5/15/2018	11/1/2015	11/1/2016				
Liquidity/Insurer		Assured	Assured	None	None				
Par Outstanding (\$m)		100.00	100.00	12.76	13.26				
Swap Notional (\$m)		100.00	100.00	11.86	12.32				
Date	1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR
3/4/2015	0.18%	0.59%	0.41%	0.72%	0.54%	0.62%	0.44%	0.81%	0.63%
3/11/2015	0.18%	0.59%	0.41%	0.72%	0.54%	0.62%	0.44%	0.81%	0.63%
3/18/2015	0.18%	0.59%	0.41%	0.72%	0.54%	0.62%	0.44%	0.81%	0.63%
3/25/2015	0.18%	0.59%	0.41%	0.72%	0.54%	0.62%	0.44%	0.81%	0.63%
4/1/2015	0.18%	0.59%	0.42%	0.72%	0.55%	0.62%	0.44%	0.81%	0.63%
4/8/2015	0.18%	0.59%	0.41%	0.72%	0.54%	0.62%	0.44%	0.81%	0.63%

Issue		TRB 2002G-1d	TRB 2002G-1f	TRB 2002G-1g	TRB 2002G-1h	TRB 2011B					
Remarketing Agent		N/A	N/A	N/A	N/A	N/A					
Initial Purchase Date		11/1/2017	11/1/2018	11/1/2015	11/1/2016	11/1/2017					
Liquidity/Insurer		None	None	None	None	None					
Par Outstanding (\$m)		13.80	42.58	42.55	56.89	99.56					
Swap Notional (\$m)		12.83	39.59	39.56	52.90	35.84					
Date	1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR
3/4/2015	0.18%	0.95%	0.77%	0.60%	0.42%	0.77%	0.59%	0.97%	0.79%	0.47%	0.29%
3/11/2015	0.18%	0.95%	0.77%	0.60%	0.42%	0.77%	0.59%	0.96%	0.78%	0.47%	0.29%
3/18/2015	0.18%	0.95%	0.77%	0.60%	0.42%	0.77%	0.59%	0.97%	0.79%	0.47%	0.29%
3/25/2015	0.18%	0.95%	0.77%	0.60%	0.42%	0.77%	0.59%	0.97%	0.79%	0.47%	0.29%
4/1/2015	0.18%	0.95%	0.77%	0.60%	0.42%	0.77%	0.59%	0.97%	0.79%	0.47%	0.29%
4/8/2015	0.18%	0.95%	0.77%	0.60%	0.42%	0.77%	0.59%	0.97%	0.79%	0.47%	0.29%

Issue		TRB 2012G-1	TRB 2012G-2	TRB 2012G-3	TRB 2012G-4				
Remarketing Agent		N/A	N/A	N/A	N/A				
Initial Purchase Date		11/1/2019	11/1/2015	11/1/2016	11/1/2017				
Liquidity/Insurer		None	None	None	None				
Par Outstanding (\$m)		84.45	125.00	75.00	73.73				
Swap Notional (\$m)		84.45	125.00	75.00	73.73				
Date	1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR
3/4/2015	0.18%	0.42%	0.24%	0.65%	0.47%	0.82%	0.64%	0.96%	0.78%
3/11/2015	0.18%	0.42%	0.24%	0.65%	0.47%	0.82%	0.64%	0.96%	0.78%
3/18/2015	0.18%	0.42%	0.24%	0.65%	0.47%	0.82%	0.64%	0.96%	0.78%
3/25/2015	0.18%	0.42%	0.24%	0.65%	0.47%	0.82%	0.64%	0.96%	0.78%
4/1/2015	0.18%	0.42%	0.24%	0.65%	0.47%	0.82%	0.64%	0.96%	0.78%
4/8/2015	0.18%	0.42%	0.24%	0.65%	0.47%	0.82%	0.64%	0.96%	0.78%

TBTA General Revenue Bonds

Issue		TBTA 2005B-4a	TBTA 2005B-4b	TBTA 2005B-4c	TBTA 2005B-4d	TBTA 2005B-4e					
Remarketing Agent		N/A	N/A	N/A	N/A	N/A					
Initial Purchase Date		1/4/2016	1/3/2017	2/1/2019	1/1/2016	1/1/2017					
Liquidity/Insurer		None	None	None	None	None					
Par Outstanding (\$m)		27.90	37.50	38.70	43.80	45.20					
Swap Notional (\$m)		27.90	37.50	38.70	43.80	45.20					
Date	1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR
3/4/2015	0.18%	0.50%	0.32%	0.64%	0.46%	0.52%	0.34%	0.71%	0.53%	0.77%	0.59%
3/11/2015	0.18%	0.50%	0.32%	0.64%	0.46%	0.52%	0.34%	0.71%	0.53%	0.77%	0.59%
3/18/2015	0.18%	0.50%	0.32%	0.64%	0.46%	0.52%	0.34%	0.71%	0.53%	0.77%	0.59%
3/25/2015	0.18%	0.50%	0.32%	0.64%	0.46%	0.52%	0.34%	0.71%	0.53%	0.77%	0.59%
4/1/2015	0.18%	0.50%	0.32%	0.64%	0.46%	0.52%	0.34%	0.71%	0.53%	0.77%	0.59%
4/8/2015	0.18%	0.50%	0.32%	0.64%	0.46%	0.52%	0.34%	0.71%	0.53%	0.77%	0.59%

Issue		TBTA 2003B-2	TBTA 2008B-2	TBTA SUB 2013D-2a	TBTA SUB 2013D-2b				
Remarketing Agent		N/A	NA	N/A	N/A				
Initial Purchase Date		12/3/2019	11/15/2021	2/1/2016	2/1/2016				
Liquidity/Insurer		None	None	None	None				
Par Outstanding (\$m)		46.05	63.65	58.02	90.45				
Swap Notional (\$m)		N/A	N/A	N/A	N/A				
Date	1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR	Rate	Spread to 1M LIBOR
3/4/2015	0.18%	0.47%	0.29%	0.62%	0.44%	0.62%	0.45%	0.82%	0.65%
3/11/2015	0.18%	0.47%	0.29%	0.62%	0.44%	0.62%	0.45%	0.82%	0.65%
3/18/2015	0.18%	0.47%	0.29%	0.62%	0.44%	0.62%	0.45%	0.82%	0.65%
3/25/2015	0.18%	0.47%	0.29%	0.62%	0.44%	0.62%	0.45%	0.82%	0.65%
4/1/2015	0.18%	0.47%	0.29%	0.62%	0.44%	0.63%	0.45%	0.83%	0.65%
4/8/2015	0.18%	0.47%	0.29%	0.62%	0.44%	0.63%	0.45%	0.83%	0.65%

Report Date 4/10/2015

METROPOLITAN TRANSPORTATION AUTHORITY
VARIABLE RATE: DAILY MODE
RATE RESETS REPORT (Trailing 10 Days)

Transportation Revenue Bonds

Dedicated Tax Fund Bonds

Issue		TRB 2005D-2	TRB 2005E-3	DTF 2008A-1			
Dealer		Morgan Stanley	PNC Capital	RBC Capital			
Liquidity Provider		Helaba	PNC	RBC			
Type of Liquidity		LoC	LoC	LoC			
Par Outstanding (\$m)		100.00	75.00	169.72			
Swap Notional (\$m)		100.00	45.00	166.50			
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
4/1/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.01%	-0.01%
4/2/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.01%	-0.01%
4/3/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.01%	-0.01%
4/4/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.01%	-0.01%
4/5/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.01%	-0.01%
4/6/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.01%	-0.01%
4/7/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.01%	-0.01%
4/8/2015	0.02%	0.02%	0.00%	0.02%	0.00%	0.01%	-0.01%
4/9/2015	0.02%	0.02%	0.00%	0.02%	0.00%	0.01%	-0.01%
4/10/2015	0.02%	0.02%	0.00%	0.03%	0.01%	0.02%	0.00%

TBTA General Revenue Bonds

Issue		TBTA 2002F	TBTA 2003B-3	TBTA 2005B-2			
Dealer		JP Morgan	US Bancorp	Wells Fargo			
Liquidity Provider		Helaba	US. Bank	Wells Fargo			
Type of Liquidity		LoC	LoC	LoC			
Par Outstanding (\$m)		195.30	54.56	193.10			
Swap Notional (\$m)		193.10	None	193.10			
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
4/1/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.01%	-0.01%
4/2/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.01%	-0.01%
4/3/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.01%	-0.01%
4/4/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.01%	-0.01%
4/5/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.01%	-0.01%
4/6/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.01%	-0.01%
4/7/2015	0.02%	0.01%	-0.01%	0.01%	-0.01%	0.01%	-0.01%
4/8/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.01%	-0.01%
4/9/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.01%	-0.01%
4/10/2015	0.02%	0.02%	0.00%	0.01%	-0.01%	0.01%	-0.01%

Report Date 4/10/2015

**METROPOLITAN TRANSPORTATION AUTHORITY VARIABLE RATE REPORT:
AUCTION RATE**

WEEKLY AUCTIONS

Issue	LIBOR Formula Fail Rate	LIBOR Formula Fail Rate		
	TRB 2002B-1	COPs 2004A-1	COPs 2004A-2	COPs 2004A-3
Outstanding Par (\$ M)	96.150	9.550	8.825	32.875
Swap Notional (\$m)	None	9.550	8.825	32.875
Final Maturity	11/1/2022	1/1/2030	1/1/2030	1/1/2030
Broker Dealer(s)	JP Morgan Merrill Lynch	JP Morgan Merrill Lynch	JP Morgan	JP Morgan Merrill Lynch
Insurer	Assured	Ambac	Ambac	Ambac
Auction Frequency	Tuesday	Monday	Tuesday	Wednesday
<i>Feb. 23 thru Feb. 27, 2015</i>	0.343%	0.470%	0.472%	0.473%
<i>Mar. 2 thru Mar. 6, 2015</i>	0.346%	0.475%	0.476%	0.481%
<i>Mar. 9 thru Mar. 13, 2015</i>	0.356%	0.485%	0.489%	0.484%
<i>Mar. 16 thru Mar. 20, 2015</i>	0.355%	0.487%	0.488%	0.484%
<i>Mar. 23 thru Mar. 27, 2015</i>	0.346%	0.478%	0.475%	0.483%
<i>Mar. 30 thru Apr. 3, 2015</i>	0.353%	0.493%	0.485%	0.488%
<i>Apr. 6 thru Apr. 10, 2015</i>	0.360%	0.494%	0.495%	0.498%
<i>Corresponding Libor Rate</i>	0.180%	0.180%	0.180%	0.181%
<i>Fail Rate</i>	200%	275%	275%	275%

28 & 35 DAY AUCTIONS

Issue	LIBOR Formula Fail Rate		
	TRB 2002B-2	COPs 2004A-4	COPs 2004A-5
Outstanding Par (\$ M)	95.525	30.250	3.175
Swap Notional (\$m)	None	30.250	3.175
Final Maturity	11/1/2022	1/1/2030	1/1/2030
Broker Dealer(s)	JP Morgan Merrill Lynch	JP Morgan	JP Morgan
Insurer	Assured	Ambac	Ambac
Auction Frequency	28-Days	35-Days	35-Days
<i>December 2014</i>	0.338%	0.464%	0.461%
<i>January 2015</i>	0.334%	0.470%	0.461%
<i>February 2015</i>	0.347%	0.481%	0.472%
<i>March 2015</i>	0.352%	0.481%	0.485%
<i>April 2015</i>	0.361%	0.495%	4/17/2015
<i>Corresponding Libor Rate</i>	0.180%	0.180%	0.177%
<i>Fail Rate</i>	200%	275%	275%

Report Date 4/10/2015

Type of Credit				Outstanding			Total Outstanding	TIC ¹	Notes	
	Underlying Ratings (Moody's/S&P / Fitch/ Kroll)	BPA Sale Date	Series Original Final Maturity	Principal Iss. Amount	Fixed Amount	Variable Amount				Synthetic Fixed Amount
MTA Transportation	2002B	5/28/02	11/1/2022	210.500	-	191.675	-	191.675	1.42	
Revenue Bonds	2002D	5/29/02	11/1/2032	400.000	174.725	-	200.000	374.725	4.22	
(A2/AA-/A)	2002E	6/12/02	11/15/2031	397.495	9.410	-	-	9.410	5.13	
	2002G	11/19/02	11/1/2026	400.000	-	12.760	169.070	181.830	3.66	
	2003A	5/8/03	11/15/2032	475.340	100.575	-	-	100.575	4.49	
	2003B	7/30/03	11/15/2032	751.765	71.080	-	-	71.080	5.10	
	2005A	2/9/05	11/15/2035	650.000	417.645	-	-	417.645	4.76	
	2005B	6/22/05	11/15/2035	750.000	558.765	-	-	558.765	4.80	
	2005C	10/19/05	11/15/2016	150.000	28.315	-	-	28.315	4.19	
	2005D	11/1/05	11/1/2035	250.000	-	-	250.000	250.000	4.43	
	2005E	11/1/05	11/1/2035	250.000	-	100.000	150.000	250.000	3.92	
	2005F	11/16/05	11/15/2035	468.760	339.975	-	-	339.975	4.88	
	2005G	12/7/05	11/1/2026	250.000	233.540	-	-	233.540	4.34	
	2006A	7/13/06	11/15/2035	475.000	381.545	-	-	381.545	4.89	
	2006B	12/13/06	11/15/2036	717.730	649.660	-	-	649.660	4.52	
	2007A	6/27/07	11/15/2037	425.615	370.485	-	-	370.485	4.84	
	2007B	12/6/07	11/15/2037	415.000	362.810	-	-	362.810	4.75	
	2008A	2/13/08	11/15/2038	512.470	480.700	-	-	480.700	4.91	
	2008B	2/13/08	11/15/2030	487.530	375.470	-	-	375.470	3.13	
	2008C	10/17/08	11/15/2013	550.000	467.095	-	-	467.095	6.68	
	2009A	10/6/09	11/15/2039	502.320	449.075	-	-	449.075	3.79	
	2010A	1/6/10	11/15/2039	363.945	363.945	-	-	363.945	4.44	
	2010B	2/4/10	11/15/2039	656.975	633.945	-	-	633.945	4.29	
	2010C	6/30/10	11/15/2040	510.485	477.900	-	-	477.900	4.27	
	CP2	9/16/10	11/15/2015	900.000	-	550.000	-	550.000	1.29	
	2010D	11/23/10	11/15/2040	754.305	703.055	-	-	703.055	5.15	
	2010E	12/21/10	11/15/2040	750.000	750.000	-	-	750.000	4.57	
	2011A	7/12/11	11/15/2046	400.440	388.355	-	-	388.355	4.95	
	2011B	9/13/11	11/1/2041	99.560	-	63.725	35.835	99.560	1.36	
	2011C	11/2/11	11/15/2028	197.950	191.435	-	-	191.435	3.99	
	2011D	11/30/11	11/15/2046	480.165	452.590	-	-	452.590	4.57	
	2012A	3/7/12	11/15/2042	150.000	50.000	100.000	-	150.000	1.69	
	2012B	3/7/12	11/15/2039	250.000	236.205	-	-	236.205	3.85	
	2012C	4/18/12	11/15/2047	727.430	710.470	-	-	710.470	4.22	
	2012D	6/28/12	11/15/2032	1,263.365	1,263.365	-	-	1,263.365	3.51	
	2012E	7/13/12	11/15/2042	650.000	624.990	-	-	624.990	3.91	
	2012F	9/20/12	11/15/2030	1,268.445	1,107.415	-	-	1,107.415	3.17	
	2012G	11/7/12	11/1/2032	359.450	-	-	358.175	358.175	4.20	
	2012H	11/9/12	11/15/2042	350.000	337.970	-	-	337.970	3.70	
	2013A	1/17/2013	11/15/2043	500.000	485.475	-	-	485.475	3.79	
	2013B	3/22/2013	11/15/2043	500.000	484.245	-	-	484.245	4.08	
	2013C	6/11/2013	11/15/2043	500.000	484.675	-	-	484.675	4.25	
	2013D	7/11/2013	11/15/2043	333.790	326.970	-	-	326.970	4.63	
	2013E	11/15/2013	11/15/2043	500.000	492.000	-	-	492.000	4.64	
	2014A	2/28/2014	11/15/2044	400.000	400.000	-	-	400.000	4.31	
	2014B	4/17/2014	11/15/2044	500.000	491.610	-	-	491.610	4.38	
	2014C	6/26/2014	11/15/2036	500.000	496.940	-	-	496.940	3.32	
	2014D	11/4/2014	11/15/2044	500.000	335.000	165.000	-	500.000	2.98	
	2015A	1/28/2015	11/15/2045	850.000	600.000	250.000	-	850.000	2.80	
	2015B	3/19/2015	11/15/2055	275.055	275.055	-	-	275.055	4.29	
			Total	24,980.885	18,634.480	1,433.160	1,163.080	21,230.720	4.06	
										WATIC
TBTA General	EFC 1996A	6/26/96	1/1/2030	28.445	2.440	-	-	2.440	5.85	
Revenue Bonds	2001B	12/18/01	1/1/2032	148.200	-	122.570	-	122.570	2.18	
(Aa3/AA-/AA-/ AA)	2001C	12/18/01	1/1/2032	148.200	-	122.565	-	122.565	2.37	
	2002B	9/19/02	11/15/2032	2,157.065	75.480	-	-	75.480	4.56	
	2002F	11/8/02	11/1/2032	246.480	-	2.200	193.100	195.300	3.81	
	2003B	12/9/03	1/1/2033	250.000	-	185.875	-	185.875	1.87	
	2005A	5/10/05	11/1/2035	150.000	-	98.900	23.520	122.420	2.46	
	2005B	7/6/05	1/1/2032	800.000	-	-	579.300	579.300	3.50	
	2006A	6/8/06	11/15/2035	200.000	71.045	-	-	71.045	4.72	
	2007A	6/13/07	11/15/2037	223.355	131.640	-	-	131.640	4.84	

MTA DEBT OUTSTANDING (\$ in Millions)

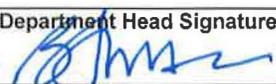
4/10/2015

Type of Credit	Underlying Ratings (Moody's/S&P / Fitch/ Kroll)	BPA Sale Series	Series Original Final Maturity	Principal Iss. Amount	Outstanding			Total Outstanding	TIC ¹	Notes	
					Fixed Amount	Variable Amount	Synthetic Fixed Amount				
		2008A	3/13/08	11/15/2038	822.770	618.105	-	-	618.105	4.93	
		2008B	3/13/08	11/15/2038	252.230	188.580	63.650	-	252.230	3.66	
		2008C	7/16/08	11/15/2038	629.890	500.180	-	-	500.180	4.72	
		2009A	2/11/09	11/15/2038	475.000	408.725	-	-	408.725	4.76	
		2009B	9/10/09	11/15/2039	200.000	200.000	-	-	200.000	3.63	
		2010A	10/20/10	11/15/2040	346.960	323.780	-	-	323.780	3.45	
		2011A	10/4/11	1/1/2028	609.430	569.675	-	-	569.675	3.59	
		2012A	6/6/12	11/15/2042	231.490	221.275	-	-	221.275	3.69	
		2012B	8/3/12	11/15/2032	1,236.898	1,351.630	-	-	1,351.630	2.66	
		2013B	1/29/2013	11/15/2030	257.195	257.195	-	-	257.195	2.25	
		2013C	4/18/2013	11/15/2043	200.000	196.610	-	-	196.610	3.71	
		TBTA BANS 2014A	2/6/2014	5/15/2015	100.000	100.000	-	-	100.000	0.62	
		2014A	2/6/2014	11/15/2044	250.000	244.960	-	-	244.960	4.28	
					Total	9,963.608	5,461.320	595.760	795.920	6,853.000	3.55
										WATIC	
TBTA Subordinate Revenue Bonds (A1/A+/ A+/ AA-)		2000ABCD	11/01/00	1/1/2019	263.000	-	52.550	76.150	128.700	4.28	
		2002E	10/23/02	11/15/2032	756.095	139.825	-	-	139.825	5.34	
		2003A	2/27/03	11/15/2032	500.170	9.545	-	-	9.545	4.91	
		2008D	7/16/08	11/15/2028	491.110	374.160	-	-	374.160	4.69	
		2013A	1/11/2013	11/15/2032	761.600	754.830	-	-	754.830	3.13	
		2013D	12/19/2013	11/15/2032	313.975	164.505	148.470	-	312.975	2.38	
					Total	3,085.950	1,442.865	201.020	76.150	1,720.035	3.61
										WATIC	
MTA Dedicated Tax Fund Bonds (AA/AA-)		2002B	9/4/02	11/1/2022	440.000	78.675	311.800	-	390.475	1.74	
		2004A	2/26/04	11/15/2018	250.000	87.525	-	-	87.525	3.49	
		2004B	3/9/04	11/15/2028	500.000	294.460	-	-	294.460	4.51	
		2004C	12/15/04	11/15/2018	120.000	39.065	-	-	39.065	3.77	
		2006A	6/7/06	11/15/2035	350.000	221.340	-	-	221.340	4.18	
		2006B	10/25/06	11/15/2036	410.000	279.260	-	-	279.260	4.28	
		2008A	6/24/08	11/1/2031	352.915	-	6.435	332.995	339.430	4.01	
		2008B	8/6/08	11/1/2034	348.175	199.915	134.210	-	334.125	2.30	
		2009A	3/12/09	11/15/2039	261.700	238.845	-	-	238.845	5.55	
		2009B	4/23/09	11/15/2030	500.000	461.635	-	-	461.635	5.00	
		2009C	4/23/09	11/15/2039	750.000	750.000	-	-	750.000	4.89	
		2010A	3/17/10	11/15/2040	502.990	470.850	-	-	470.850	3.91	
		2011A	3/23/11	11/15/2021	127.450	90.570	-	-	90.570	2.99	
		2012A	10/16/12	11/15/2032	1,065.335	992.130	-	-	992.130	3.07	
					Total	5,978.565	4,204.270	452.445	332.995	4,989.710	3.84
										WATIC	
MTA Certificates of Participation (2 Broadway) (Caa2/CC/NR)		2004A	9/21/04	1/1/2030	357.925	-	-	84.675	84.675	4.12	
					Total	357.925	-	-	84.675	4.12	
										WATIC	
					All MTA Total	44,366.933	29,742.935	2,682.385	2,452.820	34,878.140	3.91
State Service Contract Bonds (AA/AA)		2002A	6/5/02	7/1/2031	1,715.755	222.325	-	-	222.325	5.29	
		2002B	6/26/02	7/1/2031	679.450	30.270	-	-	30.270	4.93	
					Total	2,395.205	252.595	-	-	252.595	5.25
										WATIC	

Notes

- (1) Fixed Rate TICs calculated as of issuance of Fixed Rate Bonds. Floating Rate TICs calculated from inception including fees. Any Unhedged Variable Rate Bonds that have been fixed to maturity are carried at the new Fixed Rate TIC. Synthetic Fixed Rate TICs include average swap rates plus current variable rate fees and estimated basis adjustments for life of swap. Synthetic Fixed Rate TICs do not include benefit of any upfront payments received by MTA. Variable Rate TICs include average remarketed plus current variable rate fees.

Staff Summary

Subject Authorization to execute a Financing Agreement with the Federal Railroad Administration for a loan to finance the Positive Train Control Project and to deliver an MTA Transportation Revenue Bond in repayment of the loan
Department Finance
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature 
Project Manager Name Patrick J. McCoy, Director of Finance 

Date April 29, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	4/27/15			
2	Board	4/29/15			

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 	2	Chief of Staff 

PURPOSE:

To obtain Finance Committee and MTA Board approval of the annexed Financing Agreement between MTA and the Federal Railroad Administration (“FRA”) to secure a loan from FRA under the Railroad Rehabilitation and Improvement Financing Program (“RRIF”) in an amount not to exceed \$967,100,000 to finance the installation of Positive Train Control (“PTC”) technology on the MTA Commuter Railroads. As evidence of the MTA’s obligation to repay the loan, the MTA will deliver to FRA a like aggregate principal amount of MTA Transportation Revenue Bonds issued in accordance with the provisions of the annexed Series 2015X (RRIF Loan – Positive Train Control Project) Transportation Revenue Bond Supplemental Resolution.

BACKGROUND:

In 2008, Congress passed the Rail Safety Improvement Act of 2008 ("Act"), which requires, among other things, the installation of PTC on all commuter railroad main-line tracks. PTC is a technology that is intended to prevent train-to-train collisions, over-speed derailments, incursions into established work zone limits, and the movement of a train through an improperly aligned switch. The MTA Commuter Railroads (Metro-North Railroad and Long Island Rail Road) are currently working toward the implementation of PTC on mainline tracks not otherwise subject to an exemption.

On January 27, 2014, MTA filed an amendment to its April 21, 2011 Application for \$3 billion of RRIF Funding for East Side Access to request \$967 million for installation of PTC. MTA Finance, working with Metro-North and LIRR staff, have undertaken the necessary steps to negotiate the terms and conditions of the loan and provide FRA with project information necessary for review and approval of the loan. No further consideration of ESA is being made by FRA under the current application.

On December 18, 2014, the FRA submitted MTA's application for the RRIF loan to the U.S. Department of Transportation Credit Council for approval. The Credit Council approved the loan subject to resolution of certain matters, including the determination of a credit risk premium and approval of a waiver of certain Buy America requirements. FRA, in consultation with the U.S. Department of Transportation Credit Council and the Office of Management and Budget determines the credit risk premium. MTA Finance has recently been informed by FRA that there will be no credit risk premium in connection with the MTA Transportation Revenue Bond credit as principal security for the loan.

On February 19, 2015, MTA submitted a formal request for waiver of Buy America requirements in connection with a limited number of non-U.S. sourced components. FRA has granted the waiver request.

Key Loan Provisions:

- Term: November 15, 2037
- Rate: 2.38%
- Security: MTA Transportation Revenue Bond
- Credit Risk Premium: 0.00%
- Prepayment: Allowed anytime at no cost.
- Assignment: FRA may assign its rights as a bondholder to an additional holder.

The following provisions are available only to the FRA and not to any additional holder.

- Conversion right: Future MTA issuance of structurally senior debt gives right to FRA to exchange the TRB bond for such structurally senior bond within 90 days.
- Advance Suspension Event: Occurrence of any resolution default, Material Adverse Effect (significant change in MTA's operations or financial condition), misrepresentation, insolvency, or action by New York State in violation of its pledge and agreement that the State of New York will not limit or alter the denial of bankruptcy by the MTA or any of its subsidiaries or affiliates.
- Rating Requirement: MTA must maintain at least two ratings at the "A-", or "A3" level. Failure to maintain such ratings for a period of 180 days or more results in a Ratings Downgrade Event, increasing interest cost by 2.00%.
- Overdue Rate: Applies to uncured Advance Suspension Events and increases cost of loan by an additional 2.00% above the prevailing rate; which can be either the base rate or Ratings Downgrade Rate.

RECOMMENDATION

It is recommended that the Board approve the annexed Financing Agreement and Supplemental Resolution in connection with the RRIF loan.

METROPOLITAN TRANSPORTATION AUTHORITY

**SERIES 2015X
(RRIF LOAN – POSITIVE TRAIN CONTROL PROJECT)
TRANSPORTATION REVENUE BOND
SUPPLEMENTAL RESOLUTION**

Adopted _____, 2015

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS AND STATUTORY AUTHORITY.....	1
Section 1.01. Supplemental Resolution	1
Section 1.02. Definitions.....	1
Section 1.03. Authority for this Supplemental Resolution	3
ARTICLE II AUTHORIZATION OF SERIES 2015X BONDS	3
Section 2.01. Authorized Principal Amount, Designation and Series	3
Section 2.02. Purposes	4
Section 2.03. Dates, Maturities, Principal Amounts and Interest.....	4
Section 2.04. Interest Payments	5
Section 2.05. Denominations, Numbers and Letters.....	5
Section 2.06. Places of Payment and Paying Agent	6
Section 2.07. Redemption Prices and Terms	6
Section 2.08. Transfers to Additional Holders.....	7
Section 2.09. Delegation to an Authorized Officer.....	7
Section 2.10. Forms of Series 2015X Bonds and Trustee’s Authentication Certificate.....	8
Section 2.11. Appointment of Trustee and Paying Agent	8
ARTICLE III DISPOSITION OF ADVANCES	9
Section 3.01. Disposition of Advances.....	9

Exhibit One – Form of Series 2015X Bond delivered to Additional Holders

**SERIES 2015X
(RRIF LOAN – POSITIVE TRAIN CONTROL PROJECT)
TRANSPORTATION REVENUE BOND
SUPPLEMENTAL RESOLUTION**

WHEREAS, the United States of America represented by the Secretary of Transportation (the “Transportation Secretary”) acting through the Federal Railroad Administration (the “Lender”) is authorized, pursuant to Title V of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, 45 U.S.C. 821 *et seq.* (the “Federal Act”), to provide financial assistance for such purposes consistent with the Federal Act as may be approved by the Transportation Secretary and the Transportation Secretary has duly delegated the Transportation Secretary’s authority under the Federal Act to the Federal Railroad Administrator or the Federal Railroad Administrator’s designee (the “Administrator”);

WHEREAS, pursuant to the Federal Act, the Metropolitan Transportation Authority (the “Issuer”) has submitted an application, as updated and amended, to the Administrator requesting a loan (the “Loan”) in the amount of Nine Hundred Sixty Seven Million One Hundred Thousand Dollars (\$967,100,000);

WHEREAS, the proceeds of the Loan will finance Allowable Costs (as such term is defined in the Financing Agreement between the Issuer and the United States of America, represented by the Secretary of Transportation acting through the Federal Railroad Administrator (as the same may be amended or supplemented, the “Financing Agreement”)) incurred by the Issuer in connection with its Positive Train Control Project capital project which will install Positive Train Control on The Long Island Rail Road Company and Metro-North Commuter Railroad Company tracks as and where required by applicable laws and regulations; and

WHEREAS, the Issuer’s obligation to repay the Loan will be evidenced by the issuance of the Series 2015X Bonds hereunder and secured by a pledge of the Trust Estate on a parity basis with the holders of the Issuer’s Obligations;

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Transportation Authority, as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01. Supplemental Resolution. This resolution is supplemental to, and is adopted, in accordance with Article II and Article A-VIII of, a resolution of the Issuer adopted on March 26, 2002, entitled “General Resolution Authorizing Transportation Revenue Obligations” (the “Resolution”).

Section 1.02. Definitions.

(a) All capitalized terms which are used but not otherwise defined in this Series 2015X (Positive Train Control Project) Transportation Revenue Bond Supplemental

Resolution (the “Supplemental Resolution”) shall have the same meanings, respectively, as such terms are given by Section 102 of the Resolution.

(b) The following terms shall have the meanings set forth in the Financing Agreement:

“Additional Holder”
“Administrator”
“Advance”
“Allowable Costs”
“Advance Suspension Event”
“Base Rate”
“Commitment Termination Date”
“Lender”
“Loan”
“Maximum Aggregate Principal Amount of the Loan”
“Overdue Rate”
“Ratings Downgrade Event”
“Ratings Downgrade Rate”
“RRIF Loan Obligations”

(c) In this Supplemental Resolution:

“Authorized Officer” shall include the officers of the Issuer designated as such in the Resolution, and the Chairman and Chief Executive Officer, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance, as well as any officer duly designated as “Acting” in said officer’s capacity, except that, for the purposes of any delegation set forth herein that does not expressly include any Assistant Secretary, “Authorized Officer” shall not include any Assistant Secretary of the Issuer.

“Board” shall mean the members of the Issuer acting as such pursuant to the provisions of the Issuer Act.

“Bond Counsel” shall mean Nixon Peabody LLP, Hawkins Delafield & Wood LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities selected by the Issuer.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and regulations thereunder.

“Federal Act” shall mean Title V of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, 45 U.S.C. 821 et seq.

“Federal Government Holder” shall mean an Owner of any Series 2015X Bond that is an agency or instrumentality of the federal government.

“Financing Agreement” shall have the meaning given in the recitals hereof.

“Interest Payment Date” shall mean each May 15 and November 15 occurring after the date of issue of the Series 2015X Bonds until such Series 2015X Bonds are paid in full or, if any such day is not a Business Day, then the next succeeding Business Day.

“Principal Payment Date” shall mean each November 15 or, if any such day is not a Business Day, then the next succeeding Business Day, in the years determined as provided in Section 2.2 of the Financing Agreement.

“Transportation Secretary” shall mean the Secretary of Transportation of the United States of America, and his or her successors or assigns.

Section 1.03. Authority for this Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Issuer Act and the Resolution.

ARTICLE II

AUTHORIZATION OF SERIES 2015X BONDS

Section 2.01. Authorized Principal Amount, Designation and Series. Pursuant to the provisions of the Resolution and in order to finance Allowable Costs, a Series of Transportation Revenue Obligations, which for purposes of this Supplemental Resolution shall collectively be referred to herein as the “Series 2015X Bonds”, constituting Taxable Bonds and Capital Cost Obligations, entitled to the benefit, protection and security of such provisions of the Resolution, are hereby authorized to be issued in an aggregate principal amount not exceeding the Maximum Aggregate Principal Amount of the Loan, the execution and delivery of the Financing Agreement being conclusive evidence of the amount of the Maximum Aggregate Principal Amount of the Loan permitted hereunder. The Series 2015 X Bonds shall be issued as evidence of the Issuer’s obligation to repay the Loan. Series 2015X Bonds shall be designated as, and shall be distinguished from the Obligations of all other Series by the title, “Transportation Revenue Bonds, Series 2015X (RRIF Loan – Positive Train Control Project)” or such other title or titles set forth in one or more Certificates of Determination.

The Series 2015X Bonds shall be initially issued as one interim bond certificate (the “Series 2015X Interim Bond”), authenticated by the Trustee, in substantially the form attached to the Financing Agreement as Exhibit G-I thereto in the Maximum Aggregate Principal Amount of the Loan, bearing interest at the Base Rate, subject to adjustment as provided in the Financing Agreement, and made payable to the Lender. The Lender is authorized to enter on the grid attached to the Series 2015X Interim Bond the amount of each Advance of the Loan made under the Financing Agreement, all as provided in the Financing Agreement.

As provided in Section 2.1 of the Financing Agreement, the Issuer shall deliver or cause to be delivered to the Administrator, in substitution for the Series 2015X Interim Bond as provided in the Financing Agreement, one final bond certificate (the “Series 2015X Final Bond”), authenticated by the Trustee, in substantially the form attached to the Financing Agreement as Exhibit G-II thereto in a principal amount equal to the aggregate outstanding principal amount of all Advances made under the Financing Agreement.

The Lender shall have the right at any time to assign its interest in the Series 2015X Bond, in whole or in part, to any Additional Holder as provided in Section 2.6 of the Financing Agreement; provided, however, that (i) the Administrator shall give the Issuer written notice of any such assignment and (ii) in the event that Lender intends to assign any interest in the Series 2015X Bond to any Additional Holders which are not a Qualified Institutional Buyers (as defined in the federal securities laws), then the Administrator shall give the Issuer not less than thirty (30) days prior written notice and shall provide such Additional Holders with any information disclosure document concerning the Issuer and the Series 2015X Bond which is delivered by the Issuer to the Administrator within such thirty-day period.

At any time after the issuance of the Series 2015X Final Bond, if requested in writing by the Administrator, Issuer shall, within a reasonable period of time and at its sole expense, register the Series 2015X Final Bond (in which case the Series 2015X Final Bond may be reissued in the form of Exhibit One to this Supplemental Resolution but without change to the essential terms of the Series 2015X Bond other than the deletion of provisions thereof not applicable to any Series 2015X Bond held by an Additional Holder as provided in Section 2.7 of the Financing Agreement) with The Depository Trust Company or its nominee (or such other depository as is then being employed generally for Issuer's Obligations) as a fully-registered security so as to provide for payments under and transfers of ownership interests in the Series 2015X Final Bond through The Depository Trust Company's Book-Entry-Only System (or such equivalent system as is then in use generally with respect to Issuer's Obligations).

As provided in the Financing Agreement, certain terms and conditions of the Series 2015X Bonds held by Additional Holders are different from the terms and conditions of the Series 2015X Bonds held by a Federal Government Holder. The Issuer shall deliver to each Additional Holder a Series 2015X Bond in substantially the form of Exhibit One hereto.

Section 2.02. Purposes. The Series 2015X Bonds are being issued to evidence the Issuer's repayment of the Loan in order to finance Allowable Costs under the Financing Agreement which are Capital Costs under the Resolution, all to the extent and in the manner provided in the Financing Agreement and this Supplemental Resolution.

Section 2.03. Dates, Maturities, Principal Amounts and Interest. The Series 2015X Interim Bond shall be dated the date of execution and delivery of the Financing Agreement. Unless otherwise provided in a Certificate of Determination, the Series 2015X Final Bond shall be dated as of the first Interest Payment Date falling after the Commitment Termination Date. Unless otherwise provided in a Certificate of Determination, each Series 2015X Bond issued in exchange or replacement for the Series 2015X Final Bond or in exchange or replacement for other Series 2015X Bonds other than the Series 2015X Final Bond and the Series 2015X Interim Bond shall be dated as of the most recent Interest Payment Date to which interest has been paid in full.

The outstanding principal amount of the Series 2015X Bonds, which shall be determined in accordance with the provisions of Section 2.2 of the Financing Agreement upon the delivery of the Series 2015X Final Bond, shall be paid in twenty (20) annual installments on each Principal Payment Date commencing on the Principal Payment Date determined upon the delivery of the Series 2015X Final Bond in accordance with the provisions of the Financing

Agreement. The Series 2015X Bonds shall mature on November 15, 2037, or such later date as may be agreed to by the Lender, it being understood that the Lender is under no obligation to extend the maturity date of the Loan. Principal on the Series 2015X Bonds shall be paid on each November 15 in accordance with the schedule attached to the Series 2015X Final Bond and determined as provided in Section 2.2(b) of the Financing Agreement.

Except as provided in the next paragraph, the outstanding principal amount of the Series 2015X Bonds shall bear interest at the Base Rate.

For Series 2015X Bonds that are owned by a Federal Government Holder only, in the event that an Advance Suspension Event under Section 6.1(a) of the Financing Agreement occurs and is continuing, the outstanding principal amount of each Series 2015X Bond and any past-due amount of interest shall bear interest at the Overdue Rate commencing on the thirtieth day after the relevant payment was due and continuing until such Advance Suspension Event is cured. For Series 2015X Bonds that are owned by a Federal Government Holder only, upon the occurrence and during the continuance of a Ratings Downgrade Event, the outstanding principal amount of each Series 2015X Bond shall bear interest at the Ratings Downgrade Rate. For the avoidance of doubt, if at any time both Ratings Downgrade Rate and the Overdue Rate apply, the outstanding principal amount of each Series 2015X Bond held by a Federal Government Holder and any past-due amount of interest shall bear interest at the rate per annum equal to the Base Rate plus four percent (4.00%). The Overdue Rate and the Ratings Downgrade Rate shall be calculated as provided in Section 2.2 of the Financing Agreement. Additional Holders shall not be entitled to receive interest at either the Overdue Rate or the Ratings Downgrade Rate.

Section 2.04. Interest Payments. The Series 2015X Bonds shall bear interest from their date or dates and be payable on each Interest Payment Date. Interest on the Series 2015X Bonds shall be calculated based on a 365-day or 366-day year, as appropriate, and the actual number of calendar days elapsed from and including the date of each applicable Advance or last Interest Payment Date, as the case may be, to but excluding the Interest Payment Date on which such interest is due.

In the case of Series 2015X Bonds held by a Federal Government Holder, the Record Date for the payment of principal of and interest on the Series 2015X Bonds shall be the day prior to the Interest Payment Date or the Principal Payment Date, as the case may be. In the case of Series 2015X Bonds held by an Additional Holder, the Record Date for the payment of principal of and interest on the Series 2015X Bonds shall be the November 1 or May 1 immediately preceding such payment date.

Section 2.05. Denominations, Numbers and Letters. Unless otherwise provided in any Certificate of Determination, the Series 2015X Bonds shall be issued in fully registered form without coupons and, if issued to any Additional Holder, in the denomination of \$5,000 or any integral multiple thereof.

The Series 2015X Bonds shall be lettered and numbered as provided in any Certificate of Determination.

Section 2.06. Places of Payment and Paying Agent. With respect to Series 2015X Bonds owned by a Federal Government Holder, all payments of RRIF Loan Obligations shall be made, irrespective of any claim or right of counterclaim or set-off, on or before the date such payment is due by wire transfer of immediately available funds in accordance with written payment instructions provided by the Administrator from time to time under the Financing Agreement for such purposes (subject, in the case of payments specified in clause (a) of the definition of RRIF Loan Obligations, to any requirements of The Depository Trust Company in the event of a transfer to an Additional Holder). The Federal Government Holder shall not be required to present or surrender the Series 2015X Bonds to the Issuer, the Trustee or the Paying Agent as a condition to the payment of any RRIF Loan Obligations.

Except as otherwise provided in any Certificate of Determination, with respect to Series 2015X Bonds owned by an Additional Holder, payment of principal and Redemption Price of the Series 2015X Bonds shall be payable to the Additional Holder that is the registered owner of each Series 2015X Bond when due upon presentation of such Series 2015X Bond at the principal corporate trust office of the Trustee.

Except as otherwise provided in any Certificate of Determination, interest on the registered Series 2015X Bonds owned by Additional Holders will be paid by check or draft mailed on the Interest Payment Date by the Paying Agent, to the registered owner at his address as it appears on the registration books or, at the option of any Owner that is an Additional Holder of at least one million dollars (\$1,000,000) in principal amount of the Series 2015X Bonds, by wire transfer in immediately available funds on each Interest Payment Date to such Owner thereof upon written notice from such Owner to the Trustee, at such address as the Trustee may from time to time notify such Owner, containing the wire transfer address (which shall be in the continental United States) to which such Owner wishes to have such wire directed, if such written notice is received not less than twenty (20) days prior to the related Interest Payment Date (such notice may refer to multiple interest payments).

Section 2.07. Redemption Prices and Terms. With respect to Series 2015X Bonds owned by a Federal Government Holder, the Series 2015X Bonds are subject to redemption in whole or in part at any time or from time to time, without penalty or premium, as provided in Section 2.4 of the Financing Agreement. With respect to each redemption, the Issuer shall deliver written notice of such redemption to the Federal Government Holder no less than ten (10) nor more than thirty (30) days prior to the date set for redemption. All partial prepayments of principal prior to the delivery of the Series 2015X Final Bond shall be recorded by the Administrator on Schedule A to the Series 2015X Interim Bond or, if made after the delivery of the Series 2015X Final Bond, shall be applied to future installments of principal due on the Series 2015X Bonds in the inverse order of maturity.

With respect to Series 2015X Bonds owned by Additional Holders, the Series 2015X Bonds are subject to redemption in whole or in part at any time or from time to time, without penalty or premium, at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued thereon to the redemption date. With respect to each redemption, the Issuer shall deliver written notice of such redemption to the Owners (or to the Securities Depository as provided in a Certificate of Determination) no less than twenty (20) nor more than ninety (90) days prior to the date set for redemption.

Section 2.08. Transfers to Additional Holders. Except as provided in the next sentence, neither the Series 2015X Interim Bond nor the Series 2015X Final Bond delivered to the Lender or any other Federal Government Holder will be registered with a Securities Depository. As provided in Section 2.6(b) of the Financing Agreement, the Administrator may request that the Issuer register the Series 2015X Bonds held by a Federal Government Holder with a Securities Depository.

As provided in Section 2.6 of the Financing Agreement, the Lender has the right at any time to assign its interest in the Series 2015X Bonds, in whole or in part, to any Additional Holder. In connection with the delivery of Series 2015X Bonds to Additional Holders, the Issuer may provide for the registration of such Series 2015X Bonds to a Securities Depository, as provided in a Certificate of Determination.

Any Additional Holders of an interest in the Series 2015X Bonds shall have only the rights and benefits conferred on Owners by the Resolution, this Supplemental Resolution and the related Certificates of Determination, and the Series 2015X Bonds, and shall have none of the additional rights and benefits conferred by the Financing Agreement (including, without limitation, those conferred under Articles IV, V and VI of the Financing Agreement and any right to receive the Ratings Downgrade Rate or the Overdue Rate). The additional rights and remedies under the Financing Agreement shall belong to and be exercisable solely by and for the benefit of Lender and the Administrator and the other Federal Government Holders. Nothing contained in this Supplemental Resolution or the Financing Agreement shall confer upon any Additional Holder any such rights or remedies under the Financing Agreement or the right to enforce any such rights or remedies. Interest on the Series 2015X Bonds payable to any Additional Holder shall not be excludable from gross income for federal income tax purposes.

Section 2.09. Delegation to an Authorized Officer. (a) There is hereby delegated to each Authorized Officer, subject to the limitations contained in this Supplemental Resolution, the following powers with respect to the Series 2015X Bonds:

(i) to execute and deliver for and on behalf and in the name of the Issuer, to the extent determined by such Authorized Officer to be necessary or convenient, the Financing Agreement, substantially in the form presented to the Board at this meeting, with such changes, omissions, insertions and revisions as such officer shall deem advisable, said execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions;

(ii) to determine the terms and conditions relating to the Loan and the issuance of the Series 2015X Bonds as evidence of the obligation of the Issuer to repay the Loan, including the Maximum Aggregate Principal Amount of the Loan, and to take all steps necessary or convenient to satisfy the conditions precedent necessary to close the Loan, including the determination by the Chairman and Chief Executive Officer or the Vice Chairman of the amount of the credit risk premium, if any, that may be assessed against the Issuer in order to make the total cost of the Loan to the Issuer economically beneficial when compared to the cost of other available borrowings for the Allowable Costs; such determination by the Chairman and Chief Executive Officer or the Vice Chairman to be evidenced by a certificate of such officer attached to the Certificate of Determination.

(iii) to determine the amortization of the principal of the Loan and the Series 2015X Bonds consistent with the requirements of Section 2.2 of the Financing Agreement; and

(iv) to take all actions required for the Series 2015X Bonds to be eligible, where appropriate under the terms of the Financing Agreement, under the rules and regulations of The Depository Trust Company (“DTC”) for investment and trading as uncertificated securities, to execute and deliver a standard form of letter of representation with DTC and, notwithstanding any provisions to the contrary contained in this Supplemental Resolution, to include in any Certificate of Determination such terms and provisions as may be appropriate or necessary to provide for uncertificated securities in lieu of Series 2015X Bonds issuable in fully registered form.

(b) Any Authorized Officer shall execute any Certificate of Determination evidencing the determinations made pursuant to this Supplemental Resolution and such Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein. More than one Certificate of Determination may be delivered to the extent necessary or advisable from time to time to comply with the provisions of the Financing Agreement, or other authority is exercised under this Supplemental Resolution from time to time and each such Certificate of Determination shall be delivered to the Trustee prior to the authentication and delivery of the respective Series 2015X Bonds by the Trustee or other documentation. Determinations set forth in any Certificate of Determination shall have the same effect as if set forth in this Supplemental Resolution. Any such Authorized Officer may exercise any authority delegated under this Supplemental Resolution from time to time following issuance of any Series 2015X Bonds, as appropriate for any purposes.

(c) Any Authorized Officer shall take all steps necessary or convenient to comply with the terms and conditions of the Loan and the Financing Agreement through the termination thereof, including the submission of the documentation necessary to request Advances and complying with the covenants set forth in the Financing Agreement.

Section 2.10. Forms of Series 2015X Bonds and Trustee’s Authentication Certificate. The forms of the Series 2015X Interim Bond and the Series 2015X Final Bond, and the Trustee’s certificate of authentication, shall be substantially the forms set forth as Exhibit G-I and Exhibit G-II, respectively, of the Financing Agreement. Subject to the provisions of the Resolution, the form of registered Series 2015X Bonds delivered to Additional Holders, and the Trustee’s certificate of authentication, shall be substantially in the form set forth in Exhibit One to the Resolution including, if necessary, any changes to comply with the requirements of DTC or the provisions of this Supplemental Resolution or any Certificate of Determination.

Section 2.11. Appointment of Trustee and Paying Agent. Unless otherwise provided by Certificate of Determination, The Bank of New York Mellon, as successor in interest to JPMorgan Chase Bank, N.A., shall be the Trustee under the Resolution and the Paying Agent for the Series 2015X Bonds.

ARTICLE III

DISPOSITION OF ADVANCES

Section 3.01. Disposition of Advances. Any proceeds of the Advances under the Financing Agreement, if not immediately used to reimburse the Issuer for Allowable Costs under the Financing Agreement that are Capital Costs under the Resolution previously paid, shall be deposited, simultaneously with the delivery of the proceeds of the Advance, in the Proceeds Account which is deemed to be established for the Series 2015X Bonds in the Proceeds Fund to be applied to the payment of Allowable Costs under the Financing Agreement that are Capital Costs under the Resolution.

Exhibit One

**FORM OF SERIES 2015X FINAL BOND
DELIVERED TO ADDITIONAL HOLDERS**

**THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE
OF NEW YORK OR THE CITY OF NEW YORK AND NEITHER
THE STATE NOR THE CITY SHALL BE LIABLE THEREON.**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Resolution to the contrary, a portion of the principal amount of this Series 2015X Bond may be paid or redeemed without surrender hereof to the Paying Agent. DTC or a nominee, transferee or assignee of DTC of this Series 2015X Bond may not rely upon the principal amount indicated hereon as the principal amount hereof outstanding and unpaid. The principal amount hereof outstanding and unpaid shall for all purposes be the amount determined in the manner provided in the Resolution.

**METROPOLITAN TRANSPORTATION AUTHORITY
TRANSPORTATION REVENUE BOND, SERIES 2015X
(RRIF Loan – Positive Train Control Project)**

NO. 15X-RRIF-R-__

Principal Amount: \$__

Interest Rate

Maturity Date

Dated Date

Base Rate

November 15, 2037

____, 20__

Registered Owner:

Principal Amount: ____ Dollars

METROPOLITAN TRANSPORTATION AUTHORITY (herein called the “MTA”), a body corporate and politic constituting a public benefit corporation, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Owner stated above, or registered

assigns, on the Maturity Date set forth above, but solely from the Trust Estate defined below, as provided in the hereinafter defined Financing Agreement, the Principal Amount set forth above, as such Principal Amount may be decreased as provided in the Financing Agreement, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay to the Registered Owner hereof interest on such Principal Amount, such payment to be made by The Bank of New York Mellon, as Paying Agent, from the Interest Payment Date (as defined in the hereinafter defined Financing Agreement) immediately preceding the date hereof at the Base Rate, payable on each Interest Payment Date until the MTA's obligation with respect to the payment of such Principal Amount shall be discharged. Interest on this Series 2015X Bond shall be calculated based on a 365-day or 366-day year, as appropriate, and the actual number of calendar days elapsed from and including the last Interest Payment Date to but excluding the Interest Payment Date on which such interest is due.

INTEREST PAID UNDER THIS SERIES 2015X BOND IS NOT EXCLUDABLE FROM GROSS INCOME FOR UNITED STATES FEDERAL INCOME TAX PURPOSES.

“Financing Agreement” means the Financing Agreement, dated as of ____, 2014, between MTA and the United States of America (the “Lender”), represented by the Secretary of Transportation, acting through the Federal Railroad Administrator (the “Administrator”).

“Interest Payment Date” means each May 15 and November 15 occurring after the Dated Date set forth above.

“Base Rate” means the rate of ____% per annum.

Payments of principal and interest will be paid by wire transfer of immediately available funds in accordance with written payment instructions provided by the Administrator from time to time under the Financing Agreement.

This Bond is one of a duly authorized issue of obligations of the MTA designated as its “Transportation Revenue Obligations” (herein called the “Bonds”) issued under and pursuant to the Metropolitan Transportation Authority Act, Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the “MTA Act”), and under and pursuant to a resolution of the MTA adopted on March 26, 2002, entitled “General Resolution Authorizing Transportation Revenue Obligations,” as supplemented. Said resolution, as supplemented and amended, is herein called the “Resolution.” This Bond is one of a series of Bonds designated as “Transportation Revenue Bonds, Series 2015X” (herein called the “Series 2015X Bonds”), issued in the principal amount of \$____ under said Resolution. All capitalized terms used but not otherwise defined herein or in the Financing Agreement have the respective meanings ascribed by the Resolution.

Copies of the Resolution are on file at the office of the MTA and at the principal corporate trust office of The Bank of New York Mellon, New York, New York, as Trustee under the Resolution, or its successor as Trustee (herein called the “Trustee”), in the Borough of Manhattan, City and State of New York, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the MTA Act is hereby

made for a complete description of the pledge and covenants securing the Series 2015X Bond, the nature, extent and manner of enforcement of, and limitations with respect to, such pledge, the rights and remedies of the registered owners of the Series 2015X Bond with respect thereto, and the terms and conditions upon which the Bonds are issued and may be issued thereunder.

This Bond is a special obligation of the MTA, secured by a pledge, 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, of all right, title and interest of the MTA in the "Trust Estate," being (i) all Revenues and Net Proceeds of Qualified Agreements, (ii) the proceeds of the sale of the Obligations, (iii) all Funds, Accounts and Subaccounts established by the Resolution (subject to specified provisions of the Resolution) including the investments, if any, thereof, (iv) the Interagency Agreement, and (v) all funds, moneys and securities and any and all other rights and interest in property, whether tangible or intangible, from time to time hereafter received by the Trustee as additional security under the Resolution.

Any Additional Holders of an interest in this Series 2015X Bond shall have only the rights and benefits conferred on owners by the Resolution, and shall have none of the additional rights and benefits conferred by the Financing Agreement (including, without limitation, those conferred under Articles IV, V and VI of the Financing Agreement and any right to receive the Ratings Downgrade Rate and the Overdue Rate, as each is defined in the Financing Agreement). The additional rights and remedies under the Financing Agreement shall belong to and be exercisable solely by and for the benefit of Lender and the Administrator and other federal government holders. Nothing contained in the Financing Agreement shall confer upon any Additional Holder any such rights or remedies under the Financing Agreement or the right to enforce any such rights or remedies.

"Additional Holder" means any individual or entity other than an agency or instrumentality of the federal government, to which all or a portion of this Series 2015X Bond may be transferred by the Lender or by any transferee of Lender.

To the extent provided in the Resolution, the Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited except as provided in the Resolution, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

The events specified in the Resolution as such shall constitute Events of Default and the Trustee and the Owners shall have the rights and remedies provided by the Resolution. Neither the Trustee nor the Owners of the Bonds shall have the right to declare all of the Bonds to be immediately due and payable in the event of a default with respect to the Resolution or any of the Bonds.

To the extent provided in the Resolution, Parity Debt, secured on a parity basis with the Bonds with respect to all right, title and interest of the MTA in the Trust Estate, may be issued or

entered into by the MTA. The aggregate principal amount of Parity Debt which may be issued or entered into under the Resolution is not limited except as provided in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, modification or amendment of the Resolution and of the rights and obligations of the MTA and of the Owners of the Bonds may be made by a Supplemental Resolution, in certain instances without the written consent of the Owners of the Bonds. Reference is made to the Resolution for the terms and provisions thereof relating to amendments and supplements.

The registration of this Bond is transferable, as provided in the Resolution, only upon the books of the MTA kept for that purpose at the above mentioned office of the Trustee by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new registered Series 2015X Bond or Series 2015X Bonds in the same aggregate principal amount, interest rate and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The MTA and each Fiduciary, including the Trustee and any Paying Agent, may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

This Series 2015X Bond may be transferred in accordance with the provisions of Section 2.6 of the Financing Agreement.

The Series 2015X Bond is subject to redemption prior to maturity on any date, at the option of MTA, in whole or in part, without penalty or premium, upon not less than twenty (20) nor more than ninety (90) calendar days' prior written notice to the owners, at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date. Any partial payments of principal shall be applied to future installments due on this Series 2015X Bond in the inverse order of maturity, and Schedule A hereto shall be revised to reflect such redemption.

Pursuant to the MTA Act, the State, upon providing sufficient funds, may require MTA to redeem the Series 2015X Bond, prior to maturity, as a whole, on any Interest Payment Date not less than twenty years after the date of issue of the Series 2015X Bond, at 105% of their face value and accrued interest or at such lower redemption price provided for the Series 2015X Bond in the case of redemption as a whole on the redemption date. The MTA Act further provides that the City, upon furnishing sufficient funds, may require MTA to redeem the Series 2015X Bond, as a whole, but only in accordance with the terms upon which the Series 2015X Bond is otherwise redeemable.

If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2015X Bond will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the Series 2015X Bond, then on the redemption date the Series 2015X Bond will become due and payable. If on the redemption date the Trustee holds money to pay the Series 2015X Bond, thereafter, no interest will accrue on the

Series 2015X Bond, and the bondholder's only right will be to receive payment of the redemption price upon surrender of the Series 2015X Bond.

The MTA Act provides that neither the members of the MTA nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the issue of the Series 2015X Bond, together with all other indebtedness of the MTA, is within every debt and other limit prescribed by the laws of the State of New York.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IN WITNESS WHEREOF, METROPOLITAN TRANSPORTATION AUTHORITY has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Authorized Officer as of the Dated Date.

**METROPOLITAN TRANSPORTATION
AUTHORITY**

By: _____
Director of Finance

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Resolution.

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____, 20__

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

[PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

[PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE]

the within Bond of the Metropolitan Transportation Authority and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the Presence of:

NOTICE: The signature must be guaranteed by an officer of a commercial bank, trust company or by a member of The New York Stock Exchange or other national securities exchange. Notarized or witnessed signatures are not acceptable.

NOTE: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Schedule A

Schedule of Redemptions or Payments of Principal

<u>Interest Payment Date</u>	<u>Beginning Balance</u>	<u>Interest Amount</u>	<u>Principal Amount</u>	<u>Total Amount Due</u>	<u>Ending Balance</u>
5/15/2018			--		
11/15/2018					
5/15/2019			--		
11/15/2019					
5/15/2020			--		
11/15/2020					
5/15/2021			--		
11/15/2021					
5/15/2022			--		
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11/15/2034					
5/15/2035			--		
11/15/2035					

5/15/2036			--		
11/15/2036					
5/15/2037			--		
11/15/2037					

FINANCING AGREEMENT

dated as of [●], 2015

between

The METROPOLITAN TRANSPORTATION AUTHORITY,
a public benefit corporation of the State of New York

and

The UNITED STATES OF AMERICA,
represented by the
SECRETARY OF TRANSPORTATION
acting through the
FEDERAL RAILROAD ADMINISTRATOR

Positive Train Control Project

PO#: RRIF-2015-0036

TABLE OF CONTENTS

	Page
Article I DEFINITIONS AND INTERPRETATION.....	2
Section 1.1 Definitions.....	2
Section 1.2 Interpretation.....	7
Article II ISSUANCE OF DEBT	8
Section 2.1 Issuance of Debt.....	8
Section 2.2 Terms of the Series 2015X Bond.....	9
Section 2.3 Disbursement Conditions.....	10
Section 2.4 Prepayment.	13
Section 2.5 Effect of Other Loan Documents.....	13
Section 2.6 Transfer of Series 2015X Bond.	14
Section 2.7 Obligations Surviving Transfer.....	14
Article III REPRESENTATIONS AND WARRANTIES OF BORROWER.....	15
Section 3.1 Organization, Authority and Good Standing.	15
Section 3.2 Validity and Enforceability of Loan Documents.....	16
Section 3.3 No Bankruptcy of Current Authorized Officers and Directors; No Felony Conviction or Securities Law Violation.	17
Section 3.4 No Changes Since Most Recent Financial Statements.	17
Section 3.5 Material Contracts, Judgments, Decrees, Obligations or Liabilities.	17
Section 3.6 Material Litigation.	17
Section 3.7 Defaults Under Existing Agreements.	18
Section 3.8 Completeness of Information.....	18
Section 3.9 Tax Returns.....	18
Section 3.10 Related Persons.	18
Section 3.11 Allowable Costs.....	19
Section 3.12 Public Benefit.....	19
Section 3.13 No Debarment or Suspension.	19
Section 3.14 Committed Funding.	19
Section 3.15 Restriction On Use of Funds.....	20
Article IV AFFIRMATIVE COVENANTS OF BORROWER.....	20
Section 4.1 Further Documentation.	20
Section 4.2 Use of Proceeds.....	21
Section 4.3 Completion of Project; Compliance with Grant Agreements.....	21
Section 4.4 Pay Taxes and Other Claims.....	21
Section 4.5 Maintenance of Insurance.	21
Section 4.6 Operation, Maintenance and Repair of Rail Properties.	21
Section 4.7 Financial Statements; Notice of Certain Events.	22
Section 4.8 Project Reports.....	22
Section 4.9 Single Audit Act.	22
Section 4.10 Signed Statement Regarding Breach.	22
Section 4.11 Compliance with Applicable Laws.....	22
Section 4.12 Additional Information on Borrower’s Performance.....	23

TABLE OF CONTENTS
(continued)

	Page
Section 4.13 Audit and Inspection Rights.....	24
Section 4.14 Budgets.	24
Section 4.15 Minutes of Meetings.	24
Section 4.16 Notification of Events.	24
Section 4.17 Competitive Contracting.	25
Section 4.18 Debarment and Suspension.	25
Section 4.19 Small and Disadvantaged Businesses.	26
Section 4.20 Cargo Preference.	27
Section 4.21 Domestic Buying Preference.	27
Section 4.22 Employee Protection and Prevailing Wages.	27
Section 4.23 Expenses.	28
Section 4.24 Project Funding.	28
Article V NEGATIVE COVENANTS OF BORROWER.....	28
Section 5.1 Indebtedness.	28
Section 5.2 Purchase of Investment Securities, Lending or Advancing Funds.	29
Section 5.3 Purchase or Lease of Assets.	29
Section 5.4 Deployment of Assets.	30
Section 5.5 Prohibited Interest.	30
Section 5.6 Merger, Acquisition, or Sale of Assets.	30
Section 5.7 Encumbrances.	31
Section 5.8 Curtailment or Discontinuance of Business.	31
Section 5.9 Abandonment of Rail Lines.	31
Section 5.10 Change of Control.	31
Article VI ADVANCE SUSPENSION EVENTS AND REMEDIES	31
Section 6.1 Advance Suspension Events.	31
Section 6.2 Remedies.	33
Article VII MISCELLANEOUS PROVISIONS.....	35
Section 7.1 Entire Agreement.	35
Section 7.2 Term.	35
Section 7.3 Amendments and Waivers.	35
Section 7.4 Parties Bound; Right to Assign.	35
Section 7.5 Table of Contents and Headings.	35
Section 7.6 Notices; Action to be Taken.	35
Section 7.7 Release of Information.	36
Section 7.8 No Waiver by Administrator.	37
Section 7.9 Waiver of Jury Trial.	37
Section 7.10 Governing Law.	37
Section 7.11 Indemnification.	37
Section 7.12 Representatives.	38
Section 7.13 Counterparts.	38

TABLE OF CONTENTS
(continued)

	Page
Section 7.14 Severability	38
Section 7.15 No Third Party Rights	38
Section 7.16 Remedies Not Exclusive	38
Exhibit A: Form of Advance Certificate	
Exhibit B: RRIF Project Description	
Exhibit C: Form of Incumbency Certificate	
Exhibit D: Interagency Agreement	
Exhibit E: RRIF Certificate of Determination	
Exhibit F: RRIF Supplemental Resolution	
Exhibit G: Form of Series 2015X Bond	
Exhibit H: Transportation Resolution	
Exhibit I: Form of Interest Payment Date Certificate	
Exhibit J: Employee Protection Appendix	
Schedule 1: Legal Opinions	
Schedule 2: Material Litigation	

FINANCING AGREEMENT

This FINANCING AGREEMENT (this “Agreement”) is made and entered into on this [●] day of [●], 2015, in Washington, D.C., by and between the UNITED STATES OF AMERICA represented by the SECRETARY OF TRANSPORTATION (the “Secretary”) acting through the FEDERAL RAILROAD ADMINISTRATOR (“Lender”) and the METROPOLITAN TRANSPORTATION AUTHORITY, a public benefit corporation of the State of New York (“Borrower”).

RECITALS

WHEREAS, the Secretary is authorized, pursuant to the Act, to provide financial assistance for such purposes consistent with the Act as may be approved by the Secretary and the Secretary has duly delegated the Secretary’s authority under the Act to the Administrator;

WHEREAS, pursuant to the Act, Borrower has submitted an Application to the Administrator requesting a Loan in the amount of Nine Hundred Sixty Seven Million One Hundred Thousand Dollars (\$967,100,000);

WHEREAS, the proceeds of the Loan will finance Allowable Costs incurred by Borrower in connection with certain capital projects, including its Positive Train Control Project which will install Positive Train Control on The Long Island Rail Road Company and Metro-North Commuter Railroad Company tracks as and where required by applicable regulations;

WHEREAS, Borrower’s obligation to repay the Loan will be secured by a pledge of certain of Borrower’s gross revenues on a parity basis with the holders of Borrower’s Obligations;

WHEREAS, Borrower’s Board of Directors has authorized the execution and delivery of this Agreement and the issuance of the Series 2015X Bond pursuant to the Transportation Resolution by duly adopting the RRIF Supplemental Resolution;

WHEREAS, Borrower has committed to utilize the savings in debt service expense associated with the Loan in its programs to maintain its transportation systems in a state of good repair; and

WHEREAS, the Administrator has made all findings under the Act required to issue the Loan and, therefore, is willing to enter into this Agreement and provide the Loan pursuant to the Act in accordance with the terms and conditions hereof.

NOW, THEREFORE, in consideration of the premises and the mutual undertakings hereinafter set forth, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions.

(a) “Act” means Title V of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, 45 U.S.C. 821 et seq.

(b) “Additional Holder” means any individual or entity other than an agency or instrumentality of the federal government, to which all or a portion of any Series 2015X Bond may be transferred by Lender or by any transferee of Lender.

(c) “Administrator” means the Federal Railroad Administrator or the Administrator’s designee.

(d) “Advance” means an advance of proceeds of the Loan made by the Administrator to Borrower pursuant to Section 2.1.

(e) “Advance Certificate” means, with respect to each Advance, a certificate duly executed by an Approved Officer of Borrower and issued to the Administrator pursuant to Section 2.3(a) which shall: (i) be in substantially the form of Exhibit A; (ii) specify the amount to be advanced and the proposed Advance Date; (iii) be accompanied by or include as attachments thereto documentary evidence reasonably satisfactory to the Administrator of the costs proposed to be financed with proceeds of the Loan which are the subject of such Advance and of their eligibility as Allowable Costs (which may include final invoices due but not yet paid); (iv) certify that all such costs are Allowable Costs; and (v) certify that, as of the Advance Date, all conditions precedent set out in Article II will be satisfied and no Material Adverse Effect, Breach or Advance Suspension Event has occurred and is continuing or will occur as the result of the Advance.

(f) “Advance Date” means, with respect to any Advance, the Business Day on which such Advance is made after satisfaction of all conditions thereto set out in Section 2.3.

(g) “Advance Suspension Event” has the meaning given in Section 6.1.

(h) “Agreement” means this Financing Agreement together with all Exhibits (except for other Loan Documents) and Schedules hereto.

(i) “Allowable Costs” means those costs which (i) were incurred by Borrower (whether directly or indirectly through another Related Entity) in furtherance of the RRIF Project within the parameters of the budget provided as a part of the RRIF Project Description, (ii) are eligible to be financed under Section 822(b) of the Act and Section 4.17 hereof, (iii) have not previously been financed by any prior Advance or from any other source of federal funds; and (iv) were approved by the Metropolitan Transportation Authority Capital Program Review Board and all other required corporate action of the Borrower.

(j) “Application” means the application, dated April 21, 2011, as updated and amended on January 27, 2014 to include the Positive Train Control Project, submitted by Borrower to the Administrator to support Borrower’s request for the Loan, including all exhibits, attachments and revisions thereto and supplementary materials submitted in support thereof.

(k) “Approved Officer” means an Authorized Officer with respect to whom an Incumbency Certificate has been delivered by Borrower to the Administrator.

(l) “Authorized Investments” has the meaning given in the Transportation Resolution.

(m) “Authorized Officer” means an “Authorized Officer” as defined in the Transportation Resolution.

(n) “Base Rate” means the rate of 2.38% per annum.

(o) “Board of Directors” means the Borrower’s duly appointed and confirmed board of Directors.

(p) “Borrower” means the Metropolitan Transportation Authority, a public benefit corporation of the State of New York.

(q) "Borrower's Knowledge" means to the actual knowledge of any Authorized Officer, Borrower's chief regulatory compliance officer or Borrower's general counsel, it being agreed that, within the thirty (30) days immediately preceding the date of this Agreement some one of the foregoing individuals has undertaken, and not less often than annually during the term of this Agreement some one of the foregoing individuals shall undertake, a reasonable investigation of the relevant matters.

(r) “Breach” means any event, circumstance or condition which with the lapse of time or the giving of notice or both would constitute an Advance Suspension Event.

(s) “Business” means the transportation related services and activities conducted by the Related Entities as of the date hereof in accordance with the MTA Act, the TA Act and the TBTA Act (including the ownership and operation of certain real estate assets and investment in certain financial assets intended to provide revenue to support such transportation related services and activities) together with such future expansions of such transportation related services and activities as may be approved by the Board of Directors.

(t) “Business Day” has the meaning given in the Transportation Resolution.

(u) “Commitment Termination Date” means the earliest of: (i) May 14, 2018 (or such later date as the Administrator may agree in writing in his or her sole discretion upon the request of the Borrower), (ii) the Advance Date on which the Maximum Principal Amount of the Loan has been advanced, and (iii) in the event an Advance Suspension Event

has occurred and is continuing, the date on which the FRA notifies the Borrower of the termination of its commitment to make Advances.

(v) “Credit Risk Premium” means a fee that shall be paid by Borrower in accordance with the Act as a condition precedent to each Advance of proceeds of the Loan in an amount equal to [●]% of the Advance amount.

(w) “Director” means any person duly appointed by the Governor of the State of New York with the advice and consent of the New York State Senate serving from time to time as a “member” of the Borrower (within the meaning of Section 1263 of Title 11 of Article 5 of the New York Public Authorities law) who is entitled to a vote (whole or fractional) on resolutions of the Board of Directors.

(x) “Grant Agreements” means (i) the Grant/Cooperative Agreement (FR-TEC-0005-11-01-00), dated on or about January 14, 2011, between the United States of America, represented by the Secretary of Transportation acting through the Federal Railroad Administrator and the Borrower and (ii) each other grant or cooperative agreement entered into from time to time between the United States of America, represented by the Secretary of Transportation, and the Borrower or any other Related Entity relating to the Positive Train Control Project, each as amended and supplemented from time to time.

(y) “Incumbency Certificate” means, with respect to any Approved Officer, a certification executed by the Secretary of Borrower in the form of Exhibit C.

(z) “Interagency Agreement” has the meaning given in the Transportation Resolution; a copy of the Interagency Agreement is attached as Exhibit D.

(aa) “Interest Payment Date” means each May 15 and November 15 beginning after the first Advance Date and in any event not before November 15, 2015 until such Series 2015X Bond is paid in full or, if any such day is not a Business Day, then the next succeeding Business Day.

(bb) “Lender” means the United States of America, represented by the Secretary of Transportation acting through the Federal Railroad Administrator.

(cc) “Loan” means a loan made by Lender to Borrower pursuant to the terms and conditions of the Act, this Agreement and the other Loan Documents in an amount not to exceed the Maximum Aggregate Principal Amount.

(dd) “Loan Documents” means this Agreement, the Transportation Resolution, the Interagency Agreement, the RRIF Supplemental Resolution, the RRIF Certificate of Determination and the Series 2015X Bond, each as the same may be amended, supplemented or restated in accordance with the terms thereof and hereof.

(ee) “Material Adverse Effect” means:

(i) a material adverse change after the date hereof in (a) the Business, facilities, property, operations or financial condition of the

Borrower and its Related Entities taken as a whole, (b) the ability of Borrower or any other Related Entity to perform or comply with any of its material obligations under the Loan Documents, (c) the validity, priority or enforceability of the liens on the Trust Estate in favor of the Trustee or (d) the rights or benefits available to the Lender under the Loan Documents; or

- (ii) a change after the date hereof in applicable law or regulations thereunder or interpretations thereof by any court of competent jurisdiction that, in the opinion of the Administrator or his counsel, would (a) allow any Related Entity to obtain protection from its creditors under chapter 9 of title 11 of the United States Code or any other state or federal bankruptcy or insolvency law, or (b) make it illegal or contrary to public policy for Borrower or any other Related Entity to enter into or perform any material obligation under this Agreement or any other Loan Document.

(ff) "Maximum Aggregate Principal Amount" means Nine Hundred Sixty Seven Million One Hundred Thousand Dollars (\$967,100,000) which shall be the maximum total principal amount of the Series 2015X Bond.

(gg) "MTA Act" has the meaning given in the Transportation Resolution.

(hh) "Obligation" has the meaning given in the Transportation Resolution.

(ii) "Overdue Rate" means the sum of (i) whichever of the Base Rate or the Ratings Downgrade Rate is applicable at the relevant time and (ii) two percent (2.00%) per annum.

(jj) "Owner" has the meaning given in the Transportation Resolution.

(kk) "Principal Payment Date" means each November 15 beginning November 15, 2018 to and including November 15, 2037 or, if any such day is not a Business Day, then the next succeeding Business Day.

(ll) "Positive Train Control Project" means the Borrower's Positive Train Control Project as described in the Application.

(mm) "Rail Lines" means the railroad systems of The Long Island Rail Road Company and Metro-North Commuter Railroad Company.

(nn) "Rating Agency" means each nationally recognized and federally accredited statistical credit rating organization then maintaining a rating at the request of Borrower on the Borrower's Obligations issued under the Transportation Resolution, including, without limitation, the Series 2015X Bond.

(oo) "Ratings Downgrade Event" means the Borrower's failure for any reason, during any period of one hundred eighty (180) consecutive days or more, to maintain

the following unenhanced long-term credit ratings, or higher ratings, issued by at least two Rating Agencies on Borrower's Obligations under the Transportation Resolution, including, without limitation, the Series 2015X Bond: (i) A- in the case of Standard & Poor's Rating Services; (ii) A3 in the case of Moody's Investors Service, Inc.; (iii) A- in the case of Fitch Ratings, and; (iv) in the case of any other Rating Agency, such rating level as is generally recognized to be equivalent to the foregoing ratings.

(pp) "Ratings Downgrade Rate" means the sum of the Base Rate and two percent (2.00%) per annum.

(qq) "Related Entity" means each of the Borrower, the Triborough Bridge and Tunnel Authority (TBTA), the Manhattan and Bronx Surface Transportation Operating Authority (MaBSTOA), the New York City Transit Authority (Transit Authority), the Metro-North Commuter Railroad Company (MNCRC), The Long Island Rail Road Company (LIRR), the Staten Island Rapid Transit Operating Authority (SIRTOA) and the MTA Bus Company (MTA Bus) (as further defined, in each case, in the Transportation Resolution) and any successor entity to any thereof, or any material affiliate or subsidiary of any thereof now or hereafter established the revenues of which constitute any part of the Trust Estate.

(rr) "RRIF Certificate of Determination" means the certificate of an Authorized Officer of Borrower fixing the terms, conditions and other details of the Loan by reference to the terms and conditions of this Agreement in accordance with the delegation of power to do so under a the RRIF Supplemental Resolution, a copy of which is attached as Exhibit E, as the same may be supplemented in connection with each Advance.

(ss) "RRIF Loan Obligations" means (a) all unpaid principal of and accrued and unpaid interest on the Loan (whether at the Base Rate, Ratings Downgrade Rate or Overdue Rate and including interest which accrues during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) and (b) all accrued and unpaid fees and all expenses, reimbursements, indemnities and other payment and performance obligations of the Borrower arising under any of the Loan Documents and owed to the Lender, the Administrator or any party indemnified under this Agreement.

(tt) "RRIF Project" means, collectively, those portions of the Positive Train Control Project which are identified in Exhibit B.

(uu) "RRIF Supplemental Resolution" means the Supplemental Resolution adopted by Borrower on [●], 2015 authorizing the Loan and Borrower's entry into this Agreement pursuant to the Transportation Resolution a copy of which is attached as Exhibit F.

(vv) "Rule 15c2-12" means Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (17 CFR 15c2-12), as amended from time to time, or any successor law, rule or regulation thereto.

(ww) "Secretary" means Secretary of the Department of Transportation.

(xx) "Series 2015X Bond" means (i) the Series 2015X Interim Bond or Bonds issued pursuant to Section 2.1(a) evidencing each Advance of proceeds of the Loan by Lender to finance Allowable Costs and (ii) the Series 2015X Final Bond for the full amount of the Loan to be issued pursuant to Section 2.1(d) after the Commitment Termination Date.

(yy) "Series 2015X Final Bond" means a Series 2015X Bond or Bonds issued pursuant to Section 2.1(d) after the Commitment Termination Date in the initial principal amount equal to the aggregate outstanding principal amount of all Advances made under this Agreement which may be either in the form attached hereto as Exhibit G-II or, in the event Lender exercises its right under Section 2.6(b), in substantially the form provided as Exhibit One to the Transportation Resolution revised *mutatis mutandis* to reflect the economic terms and conditions of this Agreement.

(zz) "Series 2015X Interim Bond" means a Series 2015X Bond or Bonds issued pursuant to Section 2.1(a) in the form attached hereto as Exhibit G-I evidencing each Advance of proceeds of the Loan by Lender to finance Allowable Costs.

(aaa) "TA Act" has the meaning given in the Transportation Resolution.

(bbb) "TBTA Act" has the meaning given in the Transportation Resolution.

(ccc) "Transportation Resolution" means the Metropolitan Transportation Authority General Resolution Authorizing Transportation Revenue Obligations, adopted on March 26, 2002, including Annex A thereto (Standard Resolution Provisions), as amended and supplemented from time to time in accordance with the terms thereof, a copy of which is attached as Exhibit H.

(ddd) "Trustee" has the meaning given in the Transportation Resolution.

(eee) "Trust Estate" has the meaning given in the Transportation Resolution.

Section 1.2 Interpretation.

Unless the context shall otherwise require, the words "hereto," "herein," "hereof" and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and *vice versa*. Words importing the singular number shall include the plural number and *vice versa* unless the context shall otherwise require. Unless the context shall otherwise require, references to sections, subsections and provisions are to the applicable sections, subsections and provisions of this Agreement. The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions. Unless the context shall otherwise require, all references to any resolution, contract, agreement or other document shall be deemed to include any amendments to, or modifications or restatements of, such documents that are approved in accordance with the terms thereof and hereof. Unless the context shall otherwise require, all references to statutes and regulations shall be deemed to include any amendments, supplements or successors thereto or re-codifications thereof. Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder

by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 7.5 and signed by a duly authorized representative of such party.

ARTICLE II

ISSUANCE OF DEBT

Section 2.1 Issuance of Debt.

(a) Subject to the provisions of the Act and the terms and conditions hereof, including, without limitation, the conditions set out in Section 2.3, on each Advance Date: (i) Borrower shall borrow from Lender the amount equal to the Allowable Costs evidenced by the applicable Advance Certificate delivered by Borrower to the Administrator pursuant to Section 2.3(b) and (ii) Lender shall lend such amount to Borrower by making an Advance thereof in immediately available funds to the bank and account specified by Borrower in the Advance Certificate. The amount of any Advance, when added to all prior such Advances, shall not exceed a Maximum Aggregate Principal Amount.

(b) No Advance shall be made after the Commitment Termination Date, at which date, the commitment of Lender to make Advances hereunder, unless extended in writing by the Administrator, shall terminate whether or not the full amount of the Loan has been advanced. No more than one Advance may be requested by Borrower to be made in any period of thirty (30) consecutive calendar days. No Advance, except the final Advance, may be requested by Borrower for an amount of less than \$25 million.

(c) Lender's obligation to make Advances shall be automatically suspended upon the occurrence of, and shall remain suspended for the duration of: (i) any Advance Suspension Event or (ii) a cessation of operations of the Federal Railroad Administration resulting from the lack of appropriation of funds from the United States Congress to continue to operate unless the Federal Railroad Administration's Railroad Rehabilitation and Improvement Financing Program has been specifically delegated or re-assigned to another agency of the Federal government having express authority and appropriated funds to carry out such program, including the issuance of the Loan.

(d) As evidence of the Borrower's obligation to repay the Loan, on or prior to the date of this Agreement, Borrower shall issue and deliver the Series 2015X Interim Bond in the Maximum Aggregate Principal Amount of the Loan and bearing interest at the rate specified in Section 2.2. The Lender is hereby authorized to enter on the grid attached to the Series 2015X Interim Bond as Schedule A thereto the amount of each Advance of the Loan made under this Agreement. Absent manifest error, the Administrator's determination of the amounts set out on Schedule A to the Series 2015X Interim Bond shall be conclusive evidence thereof.

(e) Not later than thirty (30) calendar days after the Commitment Termination Date, Borrower shall deliver to the Administrator a proposed Series 2015X Final Bond, including a completed Schedule A thereto, and the Administrator shall thereafter notify Borrower of any disagreement with the form or of his acceptance thereof. Within fifteen (15)

days from receipt of the Administrators acceptance, Borrower shall deliver to the Administrator in Washington, D.C., at the address specified in Section 7.7, a duly executed original Series 2015X Final Bond in the principal amount equal to the aggregate outstanding principal amount of all Advances made under this Agreement on or prior to the Commitment Termination Date. Upon receipt of the Series 2015X Final Bond, the Administrator shall return the Series 2015X Interim Bond to Borrower marked cancelled.

Section 2.2 Terms of the Series 2015X Bond.

(a) Subject to clause (d) below, the outstanding principal amount of the Series 2015X Bond shall bear interest at the Base Rate. Accrued interest shall be due and payable on each Interest Payment Date. Interest shall be calculated based on a 365-day or 366-day year, as appropriate, and the actual number of calendar days elapsed from and including the applicable Advance Date or last Interest Payment Date, as the case may be, to but excluding the Interest Payment Date on which such interest is due. For the avoidance of doubt, interest shall be payable on the amount of each Advance from and including its Advance Date to but excluding the next Interest Payment Date, and interest shall be payable on the principal amount of the Series 2015X Bond outstanding at the close of each Interest Payment Date (without double counting any Advance made on such date) from and including such Interest Payment Date to but excluding the next Interest Payment Date.

(b) The outstanding principal amount of the Series 2015X Bond shall be paid in twenty (20) annual installments on each successive Principal Payment Date. The principal amount to be paid on each such Principal Payment Date shall be calculated such that, when added to the amount of interest due and payable, as provided in Section 2.2(a), during the twelve months ending on such Principal Payment Date, the total amount of interest and principal due and payable during each such twelve-month period will be approximately equal.

(c) The Series 2015X Final Bond shall include (as Schedule A thereto) a schedule prepared by the Administrator setting out the principal (if any), interest and total amounts payable on each Interest Payment Date. Absent manifest error, the Administrator's determination of the amounts set out on such Schedule A shall be conclusive evidence thereof. The Administrator will deliver a copy of Schedule A to Borrower. Any increase in the amount of interest payable by Borrower resulting from application of the Ratings Downgrade Rate or Overdue Rate shall not affect Schedule A but shall be paid by Borrower as an additional amount on each relevant Interest Payment Date.

(d) In the event that an Advance Suspension Event under Section 6.1(a) occurs and is continuing, the outstanding principal amount of each Series 2015X Bond and any past-due amount of interest shall bear interest at the Overdue Rate commencing on the thirtieth day after the relevant payment was due and continuing until such Advance Suspension Event is cured. Upon the occurrence and during the continuance of a Ratings Downgrade Event, the outstanding principal amount of each Series 2015X Bond shall bear interest at the Ratings Downgrade Rate. For the avoidance of doubt, if at any time both Ratings Downgrade Rate and the Overdue Rate apply, the outstanding principal amount of each Series 2015X Bond and any past-due amount of interest shall bear interest at the rate per annum equal to the Base Rate plus four percent (4.00%).

(e) Each payment shall be applied first to pay accrued interest (whether at the Base Rate, Ratings Downgrade Rate or Overdue Rate) and then to outstanding principal.

(f) All payments of RRIF Loan Obligations shall be made, irrespective of any claim or right of counterclaim or set-off, on or before the date such payment is due hereunder or thereunder by wire transfer of immediately available funds in accordance with written payment instructions provided by the Administrator from time to time for such purposes (subject, in the case of payments specified in clause (a) of the definitions of RRIF Loan Obligations, to any requirements of The Depository Trust Company in the event of a transfer pursuant to Section 2.6). The Lender shall not be required to present or surrender the Series 2015X Bond to the Borrower as a condition to the payment of any RRIF Loan Obligations.

(g) Prior to the issuance of the Series 2015X Final Bond (including Schedule A thereto) and thereafter if either or both of the Ratings Downgrade Rate or the Overdue Rate apply, the Borrower shall calculate the amount of interest due and payable on each Interest Payment Date and deliver such calculation to the Administrator in writing not later than ten (10) Business Days prior to each such Interest Payment Date. The Administrator shall promptly notify the Borrower of any disagreement with the calculation and, absent manifest error, the Administrator's determination of the amount of interest owed shall be conclusive.

Section 2.3 Disbursement Conditions.

(a) Lender's commitment to make an Advance of proceeds of the Loan (including the first Advance) on any Advance Date shall be subject to the satisfaction on or before the first Advance Date hereunder of the following conditions precedent:

- (i) The Transportation Resolution and the RRIF Supplemental Resolution shall have been duly adopted by the Board of Directors, shall be in full force and effect and, to the full extent provided for therein, shall be binding on the Borrower, and current and complete copies of each thereof shall have been duly delivered by Borrower to the Administrator together with the certification of an Approved Officer of Borrower attesting to their authenticity;
- (ii) The Interagency Agreement shall have been duly authorized, executed and delivered by each of the Related Entities party thereto, shall be in full force and effect and, to the full extent provided for therein, shall be binding on each such Related Entity; Section 4.12 thereof shall constitute a legal, valid and binding obligation of the State of New York in favor of the Lender, enforceable against the State of New York in accordance with its terms; and a current and complete copy thereof shall have been duly delivered by Borrower to the Administrator together with the certification of an Approved Officer of Borrower attesting to its authenticity;

- (iii) The RRIF Certificate of Determination and this Agreement shall have been duly authorized, executed and delivered by Borrower to the Administrator, shall be in full force and effect and, to the full extent provided for therein, shall be binding on the Borrower, and current and complete copies of each thereof shall have been delivered by Borrower to the Administrator together with the certification of an Approved Officer of Borrower attesting to their authenticity;
- (iv) The Series 2015X Bond shall have been duly authorized, executed and delivered by Borrower to the Administrator and shall be in full force and effect.
- (v) The Administrator shall have received an Incumbency Certificate with respect to the Approved Officers (1) executing and delivering this Agreement, RRIF Certificate of Determination, the Series 2015X Interim Bond, and the other certificates called for in this Section 2.3(a) and (2) who are authorized to execute and deliver Advance Certificates or other notices or documents to be delivered to the Administrator under the terms of this Agreement. Borrower shall promptly notify the Administrator if, during the term of this Agreement, any such individual is no longer an Approved Officer and shall promptly provide the Administrator with an Incumbency Certificate with respect to any additional or replacement Approved Officer;
- (vi) The Administrator shall have received a favorable opinion, dated the date hereof, from Nixon Peabody LLP, counsel to Borrower in connection herewith, in form, scope and substance reasonably satisfactory to the Administrator covering each of the matters set out in paragraphs 1 through 8 of Schedule 1;
- (vii) The Administrator shall have received ratings confirmation letters from each of Standard and Poor's Rating Services, Moody's Investor Services, Inc. and Fitch Ratings to the effect that, all other relevant matters being assumed unchanged, the issuance by Borrower of the Series 2015X Bond in an amount equal to the Maximum Aggregate Principal Amount of the Loan as contemplated by this Agreement will not result in the withdrawal, downgrade, placement on credit watch for potential downgrade, adverse change in outlook as to either default or recoverability, or any other action by such rating agency equivalent to any of the foregoing with respect to such rating agency's rating as of the date hereof on Borrower's Obligations, including the Series 2015X Bond when issued; and.

- (viii) The Administrator shall have received such other documents and evidence with respect to the Loan Documents as the Administrator, or his counsel, may reasonably request in order to establish the authority of any Related Entity to consummate the transactions contemplated by the Loan Documents and the taking of all necessary corporate proceedings in connection therewith.

(b) Lender's commitment to make an Advance of proceeds of the Loan (including the first Advance) on any Advance Date shall be subject to the satisfaction of the following conditions precedent as of such Advance Date:

- (i) Borrower shall have submitted an Advance Certificate to the Administrator not less than thirty (30) calendar days prior to the proposed Advance Date. The requested Advance shall not be made unless and until the Administrator is reasonably satisfied that the requested Advance relates solely to Allowable Costs;
- (ii) Not less than three (3) Business Days prior to each Advance Date, Borrower shall have paid the Credit Risk Premium due in respect of such Advance by wire transfer of immediately available funds in accordance with written payment instructions provided by Lender from time to time for such purposes. No Advance shall be made unless and until the Credit Risk Premium has been received by Lender;
- (iii) On such Advance Date: (a) the representations and warranties of Borrower contained in Article III of this Agreement or any other Loan Document shall be true and correct as though made on and as of such Advance Date except to the extent that such representations and warranties explicitly related solely to an earlier date (in which case such representations and warranties shall have been true and correct on and as of such earlier date); and (b) no event or circumstance shall have occurred and be continuing, or would result from such Advance, as would constitute a Breach or an Advance Suspension Event;
- (iv) To the knowledge of any Authorized Officer, no action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency as of such Advance Date, to set aside, restrain, enjoin or prevent the completion and consummation of any material act required to be taken under this Agreement or any other Loan Document; and

- (v) The Commitment Termination Date shall not have occurred and Lender's obligation to make Advances shall not have been suspended pursuant to Section 2.1(c).

Section 2.4 Prepayment.

(a) Borrower may prepay the Series 2015X Bond in whole or in part at any time or from time to time, without penalty or premium, by paying to the Lender such principal amount of the Series 2015X Bond to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to but excluding the date of such prepayment. Each prepayment shall be specified by Borrower in a written notice delivered to the Lender not less than ten (10) nor more than thirty (30) calendar days prior to the date set for prepayment.

(b) All partial prepayments of principal made before the Commitment Termination Date shall be recorded by the Administrator on Schedule A to the Series 2015X Interim Bond or, if made after the Commitment Termination Date, shall be applied to future installments due on the Series 2015X Bond in the inverse order of maturity, such that the latest principal installment or installments are thereby satisfied first and Schedule A to the Series 2015X Final Bond shall be revised accordingly by the Administrator. In either case, a copy of the revised Schedule A shall be provided to the Borrower by the Administrator.

Section 2.5 Effect of Other Loan Documents.

(a) In accordance with the RRIF Supplemental Resolution, the Series 2015X Bond constitutes an Obligation under the Transportation Resolution and Lender (and any Additional Holder in the event of a transfer in accordance with Sections 2.6 and 2.7) is the Owner of such Obligation entitled to all the rights and benefits conferred to Owner under and subject to the terms and conditions of the Transportation Resolution.

(b) Borrower's obligations to repay the Loan evidenced by the Series 2015X Bond shall rank *pari passu* with its obligations under all other senior unsubordinated Obligations and Parity Debt and are secured by a lien on the Trust Estate in accordance with (and subject to the qualifications set out in) Section 501 of the Transportation Resolution. Lender acknowledges and agrees that the Series 2015X Bond is a special limited obligation of Borrower payable solely from the Trust Estate and is not an obligation of the State of New York or of The City of New York.

(c) The rights and benefits of Lender and the Administrator under this Agreement are in addition to, and are not in any respect to the exclusion of or in substitution for, those rights and benefits conferred on Lender as Owner of an Obligation under the Transportation Resolution and RRIF Supplemental Resolution, and the obligations of Borrower under this Agreement are in addition to, and are not in any respect to the exclusion of or in substitution for, those obligations imposed by the Transportation Resolution and RRIF Supplemental Resolution on Borrower for the benefit of Owners of Obligations.

Section 2.6 Transfer of Series 2015X Bond.

(a) The Administrator represents that Lender is not acquiring the Series 2015X Bond with a view to, or in connection with, any distribution thereof. The Administrator acknowledges that the Series 2015X Bond has not been registered with The Depository Trust Company or any other securities depository. Lender nonetheless shall have the right at any time to assign its interest in the Series 2015X Bond, in whole or in part, to any Additional Holder; provided, however, that (i) the Administrator shall give Borrower written notice of any such assignment and (ii) in the event that Lender intends to assign any interest in the Series 2015X Bond to any Additional Holders which are not a Qualified Institutional Buyers (as defined in the federal securities laws), then the Administrator shall give the Borrower not less than thirty (30) days prior written notice and shall provide such Additional Holders with any information disclosure document concerning the Borrower and the Series 2015X Bond which is delivered by the Borrower to the Administrator within such thirty-day period.

(b) At any time after the issuance of the Series 2015X Final Bond, if requested in writing by the Administrator, Borrower shall, within a reasonable period of time and at its sole expense, register the Series 2015X Final Bond (in which case the Series 2015X Final Bond may be reissued in the form of Exhibit One to the Transportation Resolution but without change to the essential terms of the Series 2015X Bond other than the deletion of provisions thereof not applicable to any Series 2015X Bond held by an Additional Holder as provided in Section 2.7) with The Depository Trust Company or its nominee (or such other depository as in then being employed generally for Borrower's Obligations) as a fully-registered security so as to provide for payments under and transfers of ownership interests in the Series 2015X Final Bond through The Depository Trust Company's Book-Entry-Only System (or such equivalent system as is then in use generally with respect to Borrower's Obligations).

(c) Lender's interest in the Series 2015X Bond may be held by any agency or instrumentality of the federal government and the Administrator shall have the right at any time to assign or delegate the Administrator's rights and obligations under this Agreement, in whole or in part, to any other agency or instrumentality of the federal government; provided, however, that (i) the Administrator shall give Borrower written notice of any such delegation or assignment and (ii) if prior to the Commitment Termination Date, such agency or instrumentality has the authority to issue the Loan.

Section 2.7 Obligations Surviving Transfer.

(a) Any Additional Holders of an interest in the Series 2015X Bond shall have only the rights and benefits conferred on Owners by the Transportation Resolution, the RRIF Supplemental Resolution and the Series 2015X Bond, and shall have none of the additional rights and benefits conferred by this Agreement (including, without limitation, those conferred under Articles IV, V and VI and any right to receive the Ratings Downgrade Rate or the Overdue Rate). The additional rights and remedies under this Agreement shall belong to and be exercisable solely by and for the benefit of Lender and the Administrator.

Nothing contained in this Agreement shall confer upon any Additional Holder any such rights or remedies under this Agreement or the right to enforce any such rights or remedies.

(b) Any transfer by Lender of its interest in the Series 2015X Bond, in whole or in part, to an Additional Holder or Additional Holders notwithstanding, this Agreement and Borrower's additional obligations hereunder to Lender shall remain in full force and effect except to the extent the continued obligation of Borrower to comply with any provision of this Agreement is terminated, released or waived in writing by the Administrator in his sole discretion.

(c) Interest on the Series 2015X Bond payable to any Additional Holder shall not be excludable from gross income for federal income tax purposes.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BORROWER

Borrower hereby makes the following representations and warranties to Lender:

Section 3.1 Organization, Authority and Good Standing.

(a) Borrower is a public benefit corporation of the State of New York organized and existing under Title 11 of Article 5 of the New York Public Authorities law, as amended, and is eligible to receive the Loan under Section 822(a) of the Act. Lender acknowledges that the powers and authority of the Borrower are governed by the laws of the State of New York.

(b) Borrower is duly authorized and created and is in good standing under the laws of the State of New York, has full legal right, power and authority to enter into this Agreement and each of the other Loan Documents to which it is a party, to issue the Series 2015X Bond and to carry out and consummate all transactions contemplated by the Loan Documents, and has duly authorized the execution, delivery and performance of each of the Loan Documents to which it is a party.

(c) Each of the Related Entities other than the Triborough Bridge and Tunnel Authority has full legal right, power and authority to enter into the Interagency Agreement and to carry out and consummate all transactions contemplated by the Interagency Agreement, and has duly authorized the execution, delivery and performance of the Interagency Agreement.

(d) The Approved Officers executing this Agreement and the Series 2015X Bond are duly authorized to execute the same on behalf of Borrower.

(e) Each Related Entity is duly authorized and created and is in good standing under the laws of the State of New York and has full power and authority to own, lease, hold, and operate its property, and to conduct the Business (as now operated and conducted or presently proposed to be operated and conducted) in conformity in all material respects with all applicable federal, state, and local laws, statutes, and regulations. No new or

additional authorization from any governmental agency or body is required to permit the Related Entities to operate the Business as now conducted or presently proposed to be conducted.

(f) The Borrower has the lawful right and authority to cause each of the Related Entities to undertake or refrain from the activities specified with respect to them in this Agreement and in the Interagency Agreement.

Section 3.2 Validity and Enforceability of Loan Documents.

The execution, delivery and performance of this Agreement and the other Loan Documents and any other document executed by Borrower in connection with the transaction contemplated herein, and the issuance, sale and delivery of the Series 2015X Bond:

(a) have been duly authorized by all necessary governmental and corporate action;

(b) do not and will not conflict with, violate, or contravene any rights of other creditors of any Related Entity, any statute, law, rule, regulation, order, writ, injunction or decree or other order of any court or governmental authority, or any mortgage, lien, lease or agreement of any Related Entity, nor is any Related Entity subject to any provision of any constitution, statute, regulation, their articles of incorporation and by-laws, mortgage, lien, lease, agreement, order, judgment or decree, or any other restriction of any kind or character, which would prevent any Related Entity from performing any of its material obligations under any Loan Document;

(c) constitute valid and legally binding obligations of the Related Entities which are party thereto enforceable against them in accordance with their terms, except as enforceability may be affected by any applicable laws affecting creditors' rights generally and the application of equitable principles;

(d) do not require the consent or approval of any trustee, holder of any indebtedness of any Related Entity or any other person, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental entity is necessary in connection with the execution and delivery of the Loan Documents, the consummation of any transaction herein or therein described, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect and except filing and/or recordation requirements imposed by this Agreement; and

(e) create in favor of the Trustee for the benefit of Lender a lien on the Trust Estate in accordance with (and subject to the qualifications set out in) Section 501 of the Transportation Resolution securing the principal of and interest on the RRIF Loan Obligations described in clause (a) of the definition of RRIF Loan Obligations which rank *pari passu* with Borrower's obligations under all other senior unsubordinated Obligations and Parity Debt. Payments of RRIF Loan Obligations described in clause (b) of the definition of RRIF Loan Obligations are payable from amounts transferred to the Borrower pursuant to clause (d) of Section 504 of the Transportation Resolution or other legally available funds of the Borrower.

[Section 3.3 No Bankruptcy of Current Authorized Officers and Directors; No Felony Conviction or Securities Law Violation.](#)

For the period commencing ten (10) years prior to the date hereof and ending on the date hereof, to the Borrower's Knowledge as of the date hereof:

(a) except as previously notified by Borrower in writing to the Administrator, no current Authorized Officer or Director, has been involved (either in his personal capacity or in the capacity of a corporate officer, director or stockholder owning in excess of ten (10) percent of issued and outstanding shares of any class of such corporation's stock) in a bankruptcy or similar type proceeding; and

(b) no current Authorized Officer or Director has been convicted of a felony or violation of securities laws.

In the event that, after the date hereof, any Authorized Officer, Borrower's chief regulatory compliance officer or Borrower's general counsel learns of any such occurrence (i) within such 10-year period with respect to an Authorized Officer or Director as of the date hereof or (ii) during the term of this Agreement with respect to any then current Authorized Officer or Director, Borrower shall promptly notify the Administrator of the relevant facts and circumstances of such occurrence.

[Section 3.4 No Changes Since Most Recent Financial Statements.](#)

Borrower maintains its records of account, and will issue its financial statements, in accordance with accounting principles generally accepted in the United States of America and consistently applied as promulgated or otherwise allowed by the Governmental Accounting Standards Board. There has been no material change in the capital structure or the condition (financial, business, labor or operational) of the Related Entities as a whole, since the date of their most recent annual audited financial statements or unaudited consolidated interim financial statements delivered to the Administrator, except as previously disclosed by Borrower to the Administrator in writing.

[Section 3.5 Material Contracts, Judgments, Decrees, Obligations or Liabilities.](#)

Neither Borrower nor any other Related Entity is a party or subject to any existing or contingent contract, agreement, debt, mortgage, indenture, instrument, judgment, decree, obligation or other liability which currently is having or could reasonably be expected in the future to have a Material Adverse Effect except as previously disclosed by Borrower to the Administrator in writing.

[Section 3.6 Material Litigation.](#)

Except (i) as set out on Schedule 2 or (ii) as notified in writing to the Administrator and as to which the Administrator has, in his or her discretion, waived in writing the applicability of this representation, there is no litigation, legal or administrative proceeding, investigation or other action of any nature pending or, to the Borrower's Knowledge, threatened against or

affecting any Related Entity which could reasonably be expected to result in a Material Adverse Effect.

Section 3.7 Defaults Under Existing Agreements.

No Related Entity is:

- (a) in default under either of the Grant Agreements or any other agreement with any agency or instrumentality of the federal government of the United States of America;
- (b) in default under any Loan Document;
- (c) in default under or in violation of (i) any indenture, contract, mortgage, franchise, lease, agreement or instrument, (ii) any applicable law material to the Business as it is presently conducted, (iii) any judgment, order, writ, injunction or decree of any court or (iv) any permit, license or regulation of any federal, state, municipal or other government agency which, individually or in the aggregate, has resulted in a Material Adverse Effect specified in clause (i) of the definition of such term.

Section 3.8 Completeness of Information.

To the best of the knowledge and belief of Borrower after due inquiry and investigation, the information set forth in the Application, and all related submissions to the Administrator, is true and complete in all material respects as of the date of this Agreement.

Section 3.9 Tax Returns.

All federal, state, and other tax returns and reports of Borrower or the other Related Entities required by law or regulation to be filed have been duly filed except those for which the filing date has been duly extended; and other governmental charges (other than those presently payable without penalty) imposed upon Borrower or any other Related Entity with respect to any of their properties, assets or income that are due and payable have been duly paid, except those governmental charges for which payment is being contested in good faith and by appropriate means.

Section 3.10 Related Persons.

Except as has otherwise been disclosed in writing by the Borrower to the Administrator prior to the date hereof, to the Borrower's Knowledge no Director or Authorized Officer any relative thereof, i.e. parent, spouse or child (a) is retained or employed, directly or indirectly in a material position for, or is a director or officer of any supplier, customer (other than by bill of lading or transportation contract), contractor or any other entity with which Borrower does business in connection with the Positive Train Control Project, other than affiliates of Borrower; or (b) is a stockholder owning in excess of ten (10) percent of the issued and outstanding shares of any supplier, customer (other than by bill of lading or transportation contract), contractor or any other entity with which Borrower does business in connection with the Positive Train Control Project other than affiliates of Borrower.

Section 3.11 Allowable Costs.

All amounts proposed to be financed with proceeds of the Loan will have been incurred prior to the submission of the relevant Advance Certificate solely to fund Allowable Costs.

Section 3.12 Public Benefit.

The extension of the Loan by Lender, and the terms under which the Loan is extended when compared to financing that may be available to the Related Entities as of the date hereof from other sources, will better enable the Borrower and the other Related Entities to meet their operating, maintenance and repair obligations under Section 4.6.

Section 3.13 No Debarment or Suspension.

No Related Entity and, to the Borrower's Knowledge, no current Authorized Officer or Director:

(a) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) has, within the preceding three-year period, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust laws or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) above; or

(d) has, within the preceding three-year period, had one or more public transactions (federal, state or local) terminated for cause or default.

Section 3.14 Committed Funding.

Borrower has available (as specified in the Borrower's 2010-2014 Capital Program (as amended to the date hereof) including funding available under the Grant Agreements and this Agreement) funding which is sufficient to complete the Positive Train Control Project based on Borrower's current projection of the necessary capital expenditures consisting of amounts specified in the Borrower's 2010-2014 Capital Program (as amended to the date hereof) including funding available under Grant Agreements and this Agreement, the Borrower's anticipated 2015-2019 Capital Program, and amounts permitted to be borrowed as Subordinated Indebtedness under the Transportation Resolution.

Section 3.15 Restriction On Use of Funds.

The Borrower certifies, to the best of its knowledge and belief, to the following additional representations and warranties pursuant to 49 C.F.R. Part 20:

(a) No Federal appropriated funds have, to the Borrower's Knowledge, been paid or will be paid by or on behalf of the Borrower to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid by or on behalf of the Borrower to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The Borrower shall require that the language of this Section 3.15 be included in the award document for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify accordingly.

This certification is a material representation of fact upon which reliance is placed by the Lender in entering into this Agreement and in making each Advance. Submission of this certification is a prerequisite for entering into this Agreement and making each Advance imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

ARTICLE IV

AFFIRMATIVE COVENANTS OF BORROWER

Borrower hereby makes the following covenants to Lender which shall apply throughout the term of this Agreement, subject only to Section 2.7(a) and (b):

Section 4.1 Further Documentation.

Borrower shall execute and cause to be delivered to the Administrator such other certificates, documents, statements, agreements, or opinions as may be reasonably requested by the Administrator in furtherance of this Agreement.

Section 4.2 Use of Proceeds.

Borrower shall use the proceeds of the Loan solely to finance Allowable Costs in accordance with the terms of this Agreement. In no event shall the Borrower use the proceeds of the Loan (i) to fund costs that are not Allowable Costs or (ii) for any purpose prohibited under 45 U.S.C. § 822(b)(2) and 49 C.F.R. 260.5 including, without limitation, for the payment of any railroad operating expenses.

Section 4.3 Completion of Project; Compliance with Grant Agreements.

Borrower shall, and shall cause the relevant Related Entities to, complete the Positive Train Control Project within the timeframe and budget provided for in the Grant Agreements as in effect from time to time. Borrower shall timely comply in all material respects with its other obligations under the Grant Agreements.

Section 4.4 Pay Taxes and Other Claims.

Borrower shall, and shall cause each other Related Entity to, file all federal, state, and other tax returns and reports of Borrower required by law or regulation to be filed and pay and discharge or cause to be paid and discharged all taxes, withholdings, assessments, fees and other governmental charges lawfully levied or imposed upon its property or in connection with the Business before the date on which penalties attach thereto. Borrower shall, and shall cause each other Related Entity to, pay when due all lawful claims for labor, materials, supplies, and rents, and pay all other debts and liabilities, any of which, if unpaid, would by law result in a lien or charge upon the Trust Estate; provided, that, nothing herein shall require any payment so long as (a) such nonpayment is being diligently contested in good faith and by appropriate proceedings, (b) such reserve as may be required by generally accepted accounting principles has been made therefor; and (c) failure to pay when due would not result in the forfeiture or loss of property of Borrower having a Material Adverse Effect specified in clause (i) of the definition of such term.

Section 4.5 Maintenance of Insurance.

Borrower, for itself and each of the other Related Entities, shall maintain property, liability and other insurance coverage, including self-insured retentions, with respect to their property, the Business and the Positive Train Control Project which is equivalent in all material respects as to scope and amounts to the coverage maintained on the date hereof as described in Borrower's most recent Combined Annual Continuing Disclosure Filings Pursuant to Rule 15c2-12, as supplemented May 1, 2014 as such coverage may be adjusted from time to time by the Borrower Directors in the exercise of its reasonable judgment, or which is otherwise required by applicable law.

Section 4.6 Operation, Maintenance and Repair of Rail Properties.

Anything to the contrary in the exception provided for by the second sentence of section 609 of the Transportation Resolution notwithstanding, (a) Borrower shall, and shall cause The Long Island Rail Road Company and Metro-North Commuter Railroad Company to (i) comply with the requirements of Section § 822(h)(1)(B) of the Act (ii) operate common or contract carrier rail services over the Rail Lines, and (iii) maintain the Rail Lines and associated

locomotives and rolling stock in accordance with the maintenance standards described in 49 CFR 260.39(a) and (b) Borrower shall, and shall cause each of the Related Entities to, maintain their rail and public transportation infrastructure and properties in good repair and operating condition, normal wear and tear excepted, and make all necessary repairs and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect specified in clause (i)(a) of the definition of such term.

Section 4.7 Financial Statements; Notice of Certain Events.

Borrower shall (i) comply with the information and disclosure provisions of Rule 15c2-12, (ii) enter into and maintain, for the benefit of Lender and any Additional Holder, a written continuing disclosure agreement with the Trustee implementing Borrower's compliance with Rule 15c2-12 the terms and conditions of which shall be equivalent in all material respects with those disclosure agreements maintained for the benefit of other Owners of Obligations, and (iii) provide the Administrator with copies of all documents and notices required to be disclosed or delivered under Rule 15c2-12 or such disclosure agreement when required to be so disclosed or delivered thereunder. Borrower shall, in addition, provide the Administrator with access to all information posted by Borrower on the Electronic Municipal Market Access (EMMA) system maintained by the Municipal Securities Rulemaking Board (MSRB) or any equivalent successor or replacement electronic system.

Section 4.8 Project Reports.

Borrower shall provide the Administrator with copies of all reports, budgets, notices and other documents relating to the Positive Train Control Project or the Business as and when delivered after the date hereof to [*insert reference to appropriate federal/state/financial oversight entities*].

Section 4.9 Single Audit Act.

Borrower shall, at its own cost and expense, obtain all financial and compliance audits as required by the Single Audit Act Amendments of 1996, 31 U.S.C. § 7501, et seq.

Section 4.10 Signed Statement Regarding Breach.

On each Interest Payment Date, Borrower shall furnish to the Administrator the certification of an Approved Officer, substantially in the form of Exhibit I, stating that, other than as notified to the Administrator pursuant to Section 4.16, no Material Adverse Effect, Breach or Advance Suspension Event has occurred since, in the case of the first Interest Payment Date, the date hereof and, thereafter, the date on which the most recent such certification previously was delivered.

Section 4.11 Compliance with Applicable Laws.

(a) Borrower shall, and shall cause each of the other Related Entities, as applicable, to undertake the RRIF Project and conduct the Business in conformity in all material respects with all federal, state, and local laws, statutes, ordinances, regulations and orders of governmental authorities and all requirements of such foreign jurisdictions as may be

applicable and will promptly comply, in all material respects, with any such laws, statutes, ordinances, regulations and orders non-compliance with which could reasonably be expected to have a Material Adverse Effect specified in clause (i) of the definition of such term.

(b) Without limiting the generality of the foregoing, but regardless of whether non-compliance would have a Material Adverse Effect, Borrower shall, and shall cause each of the other Related Entities to, comply in all material respects with the following federal laws applicable to the Related Entities or the RRIF Project:

- (i) the Americans With Disabilities Act of 1990 and implementing regulations (42 U.S.C. 12101 et seq.; 28 C.F.R. Part 35; 29 C.F.R. Part 1630);
- (ii) Title VI of the Civil Rights, Act of 1964, as amended (42 U.S.C. 2000d et seq.; and United States Department of Transportation regulations, 49 C.F.R. Part 21;
- (iii) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.);
- (iv) Equal Employment Opportunity requirements under Executive Order 11246 dated September 24, 1965 (30 F.R. 12319), any Executive Order amending such order, and implementing regulations (41 C.F.R. Part 60);
- (v) restrictions governing the use of federal appropriated funds for lobbying (31 U.S.C. 1352; 49 C.F.R. Part 20);
- (vi) the Clean Air Act, as amended (42 U.S.C. 1857 et seq., as amended by Pub.L. 91-604);
- (vii) the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), including the environmental mitigation requirements and commitments made by Borrower that result in Lender's approval of the Final Environmental Impact Statement (issued pursuant to 42 U.S.C. 4332(2)(C)), Environmental Assessment, or Categorical Exclusion Determination, as applicable;
- (viii) the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq., as amended by Pub.L. 92-500); and
- (ix) the Endangered Species Act (16 U.S.C. 1531, et seq.).

Section 4.12 Additional Information on Borrower's Performance.

On request of the Administrator, Borrower shall furnish promptly to the Administrator such information as may be reasonably necessary to determine whether (i) Borrower is fulfilling

its warranties, covenants and agreements contained in this Agreement or (ii) any Breach or Advance Suspension Event has occurred under any Loan Document.

Section 4.13 Audit and Inspection Rights.

(a) Borrower shall, and shall cause each other Related Entity to, give representatives of the Administrator and the Comptroller General of the United States free access during normal business hours and upon reasonable advance notice to examine and inspect all books, accounts, records, reports, files, inventories, equipment, facilities, and other papers, things, facilities or property relating to this Agreement. Such access shall be granted to the extent deemed necessary (as reasonably determined by such representatives) to facilitate any audit to determine compliance by Borrower with the Loan Documents, or to inspect any equipment or facilities relating to Borrower's obligations under the Loan Documents.

(b) Borrower agrees to cooperate, and to cause each other Related Entity to cooperate, with such representatives in connection with any audits and/or inspections pursuant to Section 4.13(a).

(c) Such representatives shall have the right to discuss with the Authorized Officers and other knowledgeable representatives of the Related Entities the Business and affairs of the Related Entities and Borrower's performance of the RRIF Project, and Borrower shall use its best efforts to obtain for such representatives the right with respect to its contractors and subcontractors to discuss their business and affairs relating in any way to the Business or the RRIF Project.

Section 4.14 Budgets.

Borrower shall submit to the Administrator (i) upon adoption by Borrower or the relevant Related Entity, the program description and operating budget referred to in section 611 of the Transportation Resolution for each such Related Entity and any subsequent revision thereto, and (ii) upon receipt by Borrower, each certificate or other notice issued by the Independent Engineer referred to in such section 611.

Section 4.15 Minutes of Meetings.

Upon the Administrator's request, Borrower shall provide the Administrator copies of minutes, or portions thereof, of the meetings of its Board of Directors or any committee thereof relating in any material way to the Loan Documents or the RRIF Loan Obligations.

Section 4.16 Notification of Events.

(a) Borrower shall, within ten (10) Business Days after its occurrence, provide the Administrator with written notice, signed by an Approved Officer, of any of the following events, circumstances or conditions, setting forth the details thereof:

- (i) any Breach or Advance Suspension Event;

- (ii) any event or circumstance required to be disclosed pursuant to Rule 15c2-12;
- (iii) the filing of any litigation, suit, action or arbitration of which the Borrower has actual notice, the delivery to Borrower of any written claim or demand, the initiation of any governmental investigation, or any adverse development in connection with any of the foregoing which in any such case could reasonably be expected to have a Material Adverse Effect specified in clause (i) of the definition of such term;
- (iv) the adoption of any law, rule or regulation by the State of New York, any political subdivision thereof or any other governmental entity the adoption of which could reasonably be expected to have a Material Adverse Effect;
- (v) the failure by the State of New York, any political subdivision thereof or any other governmental entity to adopt any law, rule or regulation proposed or actively supported by the Borrower where such failure could reasonably be expected to have a Material Adverse Effect; or
- (vi) the occurrence of any other event, circumstance or condition having a Material Adverse Effect.

(b) Each such notice shall be accompanied by a written statement signed by an Approved Officer setting forth in detail the remedial actions Borrower is taking or proposes to take with respect thereto.

Section 4.17 Competitive Contracting.

Costs for any work performed on the Positive Train Control Project by an outside contractor, rather than by Borrower or another Related Entity with its own employees, shall be considered Allowable Costs only if the contractor is selected in accordance with the procurement standards set forth in 49 C.F.R. § 18.36.

Section 4.18 Debarment and Suspension.

(a) Borrower agrees in connection with the use of Federal funding to comply with the provisions of Order No. 4200.5E issued by the Secretary of the U.S. Department of Transportation on March 15, 2010, Executive Orders Nos. 12549 and 12689, “Debarment and Suspension,” 31 U.S.C. § 6101 note, and U.S. DOT regulations “Nonprocurement Suspension and Debarment,” 2 C.F.R. Part 1200, which adopts and supplements the provisions of U.S. Office of Management and Budget “Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” 2 C.F.R. Part 180 and specifically Subpart C of the OMB guidance in 2 CFR Part 180 and 2 C.F.R. 180.435.

(b) In connection with entering into any lease, third party contract, or other arrangement in connection with the RRIF Project and prior to entering into such transaction, Borrower shall verify that the parties thereto are not barred, suspended or otherwise excluded by (i) obtaining certifications of debarment and suspension from its contractors and subcontractors, (ii) reviewing the System for Award Management site at www.sam.gov or (iii) adding a clause or condition to any such lease, third-party contract, or other arrangement requiring compliance with Subpart C of the OMB guidance in 2 CFR Part 180, and specifically 2 C.F.R. 180.300.

(c) Borrower agrees to inform the Administrator in writing when Borrower or any other Related Entity suspends or debar a contractor in connection with the use of Federal funding.

(d) The Borrower shall cause each of the other Related Entities to comply with the requirements of this Section 4.18 in connection with the use of Federal funding.

Section 4.19 Small and Disadvantaged Businesses.

(a) Borrower in connection with the Positive Train Control Project agrees to, and shall cause each other Related Entity to: (i) provide maximum practicable opportunities for small businesses, including veteran-owned small businesses and service disabled veteran-owned small businesses, and (ii) implement best practices, consistent with our nation's civil rights and equal opportunity laws, for ensuring that all individuals – regardless of race, gender, age, disability, and national origin – benefit from activities funded through this Agreement.

(b) An example of a best practice under (a)(ii) above would be to incorporate key elements of the Department of Transportation's Disadvantage Business Enterprise ("DBE") program (see 49 C.F.R. Part 26) in contracts funded under this Agreement. This practice would involve setting a DBE contract goal on contracts funded under this Agreement that have subcontracting possibilities. The goal would reflect the amount of DBE participation on the contract that Borrower would expect to obtain absent the effects of discrimination and consistent with the availability of certified DBE firms to perform work under the contract. When a DBE contract goal has been established by Borrower, the contract would be awarded only to a bidder/offer that has met or made (or in the case of a design/build project, is committed to meeting or making) documented, good faith efforts to reach the goal. Good faith efforts are defined as efforts to achieve a DBE goal or other requirement of this Agreement that, by their scope, intensity, and appropriateness to the objective can reasonably be expected to achieve the goal or other requirement.

(c) Borrower must provide the Administrator with a plan for incorporating best practices in accordance with clause (a)(ii) above into its implementation of the RRIF Project within thirty (30) calendar days following execution of this Agreement. If Borrower is not able to substantially incorporate 49 C.F.R. Part 26 elements in accordance with the above-described best practice, Borrower agrees to provide the Administrator with a written explanation and an alternative program for ensuring the use of contractors owned and controlled by socially and economically disadvantaged individuals.

Section 4.20 Cargo Preference

Pursuant to U.S. Department of Transportation, Maritime Administration regulations, “Cargo Preference – U.S.-Flag Vessels,” 46 C.F.R. Part 381, Borrower shall, and shall cause each other Related Entity to, insert the following clauses in contracts in which equipment, materials, or commodities may be transported by ocean vessel in carrying out the Positive Train Control Project:

As required by 46 C.F.R. Part 381, the contractor agrees:

(a) *To utilize privately owned United States-flag commercial vessels to ship at least fifty (50) percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved whenever shipping any equipment, materials, or commodities pursuant to this contract to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels.*

(b) *To furnish within twenty (20) days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated “on-board” commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (a) above to the recipient (through the prime contractor in the case of subcontractor bills-of-lading) and to the Division of Cargo Preference and Domestic Trade, Maritime Administration, 1200 New Jersey Avenue, S.E., Washington, DC 20590, marked with appropriate identification of the RRIF Project as follows: “FRA MTA East Side Access RRIF Financing”.*

(c) *To insert the substance of the provisions of the clause in all subcontracts issued pursuant to this contract.*

Section 4.21 Domestic Buying Preference

The Borrower shall comply with the provision to purchase steel, iron and other manufactured goods produced in the United States for the Positive Train Control Project, as set forth in the Federal Railroad Administration’s Notice Regarding Consideration and Processing of Applications for Financial Assistance under the Railroad Rehabilitation and Improvement Financing (RRIF) Program, 75 Federal Register 60165, 60166 (2010).

Section 4.22 Employee Protection and Prevailing Wages.

(a) Borrower shall make fair and equitable arrangements to protect the interests of any railroad employees who may be adversely affected by actions taken in connection with the RRIF Project financed pursuant to this Agreement in accordance with the provisions of the Appendix, attached here to as Exhibit J, prescribed by the Secretary of Labor on July 6, 1976 pursuant to 45 U.S.C. § 836.

(b) In accordance with 45 U.S.C. § 822(h)3(A), Borrower shall, and shall cause each of the other Related Entities to, comply with the standards of 45 U.S.C. § 24312 with respect to the RRIF Project in the same manner that the National Railroad Passenger

Corporation is required to comply with such standards for construction work financed under an agreement made under 45 U.S.C. § 24308(a).

Section 4.23 Expenses.

To the fullest extent chargeable by the Administrator pursuant to applicable statute and regulation, Borrower shall, upon demand, pay all expenses (including, without limitation, the reasonable fees of counsel or any financial or industry advisor) incurred by the Administrator or otherwise on behalf of the Lender in connection with the evaluation, consideration, investigation, analysis, exercise or enforcement of any of Lender's rights under the Loan Documents, including, without limitation, in connection with any request by Borrower for an amendment or waiver of any provision of the Loan Documents or any action to recover amounts due under any Loan Document or to compel Borrower's compliance with its obligations under any Loan Document.

Section 4.24 Project Funding.

The Borrower shall provide funds (including, without limitation, funds available under the Grant Agreements and this Agreement) in amounts sufficient to assure timely and full payment of the Project Costs (as defined in the Grant Agreements) necessary to Complete (as defined in the Grant Agreements) the Positive Train Control Project.

ARTICLE V

NEGATIVE COVENANTS OF BORROWER

Borrower hereby makes the following additional covenants to Lender which shall apply throughout the term of this Agreement, subject only to Section 2.7(a) and (b):

Section 5.1 Indebtedness.

In the event that Borrower or any of the other Related Entities at any time issues, incurs, creates, assumes, guarantees or in any manner becomes liable for Structurally Senior Debt, the Borrower shall provide the Administrator with not less than fifteen (15) days prior written notice of such occurrence and the following shall apply:

(a) in the case of each First Issuance after the date of this Agreement of any Structurally Senior Debt, either:

(i) the Borrower shall deliver with its notice to the Administrator ratings confirmation letters from each Rating Agency then rating Borrower's Obligations under the Transportation Resolution to the effect that, all other relevant facts and circumstances being assumed unchanged, the issuance of such Structurally Senior Debt will not result in the suspension, withdrawal, downgrade, or placement on credit watch for potential downgrade (in each case as to probability of either default or recoverability) or any other action by such rating agency equivalent to any of the foregoing with respect to any of such rating agency's then current unenhanced ratings on Borrower's Obligations under the Transportation Resolution, including, without limitation, the Series 2015X Bond; or

(ii) the Lender shall have the option, exercisable at its sole discretion by the Administrator's delivery of written notice to the Borrower within ninety (90) days from receipt of the Borrower's notice, to exchange the entire outstanding amount of the Series 2015X Bond for such Structurally Senior Debt having an interest rate and remaining amortization schedule identical to the Series 2015X Bond. If Lender exercises such option then: (1) the Borrower shall issue such Structurally Senior Debt to the Lender on the later of the closing date of such First Issuance or ten (10) days after receipt of the Administrator's notice and the Administrator shall deliver the cancelled 2015X Bond to Borrower; (2) this Agreement shall remain in full force and effect except that references to the Transportation Resolution shall be deemed to be references to the resolution of the Borrower (or equivalent indenture or other agreement) under which such Structurally Senior Debt is issued, and all references in this Agreement to the 2015X Bond shall be deemed replaced with references to such Structurally Senior Debt; (3) future Advances, if any, shall be evidenced by such Structurally Senior Debt; and (4) any Ratings Downgrade Event resulting in whole or in part from such issuance of Structurally Senior Debt shall not result in the application of the Ratings Downgrade Rate.

(b) For purposes of this Section 5.1: "Structurally Senior Debt" means any payment obligation of Borrower or any other Related Entity secured by, or with respect to which the payee of such obligation (or any agent) has any security interest in or right to receive revenues or receipts of Borrower or such Related Entity (whether operating revenues, tax receipts, governmental subsidies, or other earnings, rents or payment rights of any nature) which revenues or receipts, but for such payment obligation, would reasonably be expected (based on the law, agreements, policies and practices relating to Borrower in effect or existing on the date hereof) to become part of the Trust Estate; except that Structurally Senior Debt shall not include obligations of the Triborough Bridge and Tunnel Authority or any refinancing or additional issuance of Borrower's Dedicated Tax Fund Bonds or Subordinated Indebtedness; and "First Issuance" means the first issuance of Structurally Senior Debt secured or otherwise supported by revenues or receipts which, prior to such issuance, either constituted part of the Trust Estate or were not previously available to become a part of the Trust Estate, but does not include subsequent issuances of Structurally Senior Debt secured or otherwise supported by the same such revenues or receipts.

Section 5.2 Purchase of Investment Securities, Lending or Advancing Funds.

Borrower shall not invest any operating, construction or debt service reserves other than (i) in the case of funds held pursuant to the Transportation Resolution, in Authorized Investments and (ii) in the case of all other funds, in accordance with the Borrower's All-Agency Investment Guidelines as duly adopted from time to time by the Board of Directors. In addition, Borrower shall not lend or advance any funds generated in or received for purposes of the operation of the Business to any person, corporation, firm or other entity, except in the ordinary course of business, or to a Related Entity.

Section 5.3 Purchase or Lease of Assets.

Borrower shall not use any funds generated in or received for the purpose of the operation of the Business to purchase or lease any chattel, real estate, fixture or other capital

asset unless such asset will be used in the operation of the Business and is acquired in the ordinary course of business.

Section 5.4 Deployment of Assets.

The Borrower shall comply with Section 822(h)(1)(A) of the Act.

Section 5.5 Prohibited Interest.

Except as between Borrower and its affiliates:

(a) Borrower shall not, after the date of this Agreement, enter into any contract, subcontract, or arrangement in excess of \$50,000 in connection with the financing of, or the carrying out of, work related to the Positive Train Control Project in which any Officer or Director of any Related Entity, during his or her subsequent tenure or more recently than two years before the date of such contract (if his or her tenure is continuing), shall have or shall have had any personal interest, direct or indirect, in the other party to such contract, subcontract or arrangement unless such contract, subcontract or arrangement is entered into on a publicly advertised, sealed-bid basis, the recipient is the lowest qualified bidder on such basis, such officer or director recuses himself or herself from further dealings with respect to such contract, subcontract or arrangement, and written records of the entire transactions are sufficient to satisfy the Administrator upon inspection.

(b) Borrower shall not knowingly allow any contractor or subcontractor of Borrower or of any Related Entity to enter into any contract, subcontract, or other arrangement in excess of \$50,000 related to the Positive Train Control Project if any of their Officers or Directors or any members of the immediate family of one of the foregoing has any material interest in the contract, subcontract or arrangement, unless the other party (or parties) to such contract, subcontract or arrangement is the lowest qualified bidder on a publicly advertised, sealed-bid basis and written records of the entire transaction are sufficient to satisfy the Administrator upon inspection.

(c) Borrower shall not allow any member of or delegate to Congress to share any benefit that may arise from this Agreement; but this provision shall not restrict the making of any contract with a publicly held entity for the general benefit of such entity.

(d) Borrower shall not pay any full-time employee of the federal government (unless on leave without pay) any consulting fees, salaries, or travel expenses from any federal funds provided under this Agreement except where specifically authorized by statute.

Section 5.6 Merger, Acquisition, or Sale of Assets.

Borrower shall not, and shall not permit any other Related Entity to: (i) consolidate or merge with or transfer its assets or control of itself to any entity other than another Related Entity; or (ii) anything to the contrary in the exception provided for by the second sentence of section 609 of the Transportation Resolution notwithstanding, sell, lease or otherwise transfer any of its operating assets except for any sale, lease or transfer undertaken in the ordinary course

of its Business or as would not reasonably be expected to have a Material Adverse Effect specified in clause (i)(a) of the definition of such term.

Section 5.7 Encumbrances.

Borrower shall not place, create, incur, assume or permit to exist any mortgage, pledge, lien or encumbrance on the Trust Estate other than (i) the lien created in favor of the Owners under Section 501 of the Transportation Resolution and (ii) any other lien permitted under the Transportation Resolution as to which no enforcement, collection, levy, attachment or foreclosure proceeding has been commenced; it being understood that the Borrower may issue Obligation Anticipation Notes or Revenue Anticipation Notes (each as defined in the Transportation Resolution) as permitted by the Transportation Resolution.

Section 5.8 Curtailment or Discontinuance of Business.

Borrower shall not, except as may be required as the consequence of force majeure, curtail, discontinue or abandon any substantial part of its Business if such curtailment, discontinuance or abandonment would reasonably be expected to have a Material Adverse Effect specified in clause (i)(a) of the definition of such term.

Section 5.9 Abandonment of Rail Lines.

The exceptions provided for by the second sentence of section 609 of the Transportation Resolution and Section 5.8 notwithstanding, Borrower shall not abandon (within the meaning of 49 U.S.C. § 10903) the Rail Lines or file an application with the Surface Transportation Board for the abandonment of the Rail Lines.

Section 5.10 Change of Control.

Borrower shall not permit (i) itself to cease to be a public benefit corporation the Directors of which are appointed by the Governor of the State of New York with the advice and consent of the New York State Senate or (ii) any other Related Entity to cease to be a public benefit corporation of the State of New York; provided, however, that nothing shall prohibit any Related Entity from consolidating or merging with or transfer its assets or control of itself or of any other Related Entity to another Related Entity.

ARTICLE VI

ADVANCE SUSPENSION EVENTS AND REMEDIES

Section 6.1 Advance Suspension Events.

The following shall be Advance Suspension Events:

- (a) Payment Default. A failure to pay any interest on or principal amount of the Series 2015X Bond within five (5) Business Days after the same becomes due and payable;

(b) Covenant Defaults. (i) Borrower's breach in the due observance or performance of any covenant or condition contained in Article V; or (ii) Borrower's breach in the due observance or performance of any other covenant or condition contained in this Agreement if Borrower fails to remedy such breach within thirty (30) calendar days of the earlier of (x) an Authorized Officer obtaining actual knowledge of such breach or (y) the receipt of written notice from Lender or the Administrator of its occurrence.

(c) Misrepresentation. Any representation or warranty made by Borrower herein proving to be untrue or incomplete in any material respect as of the date hereof or when deemed repeated hereunder, or any written statement, certificate or information delivered by or on behalf of Borrower to Lender in or in furtherance of the Application or pursuant to this Agreement proving to be untrue or incomplete in any material respect as of the date on which the things therein set forth were stated or certified.

(d) Material Adverse Effect. The occurrence of a Material Adverse Effect and the continuance thereof for a period of thirty (30) calendar days.

(e) Default Under Other Loan Documents. The occurrence of an Event of Default as defined under the Transportation Resolution.

(f) Cross Default. The occurrence of a default under any other indebtedness of Borrower or any other Related Entity in an aggregate principal amount exceeding \$100,000,000 which would permit the holders thereof to declare such principal amount immediately due and payable.

(g) Insolvency Events. Any Related Entity's (i) making a general assignment for the benefit of creditors, or (ii) applying for or consenting to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets, or (iii) being adjudicated a bankrupt or insolvent, or (iv) filing a voluntary petition in bankruptcy or filing a petition or answer seeking reorganization or an arrangement with creditors who are seeking to take advantage of any other law (whether federal or state) relating to relief of debtors or admitting by answer (by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, arrangement, insolvency or other proceeding (whether federal or state) relating to relief of debtors, or (v) suffering or permitting to continue unstayed and in effect for sixty (60) calendar days or more any judgment, decree or order entered by a court of competent jurisdiction which approved a petition seeking reorganization of such Related Entity or appoints a receiver, trustee or liquidator of all or a substantial part of its assets;

(h) Actions by the State of New York. The taking of any action by the State of New York in violation of its pledge and agreement with each Related Transportation Entity and the Owners of Obligations (including the Lender) that State of New York will not limit or alter the denial of authority under subdivision 9 of Section 1269 of the MTA Act and, in the case of the Transit Authority and MaBSTOA, subdivision 11 of Section 1207-m of the TA Act, or the rights and powers vested in any of them by the MTA Act and TA Act to fulfill the terms of any agreement made by any of them with such Owners (whether directly or as

third-party beneficiaries), or in any way impair their rights and remedies until such agreements, bonds, notes and obligations, including this Agreement and the 2015X Bond, together with the interest thereon and all costs and expenses in connection with any action or proceedings by or on behalf of such Owners, are fully met and discharged. As used in this paragraph (h), the terms “Transit Authority,” “MaBSTOA,” and “Related Transportation Entity” have the meanings given to them in the Transportation Resolution.

(i) Unenforceability. Any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms or any Related Entity challenges the enforceability of any Loan Document or asserts in writing, or engages in any action or inaction based on any such assertion, that any material provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms.

(j) Judgments. There is entered against the Borrower or any other Related Entity (i) one or more judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) of \$25,000,000 or more in excess of available third party insurance coverage (which shall be deemed to include coverage provided by or through First Mutual Transportation Assurance Corporation, the Borrower’s captive insurance company subsidiary) or (ii) any one or more non-monetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive calendar days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect.

[Section 6.2 Remedies.](#)

During the term of this Agreement, Lender and the Administrator shall have the following rights and remedies:

(a) Upon the occurrence of an Advance Suspension Event specified in Section 6.1(e), Lender shall have those rights and remedies conferred on Lender under the other Loan Documents as Owner of an Obligation under the Transportation Resolution and RRIF Supplemental Resolution.

(b) Following the occurrence and during the continuance of an Advance Suspension Event specified in Section 6.1(a), the outstanding principal amount of each Series 2015X Bond shall bear interest at the Overdue Rate in accordance with Section 2.2(d).

(c) Upon the occurrence and during the continuance of any Advance Suspension Event, the Administrator's obligation to make further Advances shall be suspended.

(d) Upon the occurrence of any Advance Suspension Event, Lender and the Administrator may exercise any and all available rights and remedies, whether specified herein or inherent in law or equity, which shall not be exclusive and shall be cumulative, including enforcement through an injunction or order for specific performance of each of

Borrower's obligations underlying any such Advance Suspension Event, and Borrower agrees not to contest the applicability of specific performance as a remedy, notwithstanding that an action at law for damages may be available, it being understood and agreed that, the remedy of acceleration being unavailable, Lender may have no adequate remedy at law.

(e) The Administrator may require that Borrower, within thirty (30) calendar days from receipt of notice from the Administrator, provide a detailed written description of the facts and circumstances which gave rise to the Advance Suspension Event, a detailed statement of steps Borrower is taking or proposes to take to resolve the issues giving rise to the Advance Suspension Event, and a proposed timeline for resolving the issues giving rise to the Advance Suspension Event. The Administrator may accept Borrower's proposal and permit Borrower time to resolve the issues giving rise to the Advance Suspension Event. If permitted to resolve the issues giving rise to the qualification, Borrower shall, at its own cost and expense and in a custom and manner satisfactory to the Administrator, act in accordance with the proposal and, within fifteen (15) calendar days of completing the proposed steps, provide the Administrator with the certification of an Authorized Officer that all such steps have been fully completed and the issues resolved. If Borrower does not propose a plan for resolving the issues giving rise to the Advance Suspension Event, if the Borrower does not act in accordance with the plan to resolve the issues in a custom and manner satisfactory to the Administrator, or if the Borrower does not timely provide the required certification, then the Administrator may exercise any other remedies available under this Agreement.

(f) To the extent permitted by applicable law, Borrower shall be liable for all the Lender's legally assessed or reasonably incurred expenses of its counsel and other external experts, including financial advisors, incurred in the consideration, investigation, analysis, evaluation, development, negotiation or documentation of any amendment, modification, loan workout, or in any litigation to enforce payment or performance of the RRIF Loan Obligations, including, without limitation, any litigation costs and court costs in connection with any proceeding considered, brought or threatened to enforce payment or performance of the RRIF Loan Obligations, regardless of whether such expenses are incurred in connection with enforcement of this Agreement or any other Loan Document, and Borrower shall pay all such amounts promptly upon receipt of written demand from the Administrator.

(g) As a consequence of an Advance Suspension Event, Lender or the Administrator may suspend or debar the Related Entities, as permitted by applicable statute, regulation, order or guidance, from participation in any federal program including, without limitation, the Railroad Rehabilitation and Improvement Financing Program. The Administrator may notify other federal departments and agencies of the Advance Suspension Event and such departments and agencies may have the right to suspend or revoke the Related Entities' eligibility to receive federal financial assistance in accordance with 31 U.S.C. 3720B and 31 CFR 285.13 and 901.6 (with respect to loans and loan insurance or guarantees) and 2 CFR Part 180 and 2 CFR Part 1200 (with respect to federal financial assistance), including, without limitation, federal financial assistance otherwise available under the Transportation Infrastructure Finance and Innovation Act and the Urbanized Area Formula Funding Program.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.1 Entire Agreement.

This Agreement together with the other Loan Documents embodies the entire agreement and understanding between Borrower and the Administrator with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings relative to the same.

Section 7.2 Term.

This Agreement shall terminate upon the satisfaction of the RRIF Loan Obligations in their entirety in accordance with the provisions herein and thereof or, if earlier, in accordance with the provisions of Section 2.7(b).

Section 7.3 Amendments and Waivers.

No amendments, waivers or modifications to this Agreement are to be effective unless executed by Borrower and the Administrator or his authorized designee in a writing referring to this Agreement.

Section 7.4 Parties Bound; Right to Assign.

All the terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against, each of the parties hereto and their legal representatives and assigns (other than any Additional Holders) to the extent of their respective interest and obligations hereunder; provided, however, that this Agreement may not be transferred or assigned by Borrower without the prior written consent of the Administrator.

Section 7.5 Table of Contents and Headings.

The table of contents and headings of the articles and sections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof or in any manner limit or define the terms of this Agreement.

Section 7.6 Notices; Action to be Taken.

(a) Any notice required or submitted hereunder shall be deemed given if delivered in person or mailed by registered or certified mail, return receipt requested and postage prepaid, to the following addresses of the parties hereto or at such addresses as either Borrower or the Administrator shall from time to time designate by written notice:

If to the Borrower:

Attn: Patrick J. McCoy, Director of Finance
Metropolitan Transportation Authority
2 Broadway

New York, NY 10004

With a copy to:

Attn: Jerome F. Page, General Counsel
Metropolitan Transportation Authority
2 Broadway
New York, NY 10004

If to Administrator:

Attn: Associate Administrator for Railroad Policy and Development
Federal Railroad Administration
1200 New Jersey Ave., S.E.
Washington, D.C. 20590
Re: New York MTA RRIF Loan

With a copy to:

Attn: Chief Counsel
Federal Railroad Administration
1200 New Jersey Ave., S.E.
Washington, D.C. 20590
Re: New York MTA RRIF Loan

All notices mailed shall be deemed given on the date received at the office of the party to whom notice is to be given as evidenced by a personal delivery receipt or the registered or certified mail return receipt. Each notice provided by the Borrower hereunder shall include a reference to this Agreement and the Section hereof pursuant to which such notice is given.

(b) The Administrator may rely upon as authoritative, binding and valid any notice, certification or other document delivered by Borrower if signed by an Approved Officer.

Section 7.7 [Release of Information.](#)

The Administrator shall not disclose any Confidential Information (as defined below) to any person without the consent of the Borrower, other than (a) to the Administrator's officers, directors, employees, agents and advisors, to other federal agencies and to actual or prospective assignees and then only on a confidential basis, (b) as required by any law (including the Freedom of Information Act ("FOIA") (5 U.S.C. 552)), rule or regulation or judicial process, (c) as requested or required by any state or federal authority or examiner regulating the Administrator or Congress, and (d) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder. "Confidential Information" means information designated as confidential that the Borrower furnishes to the

Administrator, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrator from a source other than the Borrower or which the Administrator determines is not confidential information in accordance with applicable law. For purposes of the FOIA, confidential information shall have the meaning applied through FOIA exemption 4 (5 U.S.C. § 552(b)(4)).

[Section 7.8 No Waiver by Administrator.](#)

No course of dealing on the part of the Administrator, nor any failure or delay by the Administrator with respect to exercising any right, power, or privilege with respect to the RRIF Loan Obligations shall operate as a waiver thereof, or of any other right, power or privilege, nor shall the Administrator's failure to exercise any rights granted with respect to the RRIF Loan Obligations in the event of a Breach or Advance Suspension Event, or the Administrator's exercise of any single or partial exercise of any such right, power or privilege hereunder, operate as a waiver thereof, or of any other right, power or privilege.

[Section 7.9 Waiver of Jury Trial.](#)

EACH OF THE BORROWER AND THE LENDER HEREBY WAIVE ANY AND ALL RIGHTS IT MAY NOW OR HEREAFTER HAVE TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREUNDER. EACH OF THE BORROWER AND THE LENDER HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHT AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS.

[Section 7.10 Governing Law.](#)

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE FEDERAL LAW OF THE UNITED STATES. TO THE EXTENT THAT FEDERAL LAW DOES NOT SPECIFY THE APPROPRIATE RULE OF DECISION FOR A PARTICULAR MATTER AT ISSUE, IT IS THE INTENTION AND AGREEMENT OF THE PARTIES HERETO THAT THE SUBSTANTIVE LAW OF THE STATE OF NEW YORK SHALL BE ADOPTED AS THE GOVERNING FEDERAL RULE OF DECISION.

[Section 7.11 Indemnification.](#)

(a) Borrower shall promptly upon demand, to the full extent permitted by applicable law, indemnify and hold the United States harmless from and against, and shall otherwise reimburse it for, any claim, demand, cause of action, damage, liability, cost or expense (including reasonable attorneys' fees and court costs) incurred by the United States and arising out of, or in any way resulting from this Agreement, the Series 2015X Bond, the other Loan Documents, the RRIF Project, or the RRIF Loan Obligations, including, but not limited to, the use, operation or condition of any equipment or facilities to which the proceeds of financial assistance have been applied hereunder (except if the claim, demand, cause of

action, damage, liability, cost or expense is asserted against the United States in its governmental capacity or results from the willful act or negligence of the United States).

(b) The provisions of this section shall survive the issuance, execution, delivery and termination of the other RRIF Loan Obligations.

Section 7.12 Representatives.

References to the Administrator or the Comptroller General of the United States include their subordinates, employees, agents and servants. The Administrator and the Approved Officers act hereunder in their official and not personal capacities.

Section 7.13 Counterparts.

This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith, may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall constitute but one and the same instrument.

Section 7.14 Severability.

If any provision of this Agreement shall be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions shall not be affected or impaired in any way thereby. A provision held to be unenforceable as applied to any party or circumstance remains applicable to other parties and circumstances.

Section 7.15 No Third Party Rights.

The parties hereby agree that this Agreement creates no third party rights against the United States or the Administrator, solely by virtue of the obligation to make Advances hereunder and that no third party creditor or creditors of Borrower shall have any right against the Administrator with respect to the obligation to make Advances hereunder.

Section 7.16 Remedies Not Exclusive.

No remedy conferred herein or reserved to the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first entered above.

METROPOLITAN TRANSPORTATION
AUTHORITY

By:

Patrick J. McCoy
Director of Finance

The UNITED STATES OF AMERICA,
represented by the
SECRETARY OF TRANSPORTATION
acting through the
FEDERAL RAILROAD ADMINISTRATOR

By:

[Sarah Feinberg]
[Acting] Administrator

LIST OF EXHIBITS AND SCHEDULES

Exhibit A: Form of Advance Certificate
Exhibit B: RRIF Project Description
Exhibit C: Form of Incumbency Certificate
Exhibit D: Interagency Agreement
Exhibit E: RRIF Certificate of Determination
Exhibit F: RRIF Supplemental Resolution
Exhibit G: Form of Series 2015X Bond
Exhibit H: Transportation Resolution
Exhibit I: Form of Interest Payment Date Certificate
Exhibit J: Employee Protection Appendix

Schedule 1: Legal Opinions

Schedule 2: Material Litigation

EXHIBIT A

FORM OF ADVANCE CERTIFICATE

To: Federal Railroad Administration
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Attn: Chief of Credit Programs Division

Re: Request for Advance

Pursuant to Section 2.1 of the Financing Agreement, dated [•], 2015 (the "Financing Agreement"), between the Metropolitan Transportation Authority ("Borrower") and to the United States of America, represented by the Secretary of Transportation acting through the Federal Railroad Administrator (the "FRA"), the undersigned hereby requests an Advance in the amount of \$_____ (the "Requested Amount"). Capitalized terms used but not otherwise defined herein have the meaning set forth in the Financing Agreement. In connection with this Advance Certificate, the undersigned does hereby represent and certify the following:

1. I am an Approved Officer of Borrower duly authorized to execute and deliver this Advance Certificate behalf of Borrower;
2. The proposed Advance Date to which this Advance Certificate relates is _____, 20__;
3. The Requested Amount has not been previously funded by any prior Advance and has been incurred by Borrower solely for Allowable Costs.
4. The documents [attached to *or* accompanying] this certificate [and the summary schedule describing their contents]¹ reflect all of the costs proposed to be financed with the proceeds of the Advance;
5. All conditions precedent set out in Section 2.3 have been or (absent prior written revocation of this certification) will be satisfied as of the Advance Date;
6. The Requested Amount together with all prior Advances does not exceed the Maximum Aggregate Principal Amount;
7. The representations and warranties of Borrower contained in Article III of this Agreement are true and correct on and as of the date hereof and (absent prior written revocation of this certification) will be true and correct on the Advance Date except to the extent that such representations and warranties explicitly related solely to an earlier date (in which case such representations and warranties are true and correct on and as of such earlier date); and

¹ Include where appropriate and useful.

8. As of the date of this certificate and (absent prior written revocation of this certification) as of the Advance Date, no Material Adverse Effect, Breach or Advance Suspension Event has occurred and is continuing and the Commitment Termination Date has not occurred.

The Requested Amount should be remitted on the Advance Date by wire transfer of immediately available funds to the following Bank and Account:

Bank Name: _____
ABA Routing No: _____
F/B/O: Metropolitan Transportation Authority
Account Number: _____
Reference: MTA RRIF Loan Advance

The undersigned acknowledges that if he or she makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the United States Government in connection with the Financing Agreement, the Borrower and the undersigned may be subject to penalties under 18 U.S.C. § 1001.

Name:
Title:

EXHIBIT B

RRIF PROJECT DESCRIPTION

Long Island Rail Road

LONG ISLAND RAIL ROAD				
Element	Total	Total Amount Disbursed prior to this Advance	Amount Drawn this Advance	Remaining Amount Available to Draw
PTC - System Integrator & Force Account Construction				
System Integrator (Design, Integrate, & Furnish)	\$232,405,904.54			\$232,405,905
Force Account	\$87,485,190.00			\$87,485,190
ESA & Harold Hut Changes	\$6,882,534.00			\$6,882,534
Design & Construction Phase Services	\$19,896,485.00			\$19,896,485
Radio Frequency Purchase (Spectrum)	\$4,935,625.00			\$4,935,625
PM / Support Departments	\$19,238,229.00			\$19,238,229
Subtotal	\$370,843,967.54	\$0	\$0	\$370,843,968
Speonk to Montauk Signalization - Design, Furnish, & Construction				
Design & Furnish Signal System (Automatic Speed Control)	\$21,866,348.00			\$21,866,348
Other 3rd Party Work	\$3,476,034.00			\$3,476,034
Force Account	\$47,657,618.00			\$47,657,618
Subtotal	\$73,000,000.00	\$0	\$0	\$73,000,000
Ronkonkoma to Yaphank - Design, Furnish, & Construction				
Design & Furnish Signal System (Automatic Speed Control)	\$9,876,799.94			\$9,876,800
Force Account	\$22,247,391.44			\$22,247,391
Project Support / Project Management / Other	\$4,802,786.63			\$4,802,787
Subtotal	\$36,926,978.00	\$0	\$0	\$36,926,978
Babylon to Patchogue - Design, Furnish, & Construction				
Design & Furnish Signal System (Automatic Speed Control)	\$17,409,392.79			\$17,409,393
Force Account	\$30,908,809.66			\$30,908,810
Project Support / Project Management / Other	\$6,410,851.55			\$6,410,852
Subtotal	\$54,729,054.00	\$0	\$0	\$54,729,054
Contingency	\$32,409,668.66	0	0	\$32,409,669
Project Subtotal	\$567,909,668.20	\$0	\$0	\$567,909,668
Less Other Federal Funding (FTA/FRA Grants)	(\$49,848,939.20)	\$0		
Loan Request	\$518,060,729.00		\$0	\$518,060,729

Metro-North Railroad

METRO NORTH						
Element	3rd Party	In-House	Total	Total Amount Disbursed prior to this Advance	Amount Draw n this Advance	Remaining Amount Available to Draw
Design/Provisioning Phase						
PTC BASE						
System Integrator (Design, Integrate, & Furnish)	\$126,320,000	\$0	\$126,320,000			\$126,320,000.0
System Integrator (Design, Integrate, & Furnish) (M8 Option)	\$25,090,000	\$0	\$25,090,000			\$25,090,000.0
System Integrator (Design, Integrate, & Furnish) (PHW Option)	\$4,910,000	\$0	\$4,910,000			\$4,910,000.0
Furnish and Install Communication Equipment	\$29,830,000	\$0	\$29,830,000			\$29,830,000.0
Post Warranty Software Maintenance	\$1,130,000	\$0	\$1,130,000			\$1,130,000.0
Radio Frequency Purchase (Spectrum)	\$4,910,000	\$0	\$4,910,000			\$4,910,000.0
Design & Construction Phase Services	\$14,200,000	\$2,999,000	\$17,199,000			\$17,199,000.0
PHW Procurement	\$4,609,000	\$0	\$4,609,000			\$4,609,000.0
West of Hudson Port Jervis Line Cab Signal/PTC						
Construction Phase Services Signal System (ASC)/PTC	\$902,000	\$165,000	\$1,067,000			\$1,067,000.0
Furnish Signal System (Automatic Speed Control)/PTC	\$47,130,000	\$0	\$47,130,000			\$47,130,000.0
Hudson Line (Croton-Harmon to Poughkeepsie)						
Design & Furnish Signal System (Automatic Speed Control)	\$48,400,000	\$1,100,000	\$49,500,000			\$49,500,000.0
Harlem Line (Woodlawn to North White Plains)						
Design & Furnish Communication System	\$3,932,500	\$550,000	\$4,482,500			\$4,482,500.0
Design/Provisioning Subtotal	\$311,363,500	\$4,814,000	\$316,177,500	\$0	\$0	\$316,177,500
Less Other Federal Funding (FTA/FRA Funding)	\$25,170,948	\$150,000	\$25,320,948	\$0		
Design/Provisioning Subtotal (Less Other Fed Funding)	\$286,192,552	\$4,664,000	\$290,856,552		\$0	\$316,177,500
Installation Phase						
PTC BASE						
Right of Way Infrastructure	\$0	\$55,759,000	\$55,759,000			\$55,759,000.0
Rolling Stock	\$0	\$24,531,000	\$24,531,000			\$24,531,000.0
West of Hudson Port Jervis Line Cab Signal/PTC						
Right of Way Infrastructure	\$0	\$24,403,000	\$24,403,000			\$24,403,000.0
Hudson Line (Croton-Harmon to Poughkeepsie)						
Right of Way Infrastructure	\$27,500,000	\$22,000,000	\$49,500,000			\$49,500,000.0
Harlem Line (Woodlawn to North White Plains)						
Right of Way Infrastructure	\$6,723,750	\$6,723,750	\$13,447,500			\$13,447,500.0
Installation Subtotal	\$34,223,750	\$133,416,750	\$167,640,500	\$0	\$0	\$167,640,500
Less Other Federal Funding (FTA/FRA Funding)	\$0	\$21,662,781	\$21,662,781	\$0		
Installation Subtotal (Less Other Fed Funding)	\$34,223,750	\$111,753,969	\$145,977,719		\$0	\$167,640,500
Design/Provisioning & Installation Total	\$345,587,250	\$138,230,750	\$483,818,000	\$0	\$0	\$483,818,000
Less Other Federal Funding (FTA/FRA Funding)	\$25,170,948	\$21,812,781	\$46,983,729			
*\$43,325,562 for West of Hudson; \$3,658,167 for PTC ACSES FRA grant.						
Contingency			\$12,205,000			\$12,205,000
Loan Request	\$320,416,302	\$116,417,969	\$449,039,271			
Notes: 1) Includes Contingency to provide for potential higher costs associated with an accelerated implementation schedule. 2) Does not include the Connecticut Department of Transportation's \$157.3 million share of Metro-North Railroad's PTC project costs.						

EXHIBIT C

FORM OF INCUMBENCY CERTIFICATE

To: Federal Railroad Administration
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Attn: Associate Administrator for Railroad Policy and Development

Re: Certification as to Incumbency

I, the undersigned, Secretary of the Metropolitan Transportation Authority, a public benefit corporation of the State of New York (the “MTA”), do hereby certify to the United States of America, represented by the Secretary of Transportation acting through the Federal Railroad Administrator (“Lender”), that:

1. Each of the below-named individuals has been duly qualified as an Authorized Officer (as such term is defined in of the Metropolitan Transportation Authority General Resolution Authorizing Transportation Revenue Obligations, adopted on March 26, 2002, including Annex A thereto, as amended and supplemented from time to time in accordance with the terms thereof) holding the office opposite such individual’s name;

2. Each such Authorized Officer has been duly authorized by all necessary corporate action to execute and deliver on behalf of the MTA that certain Financing Agreement, dated [●], 2015, between the MTA and Lender and all notes, certificates, notices, agreements and other documents to be issued pursuant to or in connection with such Financing Agreement; and

3. The signature set forth opposite each such individual’s name is his or her genuine signature.

Name	Title	Signature

4. To the best of my knowledge and belief after due inquiry, no such Authorized Officer:

(a) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) has, within the preceding three-year period, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust laws or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) above; or

(d) has, within the preceding three-year period, had one or more public transactions (federal, state or local) terminated for cause or default.

The undersigned acknowledges that if he or she makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the United States Government in connection herewith, the Borrower and the undersigned may be subject to penalties under 18 U.S.C. § 1001.

WITNESS my hand this ___ day of _____, 20__.

Name:
Title: Secretary

STATE OF NEW YORK)
) ss. :
COUNTY OF NEW YORK)

Sworn to before me this ___ day of _____, 20__

Notary Public

EXHIBIT D
INTERAGENCY AGREEMENT

EXHIBIT E
RRIF CERTIFICATE OF DETERMINATION

EXHIBIT F
RRIF SUPPLEMENTAL RESOLUTION

EXHIBIT G-I

FORM OF SERIES 2015X INTERIM BOND

THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE THEREON.

**METROPOLITAN TRANSPORTATION AUTHORITY
TRANSPORTATION REVENUE BOND, SERIES 2015X
(RRIF Loan – Positive Train Control Project)**

NO. 14X-RRIF-R-1 Maximum Principal Amount: \$967,100,000

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
Base Rate, except as herein provided	November 15, 2037	____, 2015

Registered Owner: UNITED STATES OF AMERICA, represented by the Secretary of Transportation, acting through the Federal Railroad Administrator

Maximum Principal Amount: Nine Hundred Sixty Seven Million One Hundred Thousand Dollars

METROPOLITAN TRANSPORTATION AUTHORITY (herein called the “MTA”), a body corporate and politic constituting a public benefit corporation, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Owner stated above, or registered assigns, on the Maturity Date set forth above, but solely from the Trust Estate defined below, as provided in the hereinafter defined Financing Agreement, the Principal Amount (up to the Maximum Principal Amount set forth above), as such Principal Amount may be increased or decreased as provided in the Financing Agreement, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay to the Registered Owner hereof interest on such Principal Amount, such payment to be made by The Bank of New York Mellon, as Paying Agent, from the first Advance Date (as defined in the hereinafter defined Financing Agreement) at the Base Rate, except as provided herein, payable on each Interest Payment Date until the MTA’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest on this Series 2015X Bond shall be calculated based on a 365-day or 366-day year, as appropriate, and the actual number of calendar days elapsed from and including the applicable Advance Date or last Interest Payment Date, as the case may be, to but excluding the Interest Payment Date on which such interest is due.

“Financing Agreement” means the Financing Agreement, dated as of ____, 2015, between MTA and the United States of America (the “Lender”), represented by the Secretary of Transportation, acting through the Federal Railroad Administrator (the “Administrator”).

Each Advance by the Lender to MTA under the Financing Agreement shall increase the Principal Amount of this Series 2015X Bond and the Lender shall record the amount of each Advance on Schedule A hereto. The Lender shall also record the amount of any redemptions or payments of the Principal Amount of this Series 2015X Bond on Schedule A hereto. The failure to record any such amount on such Schedule A shall not, however, affect the obligations of the MTA under this Series 2015X Bond or the Financing Agreement.

“Interest Payment Date” means each May 15 and November 15 beginning after the first Advance Date and in any event not before November 15, 2015 until this Series 2015X Bond is paid in full or, if any such day is not a Business Day, then the next succeeding Business Day.

“Base Rate” means the rate of 2.38% per annum.

In the event that an Advance Suspension Event under Section 6.1(a) of the Financing Agreement occurs and is continuing, the outstanding Principal Amount of this Series 2015X Bond and any past-due amount of interest shall bear interest at the Overdue Rate commencing on the thirtieth day after the relevant payment was due and continuing until such Advance Suspension Event is cured. Upon the occurrence and during the continuance of a Ratings Downgrade Event (as defined in the Financing Agreement), the outstanding Principal Amount of this Series 2015X Bond shall bear interest at the Ratings Downgrade Rate. For the avoidance of doubt, if at any time both the Ratings Downgrade Rate and the Overdue Rate apply, the outstanding Principal Amount of this Series 2015X Bond and any past-due amount of interest shall bear interest at the rate per annum equal to the Base Rate plus four percent (4.00%). If and to the extent this Series 2015X Interim Bond is transferred to any Additional Holder (as such term is defined in the Financing Agreement) then (i) neither the Ratings Downgrade Rate nor the Overdue Rate shall apply and (ii) interest paid on this Series 2015X Interim Bond shall not be excludable from gross income for United States federal income tax purposes.

“Ratings Downgrade Rate” means the sum of the Base Rate and two percent (2.00%) per annum.

“Overdue Rate” means the sum of (i) whichever of the Base Rate or the Ratings Downgrade Rate is applicable at the relevant time and (ii) two percent (2.00%) per annum.

Prior to the delivery of a Series 2015X Final Bond in accordance with the provisions of Section 2.1(e) of the Financing Agreement, the MTA and the Lender shall agree upon the form and substance of Schedule A attached thereto relating to the payment of the Principal Amount hereof and interest hereon, taking into consideration the provisions of Section 2.2 of the Financing Agreement.

Payments of principal and interest will be paid by wire transfer of immediately available funds in accordance with written payment instructions provided by the Administrator from time to time under the Financing Agreement.

This Bond is one of a duly authorized issue of obligations of the MTA designated as its "Transportation Revenue Obligations" (herein called the "Bonds") issued under and pursuant to the Metropolitan Transportation Authority Act, Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the "MTA Act"), and under and pursuant to a resolution of the MTA adopted on March 26, 2002, entitled "General Resolution Authorizing Transportation Revenue Obligations," as supplemented. Said resolution, as supplemented and amended, is herein called the "Resolution." This Bond is designated as "Transportation Revenue Bond, Series 2015X" (herein called the "Series 2015X Bond"), issued in the maximum principal amount of \$967,100,000 under said Resolution. All capitalized terms used but not otherwise defined herein or in the Financing Agreement have the respective meanings ascribed by the Resolution.

Copies of the Resolution are on file at the office of the MTA and at the principal corporate trust office of The Bank of New York Mellon, New York, New York, as Trustee under the Resolution, or its successor as Trustee (herein called the "Trustee"), in the Borough of Manhattan, City and State of New York, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the MTA Act is hereby made for a complete description of the pledge and covenants securing the Series 2015X Bond, the nature, extent and manner of enforcement of, and limitations with respect to, such pledge, the rights and remedies of the registered owners of the Series 2015X Bond with respect thereto, and the terms and conditions upon which the Bonds are issued and may be issued thereunder.

This Bond is a special obligation of the MTA, secured by a pledge, 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, of all right, title and interest of the MTA in the "Trust Estate," being (i) all Revenues and Net Proceeds of Qualified Agreements, (ii) the proceeds of the sale of the Obligations, (iii) all Funds, Accounts and Subaccounts established by the Resolution (subject to specified provisions of the Resolution) including the investments, if any, thereof, (iv) the Interagency Agreement, and (v) all funds, moneys and securities and any and all other rights and interest in property, whether tangible or intangible, from time to time hereafter received by the Trustee as additional security under the Resolution.

To the extent provided in the Resolution, the Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited except as provided in the Resolution, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

The events specified in the Resolution as such shall constitute Events of Default and the Trustee and the Owners shall have the rights and remedies provided by the Resolution. Neither the Trustee nor the Owners of the Bonds shall have the right to declare all of the Bonds to be immediately due and payable in the event of a default with respect to the Resolution or any of the Bonds.

To the extent provided in the Resolution, Parity Debt, secured on a parity basis with the Bonds with respect to all right, title and interest of the MTA in the Trust Estate, may be issued or entered into by the MTA. The aggregate principal amount of Parity Debt which may be issued or entered into under the Resolution is not limited except as provided in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, modification or amendment of the Resolution and of the rights and obligations of the MTA and of the Owners of the Bonds may be made by a Supplemental Resolution, in certain instances without the written consent of the Owners of the Bonds. Reference is made to the Resolution for the terms and provisions thereof relating to amendments and supplements.

The registration of this Bond is transferable, as provided in the Resolution, only upon the books of the MTA kept for that purpose at the above mentioned office of the Trustee by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new registered Series 2015X Bond or Series 2015X Bonds in the same aggregate principal amount, interest rate and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The MTA and each Fiduciary, including the Trustee and any Paying Agent, may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

This Series 2015X Bond may be transferred in accordance with the provisions of Section 2.6 of the Financing Agreement.

As provided in Section 2.4(a) of the Financing Agreement, the Series 2015X Bond is subject to redemption prior to maturity on any date, at the option of MTA, in whole or in part, without penalty or premium, upon not less than ten (10) nor more than thirty (30) calendar days' prior written notice to the Lender, at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date. Any partial payments of principal shall be applied to future installments due on this Series 2015X Bond in the inverse order of maturity, and Schedule B hereto shall be revised to reflect such redemption.

Pursuant to the MTA Act, the State, upon providing sufficient funds, may require MTA to redeem the Series 2015X Bond, prior to maturity, as a whole, on any Interest Payment Date not less than twenty years after the date of issue of the Series 2015X Bond, at 105% of their face value and accrued interest or at such lower redemption price provided for the Series 2015X Bond in the case of redemption as a whole on the redemption date. The MTA Act further provides that the City, upon furnishing sufficient funds, may require MTA to redeem the Series 2015X Bond, as a whole, but only in accordance with the terms upon which the Series 2015X Bond is otherwise redeemable.

The Lender hereby waives the provisions relating to notices of redemption as set forth in the Resolution; all notices relating to redemption shall be as provided in the Financing Agreement. If the Trustee gives an unconditional notice of redemption, then on the redemption

date the Series 2015X Bond will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the Series 2015X Bond, then on the redemption date the Series 2015X Bond will become due and payable.

The MTA Act provides that neither the members of the MTA nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the issue of the Series 2015X Bond, together with all other indebtedness of the MTA, is within every debt and other limit prescribed by the laws of the State of New York.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

**IN WITNESS WHEREOF, METROPOLITAN TRANSPORTATION
AUTHORITY** has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Authorized Officer as of the Dated Date.

**METROPOLITAN TRANSPORTATION
AUTHORITY**

By: _____
Director of Finance

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Resolution.

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____, 2015

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

[PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

[PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE]

the within Bond of the Metropolitan Transportation Authority and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the Presence of:

NOTICE: The signature must be guaranteed by an officer of a commercial bank, trust company or by a member of The New York Stock Exchange or other national securities exchange. Notarized or witnessed signatures are not acceptable.

NOTE: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT G-II

FORM OF SERIES 2015X FINAL BOND

THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE THEREON.

**METROPOLITAN TRANSPORTATION AUTHORITY
TRANSPORTATION REVENUE BOND, SERIES 2015X
(RRIF Loan – Positive Train Control Project)**

NO. 14X-RRIF-R-2

Principal Amount: \$967,100,000

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
Base Rate, except as herein provided	November 15, 2037	____, 20__

Registered Owner: UNITED STATES OF AMERICA, represented by the Secretary of Transportation, acting through the Federal Railroad Administrator

Principal Amount: Nine Hundred Sixty Seven Million One Hundred Thousand Dollars

METROPOLITAN TRANSPORTATION AUTHORITY (herein called the “MTA”), a body corporate and politic constituting a public benefit corporation, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Owner stated above, or registered assigns, on the Maturity Date set forth above, but solely from the Trust Estate defined below, as provided in the hereinafter defined Financing Agreement, the Principal Amount set forth above, as such Principal Amount may be decreased as provided in the Financing Agreement, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay to the Registered Owner hereof interest on such Principal Amount, such payment to be made by The Bank of New York Mellon, as Paying Agent, from the Interest Payment Date (as defined in the hereinafter defined Financing Agreement) immediately preceding the date hereof at the Base Rate, except as provided herein, payable on each Interest Payment Date until the MTA’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest on this Series 2015X Bond shall be calculated based on a 365-day or 366-day year, as appropriate, and the actual number of calendar days elapsed from and including the last Interest Payment Date to but excluding the Interest Payment Date on which such interest is due.

“Financing Agreement” means the Financing Agreement, dated as of ____, 2015, between MTA and the United States of America (the “Lender”), represented by the Secretary of Transportation, acting through the Federal Railroad Administrator (the “Administrator”).

“Interest Payment Date” means each May 15 and November 15 beginning after the first Advance Date and in any event not before November 15, 2015 until this Series 2015X Bond is paid in full or, if any such day is not a Business Day, then the next succeeding Business Day.

“Base Rate” means the rate of 2.38% per annum.

In the event that an Advance Suspension Event under Section 6.1(a) of the Financing Agreement occurs and is continuing, the outstanding Principal Amount of this Series 2015X Bond and any past-due amount of interest shall bear interest at the Overdue Rate commencing on the thirtieth day after the relevant payment was due and continuing until such Advance Suspension Event is cured. Upon the occurrence and during the continuance of a Ratings Downgrade Event (as defined in the Financing Agreement), the outstanding Principal Amount of this Series 2015X Bond shall bear interest at the Ratings Downgrade Rate. For the avoidance of doubt, if at any time both the Ratings Downgrade Rate and the Overdue Rate apply, the outstanding Principal Amount of this Series 2015X Bond and any past-due amount of interest shall bear interest at the rate per annum equal to the Base Rate plus four percent (4.00%). If and to the extent this Series 2015X Final Bond is transferred to any Additional Holder (as such term is defined in the Financing Agreement) then (i) neither the Ratings Downgrade Rate nor the Overdue Rate shall apply and (ii) interest paid on this Series 2015X Final Bond shall not be excludable from gross income for United States federal income tax purposes.

“Ratings Downgrade Rate” means the sum of the Base Rate and two percent (2.00%) per annum.

“Overdue Rate” means the sum of (i) whichever of the Base Rate or the Ratings Downgrade Rate is applicable at the relevant time and (ii) two percent (2.00%) per annum.

Payments of principal and interest will be paid by wire transfer of immediately available funds in accordance with written payment instructions provided by the Administrator from time to time under the Financing Agreement.

This Bond is one of a duly authorized issue of obligations of the MTA designated as its “Transportation Revenue Obligations” (herein called the “Bonds”) issued under and pursuant to the Metropolitan Transportation Authority Act, Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the “MTA Act”), and under and pursuant to a resolution of the MTA adopted on March 26, 2002, entitled “General Resolution Authorizing Transportation Revenue Obligations,” as supplemented. Said resolution, as supplemented and amended, is herein called the “Resolution.” This Bond is one of a series of Bonds designated as “Transportation Revenue Bonds, Series 2015X” (herein called the “Series 2015X Bonds”), issued in the principal amount of \$967,100,000 under said Resolution. All capitalized terms used but not otherwise defined herein or in the Financing Agreement have the respective meanings ascribed by the Resolution.

Copies of the Resolution are on file at the office of the MTA and at the principal corporate trust office of The Bank of New York Mellon, New York, New York, as Trustee under the Resolution, or its successor as Trustee (herein called the “Trustee”), in the Borough of Manhattan, City and State of New York, and reference to the Resolution and any and all

supplements thereto and modifications and amendments thereof and to the MTA Act is hereby made for a complete description of the pledge and covenants securing the Series 2015X Bond, the nature, extent and manner of enforcement of, and limitations with respect to, such pledge, the rights and remedies of the registered owners of the Series 2015X Bond with respect thereto, and the terms and conditions upon which the Bonds are issued and may be issued thereunder.

This Bond is a special obligation of the MTA, secured by a pledge, 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, of all right, title and interest of the MTA in the "Trust Estate," being (i) all Revenues and Net Proceeds of Qualified Agreements, (ii) the proceeds of the sale of the Obligations, (iii) all Funds, Accounts and Subaccounts established by the Resolution (subject to specified provisions of the Resolution) including the investments, if any, thereof, (iv) the Interagency Agreement, and (v) all funds, moneys and securities and any and all other rights and interest in property, whether tangible or intangible, from time to time hereafter received by the Trustee as additional security under the Resolution.

To the extent provided in the Resolution, the Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited except as provided in the Resolution, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

The events specified in the Resolution as such shall constitute Events of Default and the Trustee and the Owners shall have the rights and remedies provided by the Resolution. Neither the Trustee nor the Owners of the Bonds shall have the right to declare all of the Bonds to be immediately due and payable in the event of a default with respect to the Resolution or any of the Bonds.

To the extent provided in the Resolution, Parity Debt, secured on a parity basis with the Bonds with respect to all right, title and interest of the MTA in the Trust Estate, may be issued or entered into by the MTA. The aggregate principal amount of Parity Debt which may be issued or entered into under the Resolution is not limited except as provided in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, modification or amendment of the Resolution and of the rights and obligations of the MTA and of the Owners of the Bonds may be made by a Supplemental Resolution, in certain instances without the written consent of the Owners of the Bonds. Reference is made to the Resolution for the terms and provisions thereof relating to amendments and supplements.

The registration of this Bond is transferable, as provided in the Resolution, only upon the books of the MTA kept for that purpose at the above mentioned office of the Trustee by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new registered Series 2015X Bond or Series 2015X Bonds in the same aggregate principal amount,

interest rate and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The MTA and each Fiduciary, including the Trustee and any Paying Agent, may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

This Series 2015X Bond may be transferred in accordance with the provisions of Section 2.6 of the Financing Agreement.

As provided in Section 2.4(a) of the Financing Agreement, the Series 2015X Bond is subject to redemption prior to maturity on any date, at the option of MTA, in whole or in part, without penalty or premium, upon not less than ten (10) nor more than thirty (30) calendar days' prior written notice to the Lender, at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date. Any partial payments of principal shall be applied to future installments due on this Series 2015X Bond in the inverse order of maturity, and Schedule A hereto shall be revised to reflect such redemption.

Pursuant to the MTA Act, the State, upon providing sufficient funds, may require MTA to redeem the Series 2015X Bond, prior to maturity, as a whole, on any Interest Payment Date not less than twenty years after the date of issue of the Series 2015X Bond, at 105% of their face value and accrued interest or at such lower redemption price provided for the Series 2015X Bond in the case of redemption as a whole on the redemption date. The MTA Act further provides that the City, upon furnishing sufficient funds, may require MTA to redeem the Series 2015X Bond, as a whole, but only in accordance with the terms upon which the Series 2015X Bond is otherwise redeemable.

The Lender hereby waives the provisions relating to notices of redemption as set forth in the Resolution; all notices relating to redemption shall be as provided in the Financing Agreement. If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2015X Bond will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the Series 2015X Bond, then on the redemption date the Series 2015X Bond will become due and payable.

The MTA Act provides that neither the members of the MTA nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the issue of the Series 2015X Bond, together with all other indebtedness of the MTA, is within every debt and other limit prescribed by the laws of the State of New York.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

**IN WITNESS WHEREOF, METROPOLITAN TRANSPORTATION
AUTHORITY** has caused this Bond to be signed in its name and on its behalf by the manual or
facsimile signature of its Authorized Officer as of the Dated Date.

**METROPOLITAN TRANSPORTATION
AUTHORITY**

By: _____
Director of Finance

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Resolution.

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____, 20__

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

[PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

[PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE]

the within Bond of the Metropolitan Transportation Authority and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the Presence of:

NOTICE: The signature must be guaranteed by an officer of a commercial bank, trust company or by a member of The New York Stock Exchange or other national securities exchange. Notarized or witnessed signatures are not acceptable.

NOTE: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Schedule A

Schedule of Redemptions or Payments of Principal

<u>Interest Payment Date</u>	<u>Beginning Balance</u>	<u>Interest Amount</u>	<u>Principal Amount</u>	<u>Total Amount Due</u>	<u>Ending Balance</u>
5/15/2018			--		
11/15/2018					
5/15/2019			--		
11/15/2019					
5/15/2020			--		
11/15/2020					
5/15/2021			--		
11/15/2021					
5/15/2022			--		
11/15/2022					
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11/15/2033					
5/15/2034			--		
11/15/2034					
5/15/2035			--		
11/15/2035					

5/15/2036			--		
11/15/2036					
5/15/2037			--		
11/15/2037					

EXHIBIT H
TRANSPORTATION RESOLUTION

EXHIBIT J

EMPLOYEE PROTECTION APPENDIX

(See following pages)

SCHEDULE 1

LEGAL OPINIONS

Capitalized terms not otherwise defined below have the meanings given to them on the Section 1.1 of the Agreement.

1. We have examined the Series 2015X Bond as executed and, in our opinion, the form of said Series 2015X Bond and its execution are regular and proper.

2. Borrower is duly created and validly existing under the laws of the State of New York, including the Constitution of the State New York (the “State”) and Title 11 of Article 5 of the New York Public Authorities law as amended from time to time (the “Issuer Act”).

3. Borrower has the right and power under the Issuer Act to adopt the Transportation Resolution and the RRIF Supplemental Resolution (together, the “Resolution”). The Resolution has been duly and lawfully adopted by the Borrower, is in full force and effect, is valid and binding upon Borrower, 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.

4. Borrower and each of the other Related Entities party to the Interagency Agreement has the right and power under the Issuer Act to enter into and perform the Interagency Agreement. The Interagency Agreement has been duly and lawfully entered into by each such party thereto, is in full force and effect, is valid and binding upon the parties thereto, and is enforceable against each of them in accordance with its terms, and no other authorization for the Interagency Agreement is required.

5. Section 4.12 of the Interagency Agreement sets forth a legal, valid and binding obligation of the State in favor of the Lender, enforceable against the State in accordance with its terms.

6. The Series 2015X Bond has been duly and validly authorized in accordance with the laws of the State of New York, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and when issued will be a valid and binding special obligation of Borrower, enforceable in accordance with its terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and is entitled to the benefits of the Issuer Act and the Resolution. Borrower has no taxing power and the Series 2015X Bond is not a debt of the State or any other political subdivision thereof. Borrower reserves the right to issue additional Obligations and to incur Parity Debt (as defined in the Transportation Resolution) on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2015X Bond.

7. The Lender, the holders of the Series 2015X Bond, or the holders of any evidence of indebtedness of the Borrower do not and will not have a pledge of or lien on (i) the dedicated

mass transportation trust fund established by Section 89-c of the State Finance Law, (ii) the metropolitan transportation authority finance assistance fund established by Section 92-ff of the State Finance Law, (iii) the metropolitan mass transportation operating assistance account established in the mass transportation operating assistance fund pursuant to Section 88-a of the State Finance Law, or (iv) the taxes or moneys deposited therein.

8. The Series 2015X Bond is a security 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.

SCHEDULE 2
MATERIAL LITIGATION

Staff Summary

Subject Agreement with Operation Lifesaver, Inc.
Department Safety
Department Head Name David Mayer
Department Head Signature 
Project Manager/Division Head

Date April 29, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	4/27/15			
2	Board	4/29/15			

Internal Approvals			
Order	Approval	Order	Approval
3	Chief of Staff 		
2	Chief Financial Officer 	1	Legal 

Purpose:

To obtain Board approval for an agreement (the "Agreement") between Metropolitan Transportation Authority ("MTA") and Operation Lifesaver, Inc. ("OLI") pursuant to which OLI will provide assistance to MTA to ensure that the public awareness, outreach and education program components of MTA's enhanced grade crossing safety initiative are responsive to the unique circumstances found within the MTA system.

Discussion:

OLI is a non-profit organization providing public education programs in all 50 states to prevent collisions, injuries and fatalities on and around railroad tracks and highway-rail grade crossings. Its programs are co-sponsored by federal, state and local government agencies, highway safety organizations and America's railroads. OLI focuses on promoting the three E's - education, enforcement and engineering - to keep people safe around tracks and railway crossings.

Pursuant to the Agreement, OLI will develop a rail safety educational and media campaign focusing on the safety challenges of urban transportation particularly suited for the MTA service area and in connection therewith:

- MTA staff and OLI staff will meet to discuss ways to improve MTA's grade crossing-and trespass prevention-related public awareness and education program.
- OLI staff will:
 - describe which approaches and programs they believe would be most effective in the MTA environment;
 - recommend ways for MTA to maximize public exposure and positive outcomes;
 - share lessons learned by OLI in the past and going forward;
 - provide commentary on MTA's current programs and MTA's proposals for new initiatives; and
 - provide MTA brochures, literature and other creative material to effectively educate and reach out to the public on the subjects of grade crossing safety and rail trespass prevention.
- MTA will
 - provide staff support to coordinate Operation Lifesaver Authorized Volunteer activities in the MTA system's service area and

- assign at least 24 MTA employees to participate in OLI training and to subsequently use such training to perform outreach focusing on MTA services in the States of New York and Connecticut.

As consideration for OLI's grant of a copyrighted material license and its advice and related services, MTA will pay to OLI a one time royalty payment of \$35,000.

Recommendation:

It is recommended that the Board approve the Agreement.

Staff Summary

Subject 2014 Annual Investment Report and MTA All Agency Investment Guidelines
Department CFO/Treasury
Department Head Name Robert E. Foran
Department Head Signature 
Project Manager/Division Head Vinay T. Dayal

Date April 27, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	4/27			
2	Board	4/29			

Internal Approvals			
Order	Approval	Order	Approval
2	Chief of Staff 		Chief Financial Officer
		1	Legal 

Purpose:

Pursuant to the requirements of Public Authorities Law Section 2925, provide the MTA Board information on the MTA portfolio investment performance for the period 01/01/2014 to 12/31/2014, obtain Board approval of the MTA 2014 Annual Investment Report and obtain Board approval of the MTA All Agency Investment Guidelines (“Investment Guidelines or Guidelines”).

Discussion:

Investment Performance Information

Investment Performance information is presented on the next page by types of funds and by bond resolution. Performance is based on book value.

MTA Annual Investment Report

The separate 2014 MTA Annual Investment Report contains the following additional information:

- The investment income record
- Commissions or other charges paid to each investment banker, broker, agent, dealer and advisor
- Investment Inventory
- Detail Transaction Report
- MTA All Agency Investment Guidelines

Recommendation(s):

It is recommended that the MTA Board re-approve the Board adopted Investment Guidelines and approve the MTA’s submission of the 2014 Annual Investment Report.

**Metropolitan Transportation Authority
Investment Performance by Type of Fund
For the Period Jan. 1, 2014 to Dec. 31, 2014**

<u>Type of Fund</u>	<u>Net Earnings this Period</u>	<u>Average Daily Portfolio Balance</u>	<u>Net Portfolio Yield, 365-day Basis</u>
All Agency Investments	\$882,178	\$897,452,783	0.10%
MTA Special Assistance Fund	427,905	406,673,499	0.11%
TBTA Investments	165,219	139,084,709	0.12%
MTA Finance Fund	167,480	262,682,486	0.06%
MTA Transportation Resolution Funds	3,278,828	1,838,780,991	0.18%
State Service Contract Debt Service Fund	702	35,529,000	0.00%
MTA Dedicated Tax Fund Resolution Funds	78,627	154,606,537	0.05%
2 Broadway Certificates' Funds	7,097	17,275,151	0.04%
TBTA General Purpose Resolution Funds	315,569	416,348,462	0.08%
TBTA Subordinate Resolution Funds	22,670	41,691,591	0.05%
Other Restricted Funds	296,717	362,397,873	0.08%
Total	\$5,642,993	\$4,572,523,082	0.12%

Average Yield on 6 month Generic Treasury Bill (1/1/14 – 12/31/14)	0.06%
Average Yield on 12 month Generic Treasury Bill (1/1/14 – 12/31/14)	0.11%

Note: Table above only includes information on funds actively managed by MTA Treasury in accordance with the Board approved Investment Guidelines.

Does not include defeasance investments for tax benefit lease transactions or insurance set asides.

Staff Summary

Subject Request for Authorization to Award Various Procurements
Department Executive
Department Head Name Bob Foran
Department Head Signature 
Division Head Name Angel Barbosa 

Date April 20 , 2015
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	4/27/2015	X		
2	Board	4/29/2015	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Procurement 	3	CFO 
2	Legal 		

PURPOSE:

To obtain approval of the Board to award various contracts/contract modifications and purchase orders, as reviewed by the MTA Finance Committee.

DISCUSSION:

MTAHQ proposes to award Non-competitive procurements in the following categories:

Schedules Requiring Majority Vote

of Actions \$ Amount

None None

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

Schedule F: Personal Services Contracts	1	\$ 1,640,000.00
Schedule G: Miscellaneous Service Contracts	1	\$ TBD
Schedule H: Modifications to Personal Service/Misc. Service Contracts	2	\$ 7,612,000.00
SUBTOTAL	4	\$ 9,252,000.00

MTAHQ presents the following procurement actions for Ratification:

None None

TOTAL **4** **\$ 9,252,000.00**

BUDGET IMPACT: The purchases/contracts will result in obligating MTAHQ operating and capital funds in the amount listed. Funds are available in the current MTAHQ operating/capital budgets for this purpose.

RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

BOARD RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 1209 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain change orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in the annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.

2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.

3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.

4. The Board ratifies each action taken set forth in Schedule D for which ratification is requested.

5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; and vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.

6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

7. The Board authorizes the budget adjustments to estimated quantity contracts set forth in Schedule L.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, APRIL 2015
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

F. Personal Service Contracts

Staff Summaries required for items greater than: \$100k Sole Source; \$250 other Non-Competitive, \$1 million Competitive

1. Ann Hamilton \$1,640,000
AFT Project at Cortlandt Street Station

Competitively negotiated – 18 proposals – 48 months

To recommend that the Board approve the award of a competitively negotiated personal service contract to Ann Hamilton to provide design, materials, fabrication, storage, delivery installation and oversight of installation of wall finishes for portions of the north and southbound station platforms at the Cortlandt Street (1) station on the Broadway/7 Ave Line. Pursuant to MTA Policy, a selection process was held for the Cortlandt Street station, and Ann Hamilton was unanimously selected by a panel of design professionals and members of the MTA NYCT project team on July 9, 2014. The contract will enable her to work with the station's design consultant, Downtown Design Partnership, to finalize the design for station finishes which is due to be completed in September 2015. The proposed contract totals \$1.64 million. The funding is allocated within the architectural finishes budget of the Cortlandt Street station project.

G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP;
No Staff Summary required if Sealed Bid Procurement)

2. As-Needed Electrical Power Supply Services for \$TBD Staff Summary Attached
MNR's Connecticut Portion of the New Haven Line
Contract Nos. 15043-0100 thru 0300

- a. Direct Energy Business Marketing LLC**
- b. Integrity Energy Services, Inc., now Constellation Energy**
- c. Aequitas Energy, Inc.**

Competitively negotiated – 3 proposals – 36 months

To recommend that the Board approve the award of up to three (3) competitively negotiated miscellaneous services contracts to provide as-needed electrical power supply services for MTA Metro-North Railroad's Connecticut portion of the New Haven line for a period of thirty-six months commencing May 17, 2015. MTA Metro-North anticipates competitively procuring approximately 160,000 mwhr of electrical power per annum which, at current rates, would cost approximately \$22 million. The base contracts will be issued as zero-dollar- retainer-type agreements. MTA plans to award individual contracts following a mini-competitive bid process among all three firms for a specified period of time. If pricing and contract structure is deemed beneficial to MTA, then an award will be made to the lowest bidder(s). The price will include: (1) power and energy needed to complement MTA MNR's existing resources to serve its load, and (2) all necessary ancillary services required by ISO-New England protocols. The most efficient way to price competitive electricity supply contracts is through same day pricing. Therefore, awards will be made the same day to one or more bidders based on price by issuing an award email to one or more of the three qualified firms, if deemed more cost efficient than utility tariffs.

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

H. Modifications to Personal Service Contracts and Miscellaneous Service Contracts Awarded as Contracts for Services

(Approvals/Staff Summaries required for substantial change orders and change orders that cause original contract to equal or exceed monetary or durational threshold required for Board approval.)

3. **IBM** **\$7,612,000** **Staff Summary Attached**
MTA Business Service Center PeopleSoft 9.2 Upgrade (Fixed)
Contract No. 14049-0100, S/A #3

Base plus previous change order = \$46,889,000

To recommend that the Board approve an amendment to a previously Board-approved, all-agency, competitively negotiated, personal services contract with IBM for additional funding in the amount of \$7,612,000 for professional technical consulting services to enhance MTA's two existing procurement modules, and to implement two new procurement modules and a procurement marketplace. Executive MTA Management has determined that MTA procurement processes should continue to be enabled in PeopleSoft, and that IBM (with KPMG acting as a sub-consultant responsible for business process design) should standardize, and streamline current procurement processes, enhance the currently installed procurement modules, implement 2 new modules for sourcing and supplier self-service, and implement an easy to use procurement marketplace. As a result of negotiations, IBM's proposed price of \$8,105,000 was negotiated down to \$7,612,000 for a savings of \$493,000. Based on the above, the negotiated fixed fee of \$7,612,000 is considered fair and reasonable.

4. **Davis Wright Tremaine (DWT)** **\$TBD** **Staff Summary Attached**
Panel of Outside Legal Counsel

Base Amount = \$19,999

To obtain Board approval to add the law firm of Davis Wright Tremaine LLP ("DWT") to MTA's panel of outside counsel. Although MTA has skilled lawyers with First Amendment litigation experience, it was decided that MTA's interests were best served by retaining a First Amendment expert to assist in the development of the revised Advertising Standards and to provide advice in connection with any related litigation. DWT was retained at the end of March 2015, subject to a cap on compensation of \$19,999 until Board authorization of such retention (there being a statutory requirement that personal services contracts of \$20,000 or more require Board approval). The firm has agreed to a 20% discount from its normal and customary hourly rates and such discounted hourly billing rates for this engagement are \$496 to \$700 for partners and \$408 for an eighth year associate.

Staff Summary

Schedule G: Miscellaneous Service Contracts

Item Number:

Vendor Name (& Location): Various	Contract Number: 15043-0100 thru 0300
Description: As-Needed Electrical Power Supply Services for MNR's Connecticut Portion of the New Haven Line	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Contract Term (including Options, if any): May 17, 2015 thru May 16, 2018	Total Amount: TBD
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Requesting Dept/Div & Dept/Div Head Name: MNRR Operating Capital Projects
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	Contract Manager: Marina Elliot

DISCUSSION:

To recommend that the Board approve the award of up to three (3) competitively negotiated miscellaneous services contracts to provide as-needed electrical power supply services for MTA Metro-North Railroad's Connecticut portion of the New Haven line for a period of thirty-six months commencing May 17, 2015. MTA Metro-North anticipates competitively procuring approximately 160,000 mwhr of electrical power per annum which, at current rates, would cost approximately \$22 million.

- 1) Direct Energy Business Marketing, LLC;
- 2) Integrys Energy Services, Inc now Constellation Energy; and
- 3) Aequitas Energy, Inc.

MTA Metro-North Railroad's electrical power supply services contract for the Connecticut portion of the New Haven line expires May 16th, 2015. In order to continue these services, a Request for Proposals ("RFP") was publicly advertised and the Contract Manager sent letters to eight (8) potential proposers advising each firm of the RFP's availability. Three (3) proposals were received. The Selection Committee, consisting of representatives from MTA Headquarters Legal and Finance Departments and MTA Metro-North Railroad, Operating Capital Projects- Energy Group department evaluated the proposals and determined that the three firms listed above were qualified and suited to perform the services set forth in the RFP. All three firms are licensed by the State of Connecticut Public Utilities Regulatory Authority.

The base contracts will be issued as zero-dollar- retainer-type agreements. MTA plans to award individual contracts following a mini-competitive bid process among all three firms for a specified period of time. If pricing and contract structure is deemed beneficial to MTA, then an award will be made to the lowest bidders. The price will include: (1) power and energy needed to complement MTA MNR's existing resources to serve its load, and (2) all necessary ancillary services required by ISO-New England protocols.

Connecticut is a deregulated electricity market and wholesale electricity transactions are cleared and settled by the market operator New England Independent System Operator. The most efficient way to price competitive electricity supply contracts is through same day pricing. Therefore, awards will be made the same day to one or more bidder(s) based on price by issuing an award email to one or more of the three qualified firms, if deemed more cost efficient than utility tariffs.

MTA has conducted a responsibility review and additional due diligence on the three firms. MTA deemed Direct Energy Business Marketing, LLC and Aequitas Energy, Inc. responsible for award. MTA's due diligence review of Constellation Energy revealed adverse information (AI). An AI waiver request is currently under review. Procurement will not execute this contract with Constellation Energy unless the MTA General Counsel approves this waiver.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number:

Page 1 of 1

Vendor Name (& Location): IBM
Description: MTA Business Service Center PeopleSoft 9.2 Upgrade
Contract Term (including Options, if any): August 1, 2014 thru July 31, 2017
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: Business Service Center / Wael Hibri

Contract Number: 14049-0100	AWO/Modification # 2
Original Amount:	\$33,150,000
Prior Modifications:	\$13,739,000
Prior Budgetary Increases:	\$
Current Amount:	\$46,889,000
This Request:	\$ 7,612,000
% of This Request to Current Amount:	16%
% of Modifications (including This Request) to Original Amount:	64%

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve an amendment to a previously Board-approved, all-agency, competitively negotiated, personal services contract with IBM for additional funding in the amount of \$7,612,000 for professional technical consulting services to enhance MTA's two existing procurement modules, and to implement two new procurement modules and a procurement marketplace.

II. DISCUSSION

In July 2014, the Board approved the engagement of IBM for a three-year period from August 1, 2014 through August 31, 2017 to provide consulting services to Upgrade MTA's core financial system (PeopleSoft ERP consisting of Human Resources, Capital Management, Financials and EPM), from version 9.0 to 9.2. The Financial component of PeopleSoft houses the procurement modules. This staff summary is intended to use the software upgrade initiative as an opportune time to expand, standardize, and streamline processes so that that they reflect best practices in procurement.

Through focus groups, system walk-throughs, and tool demonstrations conducted by KPMG under a separate contract it was determined that:

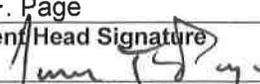
- Many issues with the current PeopleSoft 9.0 procurement modules could be attributed to design decisions from the initial PeopleSoft deployment, rather than inherent gaps in PeopleSoft functionality.
- PeopleSoft 9.2 has made significant advances vs. PeopleSoft 9.0 in streamlining the user experience as well as in enabling an architecture that provides more flexibility using configuration without code changes required.
- Alternative tools tended to score slightly higher than PeopleSoft 9.2 across evaluation dimensions, however, the differences were not material enough to warrant a departure from the PeopleSoft platform and the overall MTA IT strategy.

Executive MTA Management has therefore determined that MTA procurement processes should continue to be enabled in PeopleSoft, and that IBM (with KPMG acting as a sub-consultant responsible for business process design) should standardize, and streamline current procurement processes, enhance the currently installed procurement modules, implement 2 new modules for sourcing and supplier self-service, and implement an easy to use procurement marketplace.

As a result of negotiations, IBM's proposed price of \$8,105,000 was negotiated down to \$7,612,000 for a savings of \$493,000. Based on the above, the negotiated fixed fee of \$7,612,000 is considered fair and reasonable.

The MTA Office of Civil Rights established a 10% goal for MBE and 10% goal for WBE participation for this contract.

Staff Summary

Subject Addition of Outside Counsel to Approved Panel
Department MTA Office of General Counsel
Department Head Name Jerome F. Page
Department Head Signature 
Project Manager/Division Head Jerome F. Page

Date April 29, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	4/27/15			
2	Board	4/29/15			

Internal Approvals			
Order	Approval	Order	Approval
4	Chief of Staff 	2	DDCR 
3	Chief Financial Officer 	1	Legal 

Purpose:

To obtain Board approval to add the law firm of Davis Wright Tremaine LLP (“DWT”) to MTA’s panel of outside counsel.

Discussion:

In a separate Staff Summary being presented to the Board at its April 29, 2015 meeting, the Board is being requested to adopt an MTA Advertising Policy that includes amendments to the Advertising Standards for Licensed Properties of the Metropolitan Transportation Authority. The rationale for such proposed revisions is set forth in such separate Staff Summary.

The revisions to the Advertising Standards were carefully crafted to ensure compliance with all legal requirements, including those relating to the First Amendment. Although MTA has skilled lawyers with First Amendment litigation experience, it was decided that MTA’s interests were best served by retaining a First Amendment expert to assist in the development of the revised Advertising Standards and to provide advice in connection with any related litigation. The lead lawyer at DWT working on this matter is Victor Kovner, a former Corporation Counsel for the City of New York and a nationally recognized First Amendment practitioner.

DWT was retained at the end of March 2015, subject to a cap on compensation of \$19,999 until Board authorization of such retention (there being a statutory requirement that personal services contracts of \$20,000 or more require Board approval). The firm has agreed to a 20% discount from its normal and customary hourly rates and such discounted hourly billing rates for this engagement are \$496 to \$700 for partners and \$408 for an eighth year associate.

As in the past, it is requested that the Board’s approval of DWT also include (a) the approved use of a successor firm, in the event the firm should subsequently merge into another firm, or a partner or principal lawyer in charge of an MTA matter at the firm moves to a different firm and (b) the approved use of the firm for other matters for which they are qualified.

Recommendation:

It is recommended that the Board approve the appointment of DWT to the approved outside counsel panel and authorize payment of fees and expenses in excess of the \$19,999 cap in the MTA’s current retainer with the firm.

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Staff Summary

Item Number C					
Dept. & Dept. Head Name: Procurement & Material Management, Al Muir - Acting Sr. Director					
Division & Division Head Name: Executive Vice President, Catherine Rinaldi					
Board Reviews					
Order	To	Date	Approv	Info	Other
1	MNR Comm. Mtg.	4/27/15	x		
2	MTA Board Mtg.	4/29/15	x		
Internal Approvals					
Order	Approval	Order	Approval		
X	President	X	V.P. & General Counsel		
	Sr. V.P. Operations		V.P. Planning		
X	V.P. Finance & IT		V.P. Engineering		
X	V.P. Capital Programs				

SUMMARY INFORMATION	
Vendor Name Judlau-TC Electric Joint Venture	Contract Number 39881
Description Design/Build Power/C&S Infrastructure Improvements CP-5 to CP-35	
Total Amount \$195,000,000 (not-to-exceed)	
Contract Term (including Options, if any) 50 months	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION:

Approval is requested to award a 50-month competitively solicited and negotiated design-build (DB) contract (RFP process, 6 proposals received; 4 shortlisted) to Judlau-TC Electric Joint Venture (Judlau-TC Electric) for Phase I and Phase II for the complete design, construction and testing of replacement infrastructure for various Metro-North Railroad Power, Communication and Signaling equipment and cabling that was damaged as a result of Super Storm Sandy on MNR's Hudson Line from CP-5 Mott Haven to CP-35 Croton Harmon.

II. DISCUSSION:

On October 29, 2012 the New York region suffered the devastating effects of Super Storm Sandy. The flooding/storm surge and winds impacted rail infrastructure throughout the MNR right-of-way, in particular the 3rd rail traction power in New York State as well as Communications and Signal (C&S) components and systems. Falling trees resulted in damage to power lines and feeds, as well as physically crushing 3rd rail infrastructure components. Flooding and storm surge impacted over 60 miles of right-of-way along the eastern shore of the Harlem and Hudson Rivers. A significant portion of the Hudson Line right-of-way was completely submerged and Power and C&S infrastructure systems inundated with salt water were significantly damaged.

The project involves the complete design, construction and testing of replacement infrastructure for various MNR Power, Communications and Signaling equipment and cabling that was damaged as a result of Super Storm Sandy. The project's working limits extends from CP5 through CP35, a roughly 30 mile continual stretch along MNR's Hudson Line. The overall project is being separated into two Phases. Phase I of the project encompasses all of CP19 Greystone interlocking to the CP35 Croton Harmon interlocking. Phase II of the project will be an optional bid item for infrastructure replacement from CP-5 Mott Haven up to CP-19 Greystone. The project's requirements for the design/replacement of various MNR Power and C&S Department infrastructure items are being classified into specific categories herein:

Staff Summary

categories herein:

Elevated Equipment Platforms – Throughout the limits of this project, various steel platforms are required to raise the replacement equipment to the MNR designated elevation to prevent future storm water damage. The equipment being elevated includes 3rd rail sectionalizing switches, snowmelter cases, signal power transformers, RTU Houses, Communications Pedestals and Negative Return Reactors.

3rd Rail Sectionalizing Switch Replacements – The DB Contractor is to design/construct all traction power positive power cable replacements to their respective 3rd rail, negative reference cable and control cabling to the nearest RTU. The sectionalizing switches are being procured in advance by MNR and will be provided to the DB Contractor for final installation on the elevated platforms, cable interconnections and testing.

Design Interlocking Snow Melter Systems – The DB Contractor is to design/construct all conduit routing, cabling, circuit distribution and pull box infrastructure (positive, negative and control cables) for this system. The snowmelter control cases and all heater elements are being procured in advance by MNR and will be provided to the DB Contractor for final installation, interconnections and testing.

3rd Rail Feeder and Continuity Jumper Replacements (2000kcmil traction cables with complete pothead assemblies). MNR has procured a specific quantity of 200MCM and 500MCM cable to be provided to the DB Contractor for installation.

3rd Rail Component Replacement - insulators, brackets, anchors and fasteners.

RTU House Replacement – The DB Contractor is to install the MNR provided RTU Houses onto the elevated platform structure in order to replace the existing facilities that were damaged.

100Hz Transformer Replacement - The DB Contractor is to install the MNR provided transformers onto the elevated platform structures in order to replace the existing units that supply power to the signal instrument houses, fiber optic node houses and RTU houses.

Communication Signal Raceway and Signal Power Cable Replacement for 30 Miles along the Hudson Line (CP-5 thorough CP-35). The DB Contractor Team is to finalize the design of conduits, cable tray and cable trough systems in multiple configurations to be utilized along tracks, through parking lots, over bridges/culverts, through passenger stations, etc. for the final configuration throughout the project.

A Request for Proposal (RFP), dated August 21, 2014, was prepared and advertised in the New York State Contract Reporter, New York Post, El Dario, Daily Challenge and was posted on MNR's website. On September 26, 2014, proposals containing qualifications from six design-build teams were received.

The criteria for selection established in the RFP for the qualification round were as follows:

1. Past experience on similar projects
 - a. Design-Build Projects
 - b. DC Traction Power, Railroad Communications/Signals
 - c. Railroad "related" projects.
 - d. Experience working together as a Design-Build Team
 - e. Performance on Design-Build Projects
2. Confidence level, commitment of relevant resources to the project including the qualifications and experience of key personnel, team qualifications and reliability to perform the Services including Subcontractor Services including Proposer's demonstrated capability and financial resources to perform the work in the time projected
3. Demonstrated understanding of the Work Scope requirements, including but not limited to the quality and completeness of the Work Plan and any required submissions
4. Proposed Staging Plan and Effective Use of Railroad Support Personnel

The Selection Committee was comprised of members representing MNR's Procurement and Material Management, Capital Engineering, Power and Communication & Signal Departments. The Committee evaluated all proposals received in accordance with the selection criteria of the RFP and MNR's procedures. Four firms were short-listed as a result of the Selection Committee meeting: Judlau-TC Electric Joint Venture; Verde-Skanska-ECCO III Joint Venture, L.K. Comstock and Mass Electric Corporation. The four short-listed firms submitted technical proposals, including cost. The Committee invited the four shortlisted firms to meet with MNR to discuss the parameters of the project including construction

Staff Summary

schedule, track outage schedule, technical issues and possible alternatives proposed or to be proposed to submit a Best and Final Offer.

The criteria for selection established in the RFP for the Phase II selection round were as follows:

1. Cost
2. Organizational Structure/Confidence Level
 - Qualifications and experience of key personnel
 - Commitment of relevant resources
 - Team qualifications
 - Reliability to perform the services including subcontracts
3. Demonstrated Understanding of the work scope
 - Quality and completeness of work plan
 - Means and Methods
 - MNR Force Account/Access/Crews
4. Schedule, Staging & Quality & Innovativeness of design
 - Schedule
 - Innovativeness
5. Technical Approach
 - Design Evaluation & Completion
 - Filed Office Locations/Submittals/PDC Comments

Final BAFO prices (inclusive of option items) were submitted on January 23, 2015. In accordance with the criteria for selection, the Selection Committee unanimously recommended contract award to Judlau-TC Electric Joint Venture. Judlau-TC Electric Joint Venture not only offered the lowest proposal price but proposed design alternatives and construction concepts that are presently under serious consideration by MNR that could further reduce the overall cost for Phase I and Phase II.

An analysis of key bids items of the Design Builder's proposal were within acceptable ranges of the engineer's estimate

III. D/M/WBE INFORMATION:

The MTA Department of Diversity and Civil Rights (DDCR) established a 17% DBE goal for this project. The contract will not be awarded until DDCR requirements have been satisfied.

IV. IMPACT ON FUNDING:

Board approval is requested in the not-to-exceed amount of \$195,000,000, which includes any contingency cost that may be realized as a result of continuing negotiations at this time. Funding for the project is expected to be provided by grants from the federal government associated with Superstorm Sandy.

V. ALTERNATIVES:

MNR does not have the available in-house staff with both the expertise and capability to perform the required design and construction services as specified.

Schedule G: Miscellaneous Service Contracts

Staff Summary



Item Number: 2

Vendor Name (& Location) Cummins Allison Corporation / Kew Gardens, NY
Description Preventive Maintenance / On-Call Repair of Currency Counters
Contract Term (including Options, if any) May 1, 2015 – April 30, 2017
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: OEM Sole Source

Contact Number TBD	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: \$127,365 NTE	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Customer Service LIRR & MNR (K. Wylie & E. Chin)	
Contract Manager : Robert Kalman	

Discussion:

Long Island Rail Road, on behalf of itself and Metro-North Railroad (“the Railroads”), requests MTA Board approval to award a sole source, three-year miscellaneous service contract to Cummins Allison Corporation (“Cummins”) in the not-to-exceed amount of \$127,365 for preventive/scheduled maintenance and “on-call” repair services of currency sorters and counters. Cummins will provide semi-annual scheduled inspections, cleanings, lubrications, and adjustments to the equipment, as well as emergency service and “on-call” repairs for the Railroads’ Customer Service departments at various locations throughout each Railroad’s territory.

Cummins, the Original Equipment Manufacturer (OEM) of the currency sorters and counters, does not sell replacement parts and is the only firm qualified to maintain and repair their equipment. Cummins has more than 50 factory-owned service centers with in-house trained service technicians and maintains an inventory of repair parts for the purpose of servicing its equipment.

Cummins’ pricing for both Railroads, which represents their most favored customer rates provides for an hourly labor rate of \$120.00 for “on-call” repairs and a service visit flat rate of \$180.00. In addition, through negotiations, Cummins has agreed to a 2% reduction in the cost of semi-annual preventive maintenance fees and material used for repairs. Pricing, which will remain firm and fixed for the entire three year period, is determined to be fair and reasonable.

Funding for these contracts (\$74,641 – LIRR; \$52,724 - MNR), is included in each Agency’s Operating Budget.

Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)

Staff Summary



Item Number: 4					
Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon					
Department Head Signature & Date <i>[Signature]</i>					
Division & Division Head Name: Program Management, Richard Oakley					
Division Head Signature & Date <i>[Signature]</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	4.27.15	X		
2	MTA Board	4.29.15	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	President <i>[Signature]</i>	4	VP, Chief Financial Officer <i>[Signature]</i>		
2	Executive VP <i>[Signature]</i>	5	VP, Gen'l Counsel & Sec'y <i>[Signature]</i>		
3	Sr. VP, Operations <i>[Signature]</i>				

SUMMARY INFORMATION	
Vendor Name	Contract Number
TBD	TBD
Description:	
New Signal Equipment - Mainline Second Track, Farmingdale to Ronkonkoma	
Total Amount:	
TBD	
Contract Term (including Options, if any):	
TBD	
Options(s) included in Total Amount:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type	
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive	
Solicitation Type	
<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source	
<input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION

LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is therefore in the public interest to use the competitive Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract to design and furnish signal system components for the new Mainline Second Track – Farmingdale to Ronkonkoma on the LIRR Ronkonkoma Branch.

II. DISCUSSION

Work under this contract includes final design, fabrication, delivery of new pre-wired signal components to support Phase 1 (west of Central Islip to Ronkonkoma) currently funded and under construction, and Phase 2 (Farmingdale to west of Central Islip), to be included as an option to be exercised when funding is available.

The Mainline Second Track Project consists of the construction of 12.6 miles of new second track linked to the existing portions of double track in order to provide a full double track along the 17.9 mile corridor between the Farmingdale and Ronkonkoma LIRR Stations. Upon completion, the project will increase service reliability and on-time performance along the Main Line; allow for faster recovery time following service incidents; and when combined with other infrastructure improvements, provide more peak, off-peak, and mid-day service capacity to meet existing and future service and ridership demands. The first phase of the project, currently in the approved LIRR 2010 to 2014 Capital Program, includes preliminary design of the entire double track and construction of the initial 5 mile segment from just west of Ronkonkoma to just west of Central Islip.

This request addresses the procurement of a signal system to support the entire Second Track, which will require final design, fabrication, delivery, testing and integration of wayside signal and train control equipment, including Central Instrument Locations (CILs); signal huts at crossover, grade crossing, and transmitter locations; with communications to the supervisory control tower. This new signal system will be controlled from Divide Tower, and will have new

Staff Summary



interlockings at Farmingdale, Wyandanch, Deer Park, Central Islip and a modified interlocking at Ronkonkoma, and will include 18 new grade crossing huts, among other features.

The RFP process generally is used in design-furnish and design-build contracts to provide the process for ensuring consistency with the functional requirements that are outlined in the system specifications. With respect to this procurement, the RFP process also gives the LIRR the ability to evaluate terms other than price alone, such as technical approach, staff qualifications, and past performance. Each qualified firm that is capable of designing and furnishing the signal equipment and software system called for under this contract will have the opportunity to present the unique advantages of their system architecture, which can be evaluated under the RFP process.

Adoption of this resolution declaring that competitive bidding is impractical, will allow LIRR to present to the Board a recommendation to award a contract no later than 4th quarter, 2015.

III. D/M/WBE INFORMATION

Goals for this contract are to be determined by the MTA Department of Diversity and Civil Rights.

IV. IMPACT ON FUNDING

This contract will be funded through the Capital Budget.

V. ALTERNATIVES

The alternative is to use the Invitation for Bid process. However, this alternative limits communication with any proposer until after award, and as a result the LIRR would lose the ability to thoroughly evaluate proposed systems and to negotiate improvements to the construction schedule and incorporate more efficient means and methods for project delivery.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1

Vendor Name (& Location) Plaza Schiavone JV (New York, NY)
Fulton Street Transit Center Enclosure
Contract Term (including Options, if any) August 5, 2010 – June 16, 2014
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: MTA Capital Construction, Dr. Michael Horodniceanu

Contract Number A-36125	AWO/Mod. # 487
Original Amount:	\$ 175,988,000
Prior Modifications:	\$ 31,519,034
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 207,507,034
This Request:	\$ 7,500,000
% of This Request to Current Amount:	3.6%
% of Modifications (including This Request) to Original Amount:	22.2%

Discussion:

This retroactive modification is for additional CCTV cameras and Intrusion Access Control throughout the Fulton Center Complex as well as a dedicated Security Office at the Mezzanine Level.

This contract is for the construction of the Fulton Center Enclosure, which is a new structure at the corner of Fulton Street and Broadway in the Borough of Manhattan, including all interior finishes and systems.

As a result of the reprogramming of Fulton Center, which increased the amount of retail space, and the decision that would allow the Master Lessee to operate the facility, different security protocols were required. Meetings held between MTACC, NYC Transit, Department of Subways, NYC Transit Security and the Design Team (ARUP) led to the development of a revised security system.

As part of meeting the requirements of the revised security system, this modification includes furnishing and installation of additional CCTV cameras with associated data cabinets; added Intrusion Access Control hardware; construction of a new security office at the Mezzanine Level including walls, ceilings, floor, doors, door hardware, electrical, mechanical (HVAC), communications, fire alarm and sprinkler system changes, furniture and all finishes associated with the room.

In order to mitigate the impact of this work to the Project Schedule as well as expedite the installation of these additional security measures, it is necessary to start this work immediately. Approval of the decision to proceed with this modification on a retroactive basis was obtained from the MTACC President on April 7, 2015.

The contractor’s proposal was \$9,382,432. MTACC’s revised estimate is \$7,108,510. Negotiations resulted in a lump sum price of \$7,500,000, which was found to be fair and reasonable. Savings of \$1,882,432 were achieved. Discussions regarding the schedule impact of this modification are ongoing and will be addressed in a subsequent modification along with any associated impact costs.

Staff Summary

Item Number 1			
Division & Division Head Name: VP Materiel, Stephen M. Plochochi			
Internal Approvals			
Order	Approval	Date	Approval
1	Materiel	6	President
2	X Law		
3	X Budget		
4	X Buses		
5	EVP		

SUMMARY INFORMATION	
Vendor Name	Contract No.
Sprague Operating Resources LLC	RFP #66522
Description	
Furnish and Deliver Ultra Low Sulfur Diesel #2 Fuel with Additives for use in buses to NYC Transit and MTA Bus Company locations.	
Total Amount	
\$633,284,746 (Estimated)	
Contract Term (including Options, if any)	
July 1, 2015 – June 30, 2020	
Option(s) included in Total Amount?	
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Renewal?	
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Type	
<input checked="" type="checkbox"/> Competitive	<input type="checkbox"/> Non-competitive
Solicitation Type	
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Bid <input type="checkbox"/> Other:
Funding Source	
<input checked="" type="checkbox"/> Operating	<input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:

PURPOSE

It is recommended that the Board approve the award of a Contract to Sprague Operating Resources LLC (Sprague) for the purchase and delivery of Ultra Low Sulfur Diesel #2 fuel (ULSD) with additives for use in buses for NYC Transit Department of Buses (DOB) and MTA Bus Company (MTABC) for a five year term from July 1, 2015 to June 30, 2020, for the total estimated contract amount of \$633,284,746.

DISCUSSION

The September 2013 Board adopted a resolution declaring that competitive bidding was impractical and/or inappropriate and that it was in the public interest to use the competitive Request for Proposals (RFP) process, pursuant to Subdivision 9(f) of Section 1209 of the Public Authorities Law, for the purchase and delivery of ULSD for use in buses for DOB and MTABC locations.

This contract is for the provision and delivery of approximately 48M gallons of ULSD delivered annually to 28 locations for the DOB and MTABC revenue bus fleets. The contractor is required to: remotely monitor depot fuel inventory to ensure that adequate replenishment deliveries are made on a timely basis; maintain a two week supply of fuel on hand (approximately 1.8M gallons) to ensure adequate availability; ensure that the fuel conforms to strict requirements of the bus engine manufacturers whose warranties mandate fuel specifications including cetane level and the use of detergency to maintain clean fuel injectors; provide and blend chemical additives with the fuel for conductivity, lubricity, cetane and cold weather operability at specific rates, which vary by the season (and temperature); and conduct rigorous sampling and testing of fuel to ensure consistency in meeting the technical specifications. Bus fuel represents one of the most critical commodities procured whose quality and availability cannot be compromised. NYC Transit/MTABC's specifications delineate the chemical characteristics of the fuel as well as cold weather operability parameters. Failure to meet these exacting specifications can impact operability of bus engines as well as depot on-site fuel tanks and filtration systems.

By utilizing the RFP process, NYC Transit was able to utilize evaluation criteria relating not only to price but to various factors relating to the ability of the proposers to meet contract requirements. The Evaluation Criteria were listed in relative order of importance as follows: Quality Control and Experience, Product Logistics, Proposal Price and Other Relevant Matters.

Procurement maintains an ongoing outreach process to petroleum refiners and distributors to ensure an awareness of the landscape of the industry to understand and encourage potential providers to compete on substantial fuel related requirements. Thirty-four petroleum refiners and distributors were contacted with regard to this procurement.

The RFP price schedule was divided into regions (1. Manhattan/Bronx/Yonkers, 2. Brooklyn/Queens, 3. Staten Island) to permit the ability to propose on a portion or all (Citywide) of the requirements. The RFP and outreach emphasized NYC Transit's desire to obtain cost saving alternatives and was solicited in a timeframe for contract award that would provide the contractor(s) with adequate startup time prior to the end of the current fuel contract. Pricing was solicited based upon a posted market index for ULSD; however, proposers were encouraged to offer alternative indices if there was a potential for savings, with the proposer providing a differential above this posting to cover transportation, risk, administrative expenses, overhead, profit, etc. The RFP document was solicited on January 13, 2014. As a result of this extensive outreach effort, twelve parties requested the RFP and a total of four proposals were received on May 21, 2014 from the following companies: Mansfield Oil Company (Mansfield), Castle Oil Corp. (Castle), United Metro Energy Corp. (UMEC) and the incumbent, Sprague. The other companies that received the RFP indicated that they did not submit proposals as their involvement was as a subcontractor or after reviewing the RFP, they made business decisions not to pursue this work due to geographical, capacity or financial limitations.

Staff Summary

After a thorough review of the proposals in accordance with the Evaluation Criteria, the Selection Committee invited all four proposers for oral presentations. Topics presented and discussed ranged from the choice of fuel market index publications, ability to meet the fuel technical specifications, quality control, ability to store and deliver ULSD and how the proposer would handle all aspects of the day-to-day deliveries. Castle, Sprague and UMEC were invited to participate in negotiations. After oral presentations the Selection Committee eliminated Mansfield from further consideration based on problems associated with its technical proposal. During negotiations Castle advised NYC Transit that it was withdrawing as a proposer as a potential sale of the company was imminent. Subsequently, on December 8, 2014, Sprague advised NYC Transit that it had acquired Castle.

Negotiations explored aspects of the work to ascertain the best methods of providing fuel at the most competitive pricing. Emphasis was placed on: revisions to the fuel specification to adopt revised cold weather operability characteristics, revised detergency concentrations and periods of application, various fuel market index publications on pricing and terms and conditions with a focus on payment terms. Negotiations also included discussions on storing, handling and terminal requirements, financial responsibility, and differential pricing. Both proposers were encouraged to provide creative alternative proposals with respect to pricing.

Interim proposals were requested from each of the proposers incorporating the aforementioned specification changes and use of Argus market index pricing and other potential cost saving alternatives. Interim pricing received indicated minimal cost for adoption of the fuel specification revisions as well as indicating a potential savings from utilizing Argus pricing. Via addendum, these changes were adopted as well as a revision to the price schedule requesting pricing on a Citywide basis only, as interim proposals demonstrated that this approach provided the most competitive pricing.

The proposers were advised in the Request for Best and Final Offer (BAFO) that as the price of fuel will change over the life of the contract, NYC Transit would apply a pre-established range of ULSD prices to analyze the pricing in the BAFOs. These ULSD prices averaged \$2.480 per gallon and were derived from price projections obtained from the MTA's Forecasting consultant and were established, secured and kept confidential prior to requesting BAFOs. Upon receipt of BAFOs on April 8, 2015, NYC Transit utilized the confidential price projections to evaluate the Price Proposals with results as follows:

Evaluated BAFO Results (5 year):

	UMEC (Base proposal)	Sprague (Base proposal)	* Sprague Alternative #1	** Sprague Alternative #2
Using MTA Pricing Projections:	\$658,257,289	\$640,093,634	\$636,551,576	\$633,284,746

*This Alternative proposal incorporates daily electronic invoicing as opposed to a weekly paper invoice. Corresponding delivery tickets are provided to the NYC Transit project manager for validation electronically.

** This Alternative Proposal incorporates a differential which varies based on the posted price per gallon of fuel along with daily electronic invoicing and corresponding delivery tickets.

After a review of the proposers' BAFOs in accordance with the Evaluation Criteria, the Selection Committee voted unanimously to recommend award of the contract to Sprague, based on its superior technical qualifications as well as the lowest price. While both proposers were deemed capable of performing the work, the Selection Committee determined that Sprague demonstrated technical superiority in the area of quality control and experience, product logistics and other relevant matters. Sprague offered a base price proposal as well as two alternative price proposals of which the Selection Committee unanimously recommended award of Alternative #2 as it offered the best overall value and lowest price.

Sprague's Alternative #2 proposal pricing is \$24,972,543 less than UMEC's proposal. As a result of negotiations, pricing from Sprague's initial proposal compared to Sprague's BAFO Alternative #2 was reduced by \$3,638,788. Additionally, as differential pricing proposed by Sprague under Alternative #2 (averaging \$0.1636 for five years) is lower than Sprague's differential pricing on the existing Contract C609B0053 (averaging \$0.1979 for five years), estimated savings of \$8,209,958 will be realized over the term of the contract. Pricing has been determined to be fair and reasonable based on the competitive pricing received and a favorable comparison to the existing competitively awarded contract.

A background search by the Division of Materiel and review of the documents submitted by Sprague disclosed no significant adverse information within the meaning of the All-Agency Responsibility Guidelines. It has been learned that while a wide-ranging investigation into the heating oil industry was recently launched concerning a Sprague terminal acquired from Castle in December 2014, the New York County District Attorney's Office advised that Sprague is not a target of the investigation. The Office of the Controller performed a financial review and found that there is reasonable assurance that Sprague is financially qualified contingent upon its parent providing a letter of guarantee on its performance of this contract. The letter of guarantee was received from its parent prior to requesting BAFOs.

M/W/DBE

Based on the scope of work and lack of subcontracting opportunities, an MBE goal of zero percent (0%) and a WBE goal of zero percent (0%) were established for this contract.

IMPACT ON FUNDING

Funds are available under NYC Transit Account No. 706202, Responsibility Center 3531 - 3534, Function No. 120. Funds are available under MTABC Account No.706602, Responsibility Center 5286, Function No. 120.

ALTERNATIVES

It is not anticipated that a re-solicitation of this requirement would yield a greater degree of competition or more favorable pricing.

RECOMMENDATION

It is recommended that the Board approve the award of a Contract to Sprague for the purchase and delivery of ULSD with additives for use in buses for DOB and MTABC for a five year term from July 1, 2015 to June 30, 2020, for the estimated total contract amount of \$633,284,746.

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Staff Summary

Subject Verrazano-Narrows Bridge Rebate Programs
Department Finance
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature 

Date April 29, 2015
Table of Contents Ref #

		Board Action				Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	MTA B&T Comm.	4/27	X			1	Legal 		
2	Finance Comm.	4/27	X			2	Chief of Staff 		
3	Board	4/29	X						

PURPOSE:

To adopt the annexed resolution revising the two MTA toll rebate programs at the Verrazano-Narrows Bridge which were initially approved by the Board on February 24, 2014 and implemented by TBTA with an effective date of April 1, 2014, as outlined in Exhibit A annexed hereto and summarized below.

DISCUSSION:

The New York State Legislature has appropriated funds to support the toll rebate programs at the Verrazano-Narrows Bridge, providing \$3.5 million to the MTA for fifty percent of the cost of the 2015-2016 Staten Island Resident Rebate Program (the “2015-2016 SIR Rebate Program”) and \$3.5 million for fifty percent of the cost of the 2015-2016 Verrazano-Narrows Bridge Commercial Rebate Program (the “2015-2016 VNB Commercial Rebate Program”, and collectively, the “2015-2016 VNB Rebate Programs”), as well as an additional \$3.3 million to keep an effective toll rate of \$5.50 for Staten Island residents under the 2015-2016 SIR Rebate Program (i.e., the effective SIR toll prior to the March 22, 2015 toll increase). Verrazano-Narrows Bridge tolls are collected only in the Staten Island-bound direction in accordance with federal law.

SIR Rebate Program. Under the 2015-2016 SIR Rebate Program, the MTA would rebate \$0.74 of the \$6.24 SIR E-ZPass toll paid by Staten Island residents with three or more trips per month across the VNB, and \$1.10 of the \$6.60 SIR E-ZPass toll paid by Staten Island residents with one or two trips per month across the VNB. As a result of these proposed MTA rebates, Staten Island residents would pay \$5.50 per Staten Island-bound trip across the Verrazano-Narrows Bridge. The 2015-2016 SIR Rebate Program would be retroactive to April 1, 2015 and continue through March 31, 2016.

Staten Island residents remain uniquely disadvantaged by the MTA district's transportation network charges in that the VNB is their sole means of vehicular access to the rest of New York City. In the past, the Legislature has recognized this class of citizens in legislation designed to reduce the toll rate which accrues to these residents for crossings over the Verrazano-Narrows Bridge. Using Legislative funds being allocated to the MTA and other appropriate funds to continue the SIR Rebate Program on the Verrazano-Narrows Bridge would help further reduce the burden suffered by geographically isolated Staten Island residents who have little or no practical access to mass transit, in a manner consistent with the MTA’s mandate of providing a seamless transportation network for the region and the MTA's statutory purposes to develop and implement a unified transportation policy for the MTA transportation district. Moreover, the SIR Rebate Program’s effective reduction of the VNB toll for those Staten Island residents who need to drive for employment and other purposes could increase the use of other TBTA facilities, as well as use of the E-ZPass system, and facilitate travel to points beyond.

VNB Commercial Rebate Program. Under the 2015-2016 VNB Commercial Rebate Program, the initial rebate would be 18 percent of the E-ZPass toll for trucks and other commercial vehicles with more than ten (10) trips per month across the Verrazano-Narrows Bridge, using the same New York Customer Service Center (NYCSC) E-ZPass Account. Implementing an 18 percent rebate of the E-ZPass toll for trucks and other eligible commercial vehicles, rather than the 20 percent rebate as specified in the 2014-2015 VNB Commercial Rebate Program, is expected to ensure that the \$7 million allocated for the 2015-2016 VNB Commercial Rebate Program is sufficient to provide funding from April 1, 2015 through March 31, 2016.

While the rebate would be applied to the total amount of eligible tolls, the effective toll rate for each Staten Island-bound trip taken by vehicles receiving the initial 18 percent rebate under the 2015-2016 VNB Commercial Rebate Program would be approximately:

2 axle: Current: \$20.00	With the rebate: \$16.40
3 axle: Current: \$32.78	With the rebate: \$26.88
4 axle: Current: \$41.90	With the rebate: \$34.36
5 axle: Current: \$54.62	With the rebate: \$44.79
6 axle: Current: \$63.74	With the rebate: \$52.27
7 axle: Current: \$76.46	With the rebate: \$62.70

The 2015-2016 VNB Commercial Rebate Program would continue to facilitate regional mobility; support increased economic activity and promote economic growth throughout the region; encourage trucks and other commercial vehicles using the Verrazano-Narrows Bridge to enroll in the E-ZPass system; and might encourage those vehicles to also use *other* TBTA facilities, thereby promoting increased and more effective use of the facilities, services, and systems of the TBTA, and facilitate travel to points beyond.

FINANCIAL IMPACT:

The projected annualized cost of the 2015-2016 VNB Rebate Programs would be \$17.3 million, with \$10.3 million for the 2015-2016 VNB SIR Rebate Program and \$7 million for the 2015-2016 VNB Commercial Rebate Program. Under the 2015-2016 VNB Rebate Programs, \$7 million of the cost for the 2015-2016 SIR Rebate Program and \$7 million of the cost of the 2015-2016 VNB Commercial Rebate Program are to be funded equally by the State and the MTA, with the State's contribution provided by appropriations to the MTA. An additional \$3.3 million in appropriations is being provided by the State to the MTA to keep an effective toll rate of \$5.50 for Staten Island Residents under the 2015-2016 SIR Rebate Program (i.e., the effective toll prior to the March 22, 2015 toll increase).

As provided in the accompanying resolution, the 2015-2016 VNB Rebate Programs would be implemented as specified herein only for such periods during which both (a) MTA's total financial responsibility, net of State actions or available offsets, does not exceed \$3.5 million for the 2015-2016 SIR Rebate Program (which is half of the \$7 million allocated to such Program) and \$3.5 million for the 2015-2016 VNB Commercial Rebate Program (which is half of the \$7 million allocated to such Program) and (b) the State provides (i) at least \$3.5 million for the 2015-2016 SIR Rebate Program and \$3.5 million for the 2015-2016 VNB Commercial Rebate Program and (ii) such additional funds as are necessary (currently estimated to be \$3.3 million) to keep an effective toll rate of \$5.50 for Staten Island Residents under the 2015-2016 SIR Rebate Program (i.e., the effective SIR toll prior to the March 22, 2015 toll increase). MTA shall apply the \$3.3 million of additional funds provided by the State as necessary to keep an effective toll rate of \$5.50 for Staten Island Residents under the 2015-2016 SIR Rebate Program (i.e., the effective SIR toll prior to the March 22, 2015 toll increase).

If, as a result of unexpected toll transaction activity, TBTA estimates that such MTA and State funds allocated to the MTA for the 2015-2016 VNB Rebate Programs, net of offsets, will be insufficient to fund the 2015-2016 VNB Commercial Rebate Program for the full Program year, TBTA may reduce the rebate amount under such Program to a percentage that is forecast to be payable in full for the remainder of the Program year with the available funds. However, in the event that such MTA and State funds allocated to the MTA for the 2015-2016 VNB Rebate Programs are fully depleted at any time during the 2015-2016 VNB Rebate Programs annual period, the 2015-2016 VNB Rebate Programs will cease and Staten Island residents will be charged the applicable resident discount toll and trucks and other commercial vehicles will be charged the applicable NYCSC E-ZPass toll for the Verrazano-Narrows Bridge.

It is anticipated that the revised 2015-2016 VNB Rebate Programs would require a period of time to implement the required administrative and technical changes but given the use of the E-Pass system, the rebate would be applied retroactively to April 1, 2015. Consequently, the projected financial impact in the MTA's 2015 Budget would be for 3 quarters of the calendar year or \$5.25 million, with the remainder in the MTA's 2016 Budget.

The VNB Rebate Programs shall continue into future years without specific Board approval of such continuation provided that (a) MTA's annual period contribution does not exceed \$7 million, (b) the MTA Board approves a budget that includes MTA's contribution to such program, and (c) the State provides to MTA funds sufficient for at least half the expenses of each continuing annual period.

POTENTIAL ENVIRONMENTAL IMPACTS:

Pursuant to a delegation from the Chairman and Chief Executive Officer, MTA staff has undertaken a review and analysis of the potential environmental impacts of the proposed revisions to the VNB Rebate Programs and issued a negative declaration, prepared in accordance with Article 8 of the New York State Environmental Conservation Law, determining that the

Staff Summary

implementation of the revised VNB Rebate Programs, as described herein, will have no significant adverse environmental impact.

RECOMMENDATION:

It is recommended that the Board adopt the attached resolution revising the SIR Rebate Program and the VNB Rebate Program as described herein, such revised 2015-2016 VNB Rebate Programs to be implemented as soon as practicable and made retroactive to April 1, 2015.

RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY and TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

WHEREAS, the Metropolitan Transportation Authority (the “MTA”) and the Triborough Bridge and Tunnel Authority (the “TBTA”) approved a resolution on February 24, 2014 for the Staten Island Resident (“SIR”) Rebate Program and the VNB Commercial Rebate Program relating to the Verrazano-Narrows Bridge (“VNB”), which were implemented with an effective date of April 1, 2014; and

WHEREAS, the New York State Legislature has appropriated funds to the MTA to support revised VNB Rebate Programs effective April 1, 2015 to March 31, 2016, as each is further described in Exhibit A annexed hereto (collectively, the “2015-2016 VNB Rebate Programs”), providing \$3.5 million to the MTA for fifty percent of the cost of the 2015-2016 SIR Rebate Program and \$3.5 million for fifty percent of the cost of the 2015-2016 VNB Commercial Rebate Program, as well as an additional \$3.3 million to keep an effective toll rate of \$5.50 for Staten Island residents under the 2015-2016 SIR Rebate Program (i.e., the effective toll prior to the March 22, 2015 toll increase); and

WHEREAS, the MTA has a mandate of providing a seamless transportation network for the region and a statutory purpose to develop and implement a unified transportation policy for the metropolitan commuter transportation district (the “MCTD”) served by the MTA subsidiary and affiliated agencies; and

WHEREAS, implementation of the 2015-2016 SIR Rebate Program providing for the rebate of a portion of the tolls charged to Staten Island residents on trips made across the Verrazano-Narrows Bridge, using State Legislative funds and other MTA funds, implemented in a manner that would not materially or adversely affect the rights of TBTA bondholders, would continue to help reduce or eliminate the unique disadvantage, and the appearance thereof, pertaining to travel of such residents between their residences and the rest of New York City; and

WHEREAS, the effective reduction of such tolls, without adversely affecting the rights of TBTA bondholders, is expected to encourage Staten Island residents to enroll in the E-ZPass system and might encourage those residents who need to drive for employment and other purposes to also use *other* TBTA facilities, thereby promoting increased and more effective use of the facilities, services, and systems of TBTA, and could facilitate travel to points beyond; and

WHEREAS, implementation of the 2015-2016 SIR Rebate Program to rebate such tolls charged to such residents, as outlined in Exhibit A, for the foregoing reasons would continue to be a proper component of a unified and efficient mass transportation policy in the MCTD if supported by the allocation of Legislative funds to the MTA for this purpose; and

WHEREAS, implementation of the 2015-2016 VNB Commercial Rebate Program, implemented in the manner set forth in Exhibit A, which through the use of State Legislative funds and other MTA funds would initially provide a rebate of 18 percent of the E-ZPass toll for trucks and other commercial vehicles with more than ten (10) trips per month across the Verrazano-Narrows Bridge using the same New York Customer Service Center (NYCSC) E-ZPass Account, which rebate would be implemented in a manner that would not materially or adversely affect the rights of TBTA bondholders, would facilitate regional mobility; and

WHEREAS, the effective reduction of such tolls, without adversely affecting the rights of TBTA bondholders, would support increased economic activity and promote economic growth throughout the region, and would be expected to encourage trucks and other commercial vehicles using the Verrazano-Narrows Bridge to enroll in the E-ZPass system and might encourage those vehicles to also use *other* TBTA facilities, thereby promoting increased and more effective use of the facilities, services, and systems of the TBTA, and could facilitate travel to points beyond; and

WHEREAS, implementation of the 2015-2016 VNB Commercial Rebate Program to rebate such tolls charged for such trucks and other commercial vehicles for the foregoing reasons would appear to be appropriate to implement as part of a unified and efficient transportation policy for the MCTD if supported by the allocation of Legislative funds to the MTA for this purpose; and

WHEREAS, the 2015-2016 VNB Rebate Programs would be implemented as specified herein only for such periods during which both (a) MTA's total financial responsibility, net of State actions or available offsets, does not exceed \$3.5 million for the 2015-2016 SIR Rebate Program (which is half of the \$7 million allocated to such Program) and \$3.5 million for the 2015-2016 VNB Commercial Rebate Program (which is half of the \$7 million allocated to such Program) and (b) the State provides (i) at least \$3.5 million for the 2015-2016 SIR Rebate Program and \$3.5 million for the 2015-2016 VNB Commercial Rebate Program and (ii) such additional funds as are necessary (currently estimated to be \$3.3 million) to keep an effective toll rate of \$5.50 for Staten Island Residents under the 2015-2016 SIR Rebate Program (i.e., the effective SIR toll prior to the March 22, 2015 toll increase). MTA shall apply the \$3.3 million of additional funds provided by the State as necessary to keep an effective toll rate of \$5.50 for Staten Island residents under the 2015-2016 SIR Rebate Program (i.e., the effective SIR toll prior to the March 22, 2015 toll increase).

WHEREAS, if, as a result of unexpected toll transaction activity, TBTA estimates that such MTA and State funds allocated to the MTA for the 2015-2016 VNB Rebate Programs, net of offsets, will be insufficient to fund the 2015-2016 VNB Commercial Rebate for the full Program year, TBTA may reduce the rebate amount under such Program to a percentage that is forecast to be payable in full for the remainder of the Program year with the available funds; and

WHEREAS, in the event that such MTA and State funds allocated to the MTA for the 2015-2016 VNB Rebate Programs are depleted at any time during the 2015-2016 VNB Rebate Programs' annual period, the 2015-2016 VNB Rebate Programs will cease and Staten Island residents will be charged the applicable resident discount toll without such further rebate and trucks and other commercial vehicles will be charged the applicable NYCSC E-ZPass toll for the Verrazano-Narrows Bridge without such further rebate; and

WHEREAS, the VNB Rebate Programs shall continue into future years without specific Board approval of such continuation provided that (a) MTA's annual period contribution does not exceed \$7 million, (b) the MTA Board approves a budget that includes MTA's contribution to such program, and (c) the State provides to MTA funds sufficient for at least half the expenses of each continuing annual period; and

WHEREAS, pursuant to a delegation from the Chairman and Chief Executive Officer, MTA staff has undertaken a review and analysis of the potential environmental impacts of the proposed revisions to the VNB Rebate Programs and issued a negative declaration, prepared in accordance with Article 8 of the New York State Environmental Conservation Law, determining that the implementation of the revised VNB Rebate Programs, as described herein, will have no significant adverse environmental impact; and

WHEREAS, in order to preserve and protect the financial condition of the MTA itself and of TBTA, no toll rebate program shall include aggregate annual rebates that are projected by the MTA to exceed the average five-year historical monthly variation of TBTA revenues derived from all facilities of TBTA;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman/CEO of the MTA, in consultation with the President of TBTA and other appropriate officers of the MTA and TBTA, is hereby delegated authority to revise the SIR Rebate Program and the VNB Commercial Rebate Program, as described herein, such revised 2015-2016 VNB Rebate Programs to be implemented as soon as practicable, made retroactive to April 1, 2015.

Dated: April 29, 2015

Exhibit A

**Proposed Operating Elements of the 2015-2016
Staten Island Resident (SIR) Rebate Program and
Verrazano-Narrows Bridge (VNB) Commercial Rebate Program
and Subsequent VNB Rebate Programs**

1. Under the 2015-2016 SIR Rebate Program, the MTA would rebate \$0.74 of the \$6.24 SIR E-ZPass toll paid by Staten Island residents with three or more trips per month across the Verrazano-Narrows Bridge (VNB), where tolls are collected only in the Staten Island-bound direction in accordance with federal law, and would rebate \$1.10 of the \$6.60 SIR E-ZPass toll paid by Staten Island residents with one or two trips per month across the VNB.

2. Under the 2015-2016 VNB Commercial Rebate Program, the initial rebate for eligible trucks and other commercial vehicles would be 18 percent of the NYCSC E-ZPass tolls incurred across the VNB during that month, subject to change if there are significant changes in the amount of toll transactions eligible for the 2015-2016 VNB Commercial Rebate Program such that funding would otherwise be depleted before the end of New York State's fiscal year. While the rebate would be applied to the total amount of eligible tolls, the effective toll rate for each Staten Island-bound trip taken by vehicles receiving the initial 18 percent rebate under the VNB Commercial Rebate Program would be approximately:

2 axle: Current: \$20.00 With the rebate: \$16.40
3 axle: Current: \$32.78 With the rebate: \$26.88
4 axle: Current: \$41.90 With the rebate: \$34.36
5 axle: Current: \$54.62 With the rebate: \$44.79
6 axle: Current: \$63.74 With the rebate: \$52.27
7 axle: Current: \$76.46 With the rebate: \$62.70

3. The Legislature is providing \$3.5 million to the MTA for fifty percent of the cost of the 2015-2016 SIR Rebate Program and \$3.5 million for fifty percent of the cost of the 2015-2016 VNB Commercial Rebate Program (collectively, the "2015-2016 VNB Rebate Programs"), as well as an additional \$3.3 million to keep an effective toll rate of \$5.50 for Staten Island residents under the SIR Rebate Program (i.e., the effective toll prior to the March 22, 2015 toll increase). Funding for the costs of subsequent SIR Rebate Programs and VNB Commercial Rebate Programs (collectively, the "VNB Rebate Programs") would come from Legislative funds allocated to the MTA and other appropriate MTA funds and such funds shall be remitted to TBTA provided that (a) MTA's annual period contribution does not exceed \$7 million, (b) the MTA Board approves a budget that includes MTA's contribution to such program, and (c) the State provides to MTA funds sufficient for at least half the expenses of each continuing annual period.

4. Moneys to fund a year's estimated costs for the VNB Rebate Programs would be transferred by MTA to TBTA prior to implementation of the VNB Rebate Programs each year. The effective date of the 2015-2016 VNB Rebate Program year would be April 1, 2015 and shall continue through March 31, 2016.

5. At the beginning of the VNB Rebate Program year, TBTA would increase its liability for the VNB Rebate Programs by the amount transferred from MTA. Under the 2015-2016 SIR Rebate Program, the E-ZPass New York Customer Service Center would credit E-ZPass accounts for Staten Island Residents with three or more trips per month across the VNB with the amount of \$0.74 for each such trip. The NYCSC would credit E-ZPass accounts for Staten Island Residents with one or two trips per month across the VNB with the amount of \$1.10 for each such trip. Under the 2015-2016 VNB Commercial Rebate Program, the NYCSC would credit E-ZPass Accounts with more than

ten (10) trips per month across the VNB by trucks or other commercial vehicles with an rebate of 18 percent of the NYCSC E-ZPass tolls incurred across the VNB that month, subject to change if there are significant changes in the amount of eligible toll transactions such that the funding for the 2015-2016 VNB Commercial Rebate Program would otherwise be depleted before the end of the State's fiscal year. While the rebate credit would be applied to the total amount of eligible tolls, the amount credited for each Staten Island-bound trip taken by vehicles receiving the initial 18 percent rebate under the 2015-2016 VNB Commercial Rebate Program would be approximately:

2 axle: \$ 3.60
3 axle: \$ 5.90
4 axle: \$ 7.54
5 axle: \$ 9.83
6 axle: \$11.47
7 axle: \$13.76

6. At least monthly, TBTA would draw down on the liability for the VNB Rebate Programs based on the total number of such trips charged against Staten Island resident and NYCSC E-ZPass Accounts. The drawn down amount would be added to TBTA toll revenues. (The TBTA's responsibility to do so would be capped at the amount in the fund for the VNB Rebate Programs.) MTA would use Legislative funds allocated to the MTA and other appropriate MTA funds to reimburse TBTA for the cost of any charges levied by the service center provider in connection with the VNB Rebate Programs.

7. If, as a result of unexpected toll transaction activity, TBTA estimates that such MTA and State funds allocated to the MTA for the 2015-2016 VNB Rebate Programs, net of offsets, will be insufficient to fund the 2015-2016 VNB Commercial Rebate Program for the full Program year, TBTA may reduce the rebate amount under such Program to a percentage that is forecast to be payable in full for the remainder of the Program year with the available funds. However, in the event that such MTA and State funds allocated to the MTA for the 2015-2016 VNB Rebate Programs are fully depleted at any time during the 2015-2016 VNB Rebate Programs annual period, the 2015-2016 VNB Rebate Programs will cease and Staten Island residents will be charged the applicable resident discount toll and trucks and other commercial vehicles will be charged the applicable NYCSC E-ZPass toll for the Verrazano-Narrows Bridge.

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METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN - 2015 ADOPTED BUDGET
Consolidated Accrual Statement of Operations by Category

February 2015

(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$435.2	\$418.5	(\$16.7)	(3.8)	\$0.0	\$0.0	\$0.0	-	\$435.2	\$418.5	(\$16.7)	(3.8)
Vehicle Toll Revenue	114.2	116.4	2.2	2.0	0.0	0.0	0.0	-	114.2	116.4	2.2	2.0
Other Operating Revenue	51.9	51.0	(0.9)	(1.7)	0.0	0.0	0.0	-	51.9	51.0	(0.9)	(1.7)
Capital & Other Reimbursements	0.0	0.0	0.0	-	116.3	103.1	(13.2)	(11.4)	116.3	103.1	(13.2)	(11.4)
Total Revenue	\$601.3	\$586.0	(\$15.3)	(2.6)	\$116.3	\$103.1	(\$13.2)	(11.4)	\$717.6	\$689.0	(\$28.6)	(4.0)
Expenses												
Labor:												
Payroll	\$369.1	\$357.9	\$11.2	3.0	\$43.1	\$42.3	\$0.8	1.8	\$412.2	\$400.2	\$12.0	2.9
Overtime	56.1	73.5	(17.4)	(31.0)	7.8	9.4	(1.6)	(20.8)	63.9	82.9	(19.0)	(29.8)
Health and Welfare	87.3	77.8	9.5	10.9	4.3	4.2	0.0	0.3	91.5	82.0	9.5	10.4
OPEB Current Payment	40.7	42.0	(1.3)	(3.2)	0.7	0.6	0.1	14.1	41.4	42.6	(1.2)	(2.9)
Pensions	48.5	46.9	1.6	3.2	3.1	3.7	(0.6)	(18.0)	51.5	50.5	1.0	2.0
Other Fringe Benefits	53.1	51.3	1.7	3.3	13.1	14.1	(1.1)	(8.1)	66.2	65.5	0.7	1.0
Reimbursable Overhead	(26.2)	(16.7)	(9.5)	(36.1)	25.8	16.8	8.9	34.7	(0.4)	0.1	(0.5)	*
Total Labor Expenses	\$628.5	\$632.6	(\$4.1)	(0.7)	\$97.8	\$91.2	\$6.6	6.8	\$726.3	\$723.8	\$2.5	0.3
Non-Labor:												
Electric Power	\$44.3	\$41.7	\$2.7	6.0	\$0.1	\$0.0	\$0.1	64.2	\$44.4	\$41.7	\$2.7	6.1
Fuel	22.5	15.5	7.0	31.0	0.0	0.0	0.0	-	22.5	15.5	7.0	31.0
Insurance	3.8	5.6	(1.8)	(48.3)	0.7	0.4	0.3	38.1	4.5	6.1	(1.6)	(35.4)
Claims	18.2	17.6	0.6	3.4	0.0	0.0	0.0	-	18.2	17.6	0.6	3.4
Paratransit Service Contracts	30.5	29.8	0.8	2.5	0.0	0.0	0.0	-	30.5	29.8	0.8	2.5
Maintenance and Other Operating Contracts	43.0	34.3	8.7	20.2	3.8	3.6	0.2	6.0	46.8	37.9	8.9	19.0
Professional Service Contracts	24.5	26.4	(1.9)	(7.7)	3.7	2.0	1.7	46.5	28.2	28.4	(0.2)	(0.6)
Materials & Supplies	44.5	36.8	7.7	17.3	9.6	5.2	4.4	45.4	54.1	42.0	12.0	22.3
Other Business Expenses	13.2	14.6	(1.4)	(10.3)	0.7	0.7	(0.0)	(1.1)	13.9	15.3	(1.4)	(9.8)
Total Non-Labor Expenses	\$244.6	\$222.3	\$22.3	9.1	\$18.5	\$11.9	\$6.6	35.7	\$263.1	\$234.2	\$28.9	11.0
Other Expense Adjustments:												
Other	3.4	2.2	1.2	34.6	0.0	0.0	0.0	-	3.4	2.2	1.2	34.6
General Reserve	0.0	0.0	0.0	-	0.0	0.0	0.0	-	0.0	0.0	0.0	-
Total Other Expense Adjustments	\$3.4	\$2.2	\$1.2	34.6	\$0.0	\$0.0	\$0.0	-	\$3.4	\$2.2	\$1.2	34.6
Total Expenses before Non-Cash Liability Adjs.	\$876.5	\$857.1	\$19.3	2.2	\$116.3	\$103.1	\$13.2	11.4	\$992.7	\$960.2	\$32.6	3.3
Depreciation	189.9	189.4	0.5	0.3	0.0	0.0	0.0	-	189.9	189.4	0.5	0.3
OPEB Obligation	34.9	34.4	0.5	1.4	0.0	0.0	0.0	-	34.9	34.4	0.5	1.4
Environmental Remediation	0.4	0.2	0.3	61.4	0.0	0.0	0.0	-	0.4	0.2	0.3	61.4
Total Expenses	\$1,101.7	\$1,081.1	\$20.6	1.9	\$116.3	\$103.1	\$13.2	11.4	\$1,218.0	\$1,184.2	\$33.8	2.8
Net Surplus/(Deficit) excluding Subsidies and Debt Service	(\$500.4)	(\$495.2)	\$5.2	1.0	\$0.0	\$0.0	\$0.0	*	(\$500.4)	(\$495.2)	\$5.2	1.0
Subsidies	362.7	421.4	58.7	16.2	0.0	0.0	0.0	-	362.7	421.4	58.7	16.2
Debt Service	220.3	188.4	31.9	14.5	0.0	0.0	0.0	-	220.3	188.4	31.9	14.5

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

**METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN - 2015 ADOPTED BUDGET
Consolidated Accrual Statement of Operations by Category**

February Year-to-Date

(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$890.7	\$849.4	(\$41.4)	(4.6)	\$0.0	\$0.0	\$0.0	-	\$890.7	\$849.4	(\$41.4)	(4.6)
Vehicle Toll Revenue	238.5	239.7	1.2	0.5	0.0	0.0	0.0	-	238.5	239.7	1.2	0.5
Other Operating Revenue	112.0	115.6	3.7	3.3	0.0	0.0	0.0	-	112.0	115.6	3.7	3.3
Capital & Other Reimbursements	0.0	0.0	0.0	-	238.3	209.4	(29.0)	(12.2)	238.3	209.4	(29.0)	(12.2)
Total Revenue	\$1,241.2	\$1,204.7	(\$36.5)	(2.9)	\$238.3	\$209.4	(\$29.0)	(12.2)	\$1,479.6	\$1,414.1	(\$65.5)	(4.4)
Expenses												
Labor:												
Payroll	\$773.3	\$758.6	\$14.7	1.9	\$88.3	\$82.6	\$5.7	6.5	\$861.6	\$841.2	\$20.4	2.4
Overtime	114.6	139.9	(25.4)	(22.1)	16.1	20.2	(4.1)	(25.7)	130.7	160.2	(29.5)	(22.6)
Health and Welfare	176.4	160.0	16.5	9.3	8.6	8.7	(0.2)	(2.2)	185.0	168.7	16.3	8.8
OPEB Current Payment	81.5	78.2	3.4	4.1	1.4	1.2	0.2	13.1	83.0	79.4	3.5	4.3
Pensions	98.0	94.0	4.0	4.0	6.2	7.4	(1.2)	(19.7)	104.1	101.4	2.8	2.6
Other Fringe Benefits	109.4	107.5	1.9	1.7	26.8	26.7	0.1	0.4	136.2	134.2	2.0	1.5
Reimbursable Overhead	(53.7)	(39.7)	(13.9)	(26.0)	52.8	40.0	12.8	24.3	(0.9)	0.3	(1.1)	*
Total Labor Expenses	\$1,299.6	\$1,298.6	\$1.0	0.1	\$200.1	\$186.8	\$13.3	6.6	\$1,499.6	\$1,485.4	\$14.3	1.0
Non-Labor:												
Electric Power	\$89.5	\$85.1	\$4.3	4.9	\$0.2	\$0.1	\$0.1	61.3	\$89.6	\$85.2	\$4.4	5.0
Fuel	45.9	30.5	15.4	33.6	0.0	0.0	0.0	25.0	45.9	30.5	15.4	33.6
Insurance	7.7	9.2	(1.5)	(20.0)	1.3	0.9	0.5	34.5	9.0	10.1	(1.1)	(11.9)
Claims	36.8	37.0	(0.2)	(0.6)	0.0	0.0	0.0	-	36.8	37.0	(0.2)	(0.6)
Paratransit Service Contracts	62.6	60.1	2.5	4.0	0.0	0.0	0.0	-	62.6	60.1	2.5	4.0
Maintenance and Other Operating Contracts	83.6	74.3	9.3	11.1	7.6	5.7	1.9	25.4	91.2	80.0	11.2	12.3
Professional Service Contracts	52.4	47.0	5.4	10.3	7.0	3.7	3.3	47.7	59.4	50.7	8.7	14.7
Materials & Supplies	90.2	80.2	10.0	11.1	20.6	11.2	9.5	45.9	110.8	91.3	19.5	17.6
Other Business Expenses	35.3	34.4	0.9	2.5	1.5	1.1	0.4	25.2	36.8	35.5	1.2	3.4
Total Non-Labor Expenses	\$503.8	\$457.7	\$46.1	9.1	\$38.3	\$22.6	\$15.7	41.0	\$542.1	\$480.3	\$61.8	11.4
Other Expense Adjustments:												
Other	7.0	5.1	1.9	26.9	0.0	0.0	0.0	-	7.0	5.1	1.9	26.9
General Reserve	0.0	0.0	0.0	-	0.0	0.0	0.0	-	0.0	0.0	0.0	-
Total Other Expense Adjustments	\$7.0	\$5.1	\$1.9	26.9	\$0.0	\$0.0	\$0.0	-	\$7.0	\$5.1	\$1.9	26.9
Total Expenses before Non-Cash Liability Adjs.	\$1,810.3	\$1,761.4	\$49.0	2.7	\$238.3	\$209.4	\$29.0	12.2	\$2,048.7	\$1,970.7	\$77.9	3.8
Depreciation	380.0	378.7	1.2	0.3	0.0	0.0	0.0	-	380.0	378.7	1.2	0.3
OPEB Obligation	69.8	68.1	1.8	2.5	0.0	0.0	0.0	-	69.8	68.1	1.8	2.5
Environmental Remediation	0.9	0.3	0.5	61.4	0.0	0.0	0.0	-	0.9	0.3	0.5	61.4
Total Expenses	\$2,261.0	\$2,208.5	\$52.5	2.3	\$238.3	\$209.4	\$29.0	12.2	\$2,499.4	\$2,417.9	\$81.5	3.3
Net Surplus/(Deficit) excluding Subsidies and Debt Service	(\$1,019.8)	(\$1,003.8)	\$16.0	1.6	\$0.0	\$0.0	(\$0.0)	(100.0)	(\$1,019.8)	(\$1,003.8)	\$16.0	1.6
Subsidies	691.8	670.0	(21.8)	(3.2)	0.0	0.0	0.0	-	691.8	670.0	(21.8)	(3.2)
Debt Service	440.6	406.7	33.9	7.7	0.0	0.0	0.0	-	440.6	406.7	33.9	7.7

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

**METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS
February 2015
(\$ in millions)**

Generic Revenue or Expense Category	Nonreimb or Reimb	February		Reason for Variance	YEAR-TO-DATE		Reason for Variance
		Favorable (Unfavorable)			Favorable (Unfavorable)		
		\$	%		\$	%	
Farebox Revenue	NR	(16.7)	(3.8)	Severe winter weather advisories and conditions , including record-breaking temperatures, caused ridership to dip overall by 4% or 8 million, resulting in unfavorable variances of (\$13.9M), (\$1.3M), (\$0.9M), and (\$0.6M) at NYCT, MNR, the LIRR and MTA Bus, respectively.	(41.4)	(4.6)	Severe winter weather advisories and conditions resulted in lower ridership and revenue of (\$36.2M), (\$1.8M), (\$1.7M), and (\$1.5M) at NYCT, MNR, the LIRR and MTA Bus, respectively.
Vehicle Toll Revenue	NR	2.2	2.0	Toll revenues were favorable due to higher traffic volume.	1.2	0.5	Toll revenues were favorable due to higher traffic and higher average toll.
Other Operating Revenue	NR	(0.9)	(1.7)	The overall unfavorable outcome reflects the impact of a negative shift in the market value of the invested asset portfolio -- (\$3.0M) at FMTAC and lower advertising revenue -- (\$0.6M) at MTA Bus. These results were partially offset by favorable variances resulting from the timing of advertising revenue -- \$1.3M at LIRR, higher Paratransit Urban Tax revenue -- \$1.1M at NYCT, and higher E-ZPass administrative fees -- \$0.5M at B&T.	3.7	3.3	The favorable YTD outcome reflects the timing of advertising revenue and higher paratransit Urban Tax revenues -- \$8.2M at NYCT; a net positive shift in the market value of the invested asset portfolio -- \$0.8M at FMTAC; higher GCT revenues due to increased tenant rents and lower management expenses -- \$0.7M at MNR; higher E-ZPass administrative fees and Battery Parking Garage revenue -- \$0.7M at B&T; and the timing of advertising revenue -- \$0.3M at the LIRR. These results were partially offset by unfavorable variances resulting from the timing of miscellaneous revenue and rental income -- (\$6.4M) at MTA HQ, and lower advertising revenue -- (\$0.6M) at MTA Bus.
Payroll	NR	11.2	3.0	MTA HQ had a favorable variance of \$7.7M primarily due to the timing of IT consolidation charges and vacancies. NYCT had a favorable variance of \$2.2M and B&T, MNR and SIR had favorable variances of \$0.5M each, mostly due to higher vacancy levels. The LIRR had a favorable variance of \$0.9M primarily due to higher vacancies and lower vacation pay accruals. These results were partially offset by an unfavorable variance of (\$1.1M) at MTA Bus due to wage rate progression changes and a court judgment for back pay.	14.7	1.9	MTA HQ had a favorable variance of \$14.9M primarily due to the timing of IT consolidation charges and vacancies. MNR and B&T had favorable variances of \$1.6M and \$1.1M, respectively, mostly due to higher vacancy levels. The LIRR had a favorable variance of \$1.5M primarily due to higher vacancies and lower vacation pay accruals. These results were partially offset by unfavorable variances of (\$2.7M) at MTA Bus due to wage rate progression changes and a court judgment for back pay, and (\$2.1M) at NYCT due to timing and higher earned employee separation payments.
Overtime	NR	(17.4)	(31.0)	The unfavorable result mainly reflects the impact of adverse weather (occurred in late January but reflected in February) and vacancy/absentee coverage requirements -- (\$12.7M) at NYCT; higher weather-related overtime, vacancy/absentee coverage and higher maintenance overtime -- (\$2.6M) at the LIRR; higher requirements due to preparation, coverage and clean-up for several winter weather events that occurred during the month -- (\$1.0M) at MNR; inclement weather, and increased bus maintenance, and running time -- (\$0.8M) at MTA Bus; and adverse weather and maintenance/vacancy coverage requirements -- (\$0.4M) at SIR.	(25.4)	(22.1)	The YTD unfavorable result mainly reflects the impact of adverse weather and vacancy/absentee coverage requirements -- (\$17.0M) at NYCT; higher weather-related overtime, vacancy/absentee coverage and higher maintenance overtime -- (\$5.2M) at the LIRR; higher requirements due to preparation, coverage and clean-up for several winter weather events that occurred during the first two months of the year -- (\$1.7M) at MNR; inclement weather, and increased bus maintenance and running time -- (\$1.1M) at MTA Bus; and adverse weather and maintenance/vacancy coverage requirements -- (\$0.5M) at SIR. These results were partially offset by a favorable variance of \$0.4M at B&T due to timing.

**METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS
February 2015
(\$ in millions)**

Generic Revenue or Expense Category	Nonreimb or Reimb	Favorable (Unfavorable)		February	Favorable (Unfavorable)		YEAR-TO-DATE
		\$	%	Reason for Variance	\$	%	Reason for Variance
Health and Welfare	NR	9.5	10.9	NYCT had a favorable variance of \$7.4M mainly due to lower rates. MTA HQ was favorable by \$1.6M primarily due to vacancies and the timing of IT consolidation charges. B&T had a favorable variance of \$0.4M primarily due to higher vacancies and timing. The LIRR was favorable by \$0.4M mostly due to higher vacancy levels. These results were partially offset by an unfavorable variance of (\$0.5M) at MTA Bus also due to timing.	16.5	9.3	NYCT had a favorable variance of \$12.0M mainly due to lower rates. MTA HQ had a favorable variance of \$3.1M primarily due to IT consolidation charges and vacancies. The LIRR and B&T were favorable by \$0.7M and \$0.6M, respectively, mostly due to higher vacancies. SIR was favorable by \$0.4M primarily due to timing.
OPEB - Current Payment	NR	(1.3)	(3.2)	Timing was primarily responsible for the unfavorable variance of (\$2.0M) at NYCT as well as the favorable variance of \$0.4M at the LIRR.	3.4	4.1	Timing and fewer retirees were primarily responsible for favorable variances of \$1.9M at NYCT, \$0.8M at the LIRR, and \$0.5M at MTA Bus.
Pensions	NR	1.6	3.2	Timing and vacancies were mainly responsible for favorable variances of \$1.3M at MTA HQ, \$0.5M at the LIRR, \$0.3M at NYCT, and an unfavorable variance of (\$0.4M) at MTA Bus.	4.0	4.0	Timing and vacancies were responsible for favorable variances of \$2.6M at MTA HQ, \$1.2M at the LIRR, \$0.6M at NYCT and \$0.3M at MNR. These results were partly offset by an unfavorable variance of (\$0.4M) at B&T.
Other Fringe Benefits	NR	1.7	3.3	The LIRR was favorable by \$0.8M primarily due to lower FELA payments. MTA HQ was favorable by \$0.7M mainly due to the timing of IT consolidation charges and vacancies. NYCT had a favorable variance of \$0.5M primarily due to direct overhead credits. These results were partially offset by an unfavorable variance of (\$0.4M) at MNR primarily due to higher uniform, shoe and tool allowance payments.	1.9	1.7	The LIRR was \$1.4M favorable, due mainly to lower FELA payments. MTA HQ was favorable by \$1.1M primarily due to the timing of IT consolidation charges and vacancies. MTA Bus was favorable by \$0.7M as a result of the timing of workers' compensation payments and higher vacancy levels. These results were partially offset by an unfavorable variance of (\$1.2M) at NYCT due to higher FICA expenses attributable to salary and wage overruns.
Reimbursable Overhead	NR	(9.5)	(36.1)	The timing of project activity resulted in unfavorable variances of (\$5.1M) at MTA HQ, (\$3.5M) at NYCT, (\$0.4M) at B&T, and (\$0.3M) at the LIRR.	(13.9)	(26.0)	The timing of project activity resulted in unfavorable variances of (\$7.6M) at MTA HQ, (\$4.1M) at NYCT, (\$1.0M) at MNR, (\$0.8M) at B&T, and (\$0.3M) at the LIRR.
Electric Power	NR	2.7	6.0	Favorable results reflect a mix of timing, lower rates, and lower consumption -- \$1.3M at the LIRR, \$0.7M at MNR, and \$0.5M at MTA HQ.	4.3	4.9	Favorable results reflect a mix of timing, lower rates, and consumption -- \$1.5M at MNR, \$1.4M at the LIRR, and \$1.1M at NYCT.
Fuel	NR	7.0	31.0	Lower rates accounted for most of the favorable variances of \$5.2M at NYCT, \$0.7M at MTA Bus and \$0.6M at MNR. The LIRR was \$0.4M favorable due to lower rates and consumption.	15.4	33.6	Lower rates and consumption accounted for most of the favorable variances of \$10.4M at NYCT, \$1.9M at MTA Bus, \$1.4M at MNR, \$1.2M at the LIRR and \$0.4M at B&T.
Insurance	NR	(1.8)	(48.3)	Timing was responsible for unfavorable variances at FMTAC and MTA HQ of (\$1.7M) and (\$0.3M), respectively. These results were partially offset by a favorable variance of \$0.3M at MNR due to a refund for Station Liability Insurance from a prior period audit. Other agency variances were minor.	(1.5)	(20.0)	Timing was responsible for unfavorable variances of (\$1.3M) at FMTAC and (\$0.4M) at both NYCT and MTA HQ and a favorable variance of \$0.3M at MTA Bus. MNR's favorable variance of \$0.3M was primarily due to a refund for Station Liability Insurance from a prior period audit.

**METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS
February 2015
(\$ in millions)**

Generic Revenue or Expense Category	Nonreimb or Reimb	February		Reason for Variance	YEAR-TO-DATE		Reason for Variance
		Favorable (Unfavorable)			Favorable (Unfavorable)		
		\$	%		\$	%	
Claims	NR	0.6	3.4	Timing was responsible for favorable variances of \$0.6M at MTA Bus and \$0.3M at the LIRR. These results were partially offset by an unfavorable variance of (\$0.3M) at FMTAC due to an actuarial re-estimate.	(0.2)	(0.6)	FMTAC was unfavorable by (\$1.8M) due to an actuarial re-estimate, and MTA Bus was favorable by \$1.5M due to timing.
Paratransit Service Contracts	NR	0.8	2.5	Lower expenses due to fewer trips and call center activity.	2.5	4.0	Lower expenses due to fewer trips, call center activity, and vehicle rehabs.
Maintenance and Other Operating Contracts	NR	8.7	20.2	The overall favorable result was mainly attributable to timing: \$3.3M at NYCT for vehicle, janitorial and facility maintenance; \$1.6M at MTA HQ for janitorial and security services; \$1.5M at B&T for major maintenance work, painting and HVAC maintenance; \$1.0M at MNR for maintenance contracts, GCT utilities and environmental waste removal; \$0.7M at the LIRR for joint facilities, vegetation management and elevator & escalator maintenance. At MTA Bus, timing and a misclassification of security costs in Materials & Supplies resulted in a favorable \$0.3M variance.	9.3	11.1	The overall favorable result was mainly attributable to timing: \$2.6M at MNR primarily due to maintenance contracts, GCT utilities and environmental waste removal; \$1.7M at NYCT mainly due to facility maintenance; \$1.6M at B&T due to E-ZPass Customer Service Center costs, HVAC maintenance and security services; \$1.5M at MTA Bus as a result of timing and a misclassification of security costs in Materials & Supplies; \$1.4M at the LIRR attributable to vegetation management, elevator & escalator maintenance, security and HVAC maintenance; and \$0.3M each at SIR and MTA HQ.
Professional Service Contracts	NR	(1.9)	(7.7)	The overall unfavorable result was primarily attributable to timing: (\$6.3M) at NYCT for IT hardware and electronic data processing expenses; and (\$0.3M) at the LIRR for the timing of MTA chargebacks for IT software and maintenance. Partially offsetting these results were favorable timing variances of \$2.6M at MTA HQ for IT hardware and software purchases, legal fees and engineering services; \$0.7M at MNR for engineering services, advertising and training; \$0.7M at B&T for bond issuance costs and engineering services; and \$0.7M at MTA Bus for the timing of BSC and inter-agency chargebacks and Intelligent Vehicle Network expenses.	5.4	10.3	The overall favorable result was primarily attributable to timing: \$9.3M at MTA HQ for IT hardware and software purchases, legal fees and engineering services; \$2.2M at B&T for bond issuance costs and engineering services; \$1.6M at MNR for engineering and legal services, advertising and training; and \$1.5M at MTA Bus for the timing of BSC and inter-agency chargebacks and Intelligent Vehicle Network expenses. Partially offsetting these results was an unfavorable timing variance of (\$9.1M) at NYCT for IT hardware, data communications and electronic data processing expenses.
Materials & Supplies	NR	7.7	17.3	The overall favorable variance was largely attributable to timing and the impact of inventory obsolescence adjustments, maintenance material requirements and increased scrap sales -- \$7.2M at NYCT; lower material usage/running repair in car and wheel shops as well as timing -- \$1.4M at the LIRR; and lower expenses across a variety of small equipment and supply categories, mainly due to timing -- \$0.3M at B&T. These results were partly offset by an overrun of (\$1.3M) at MTA Bus due to timing, higher requirements for the ageing fleet, and a misclassification of security costs, budgeted in Maintenance & Operating contracts.	10.0	11.1	The overall favorable variance was largely attributable to the impact of inventory obsolescence adjustments, the timing of maintenance material requirements and increased scrap sales -- \$6.4M at NYCT; lower material usage/running repair in car and wheel shops as well as timing -- \$4.0M at the LIRR; and lower expenses across a variety of small equipment and supply categories, due to timing -- \$0.7M at B&T. These results were partly offset by an overrun of (\$1.1M) at MTA Bus due to timing, higher requirements for the ageing fleet, and a misclassification of security costs, budgeted in Maintenance & Operating contracts.
Other Business Expenses	NR	(1.4)	(10.3)	MNR was (\$3.0M) unfavorable due to the asset write-off of two M-8 cars related to the Commerce Street collision. This result was partially offset by favorable variances of \$0.9M at NYCT and \$0.4M at FMTAC due to timing.	0.9	2.5	Timing was responsible for favorable variances of \$1.6M at NYCT, \$0.7M at FMTAC, \$0.6M at MTA HQ and \$0.5M each at the LIRR and B&T. These results were partially offset by an unfavorable variance of (\$2.8M) at MNR due to the asset write-off of two M-8 cars related to the Commerce Street collision.

**METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS
February 2015
(\$ in millions)**

Generic Revenue or Expense Category	Nonreimb or Reimb	February		Reason for Variance	YEAR-TO-DATE		Reason for Variance
		Favorable (Unfavorable)	%		Favorable (Unfavorable)	%	
Other Expense Adjustments	NR	\$ 1.2	34.6	Variance due to favorable timing differences in project completions.	\$ 1.9	26.9	Variance due to favorable timing differences in project completions.
Depreciation	NR	0.5	0.3	Timing differences in project completions and assets reaching beneficial use resulted in favorable variances at the LIRR of \$2.4M and \$0.8M at MTA HQ, and unfavorable variances of (\$1.0M) at MNR, (\$0.8M) at MTA Bus, and (\$0.6M) at MTA B&T.	1.2	0.3	Timing differences in project completions and assets reaching beneficial use resulted in favorable variances of \$4.8M at the LIRR and \$1.6M at MTA HQ, and unfavorable variances of (\$1.9M) at MNR, (\$1.6M) at NYCT, (\$1.3M) at MTA Bus, and (\$0.4M) at B&T.
Other Post-Employment Benefits	NR	0.5	1.4	The GASB adjustment reflects the value associated with the unfunded accrued liability for post employment health benefits.	1.8	2.5	The GASB adjustment reflects the value associated with the unfunded accrued liability for post employment health benefits.
Environmental Remediation	NR	0.3	61.4	MNR was \$0.3M favorable due to the timing of remediation projects.	0.5	61.4	MNR was \$0.5M favorable due to the timing of remediation projects.
Capital & Other Reimbursements	R	(13.2)	(11.4)	The timing of project activity, due in part to inclement weather, was mostly responsible for unfavorable variances of (\$6.7M) at MTA HQ, (\$3.3M) at the LIRR, (\$1.8M) at MNR, (\$1.1M) at MTACC, (\$0.4M) at SIR and a favorable variance of \$0.3M at NYCT.	(29.0)	(12.2)	The timing of project activity, due in part to inclement weather, was mostly responsible for unfavorable variances of (\$11.8M) at MTA HQ, (\$6.9M) at MNR, (\$5.3M) at the LIRR, (\$1.9M) at NYCT, (\$1.9M) at MTACC and (\$0.7M) at SIR.
Payroll	R	0.8	1.8	The timing of project activity was responsible for the favorable variance at the LIRR of \$0.9M. MTA HQ had a favorable variance of \$0.6M primarily due to IT consolidation charges and vacancies. These results were partially offset by an unfavorable variance at NYCT of (\$1.1M) primarily due to the timing of non-capital and engineering costs	5.7	6.5	The overall favorable variance was primarily due to lower project activity, due in part to adverse weather conditions and higher vacancies: \$2.2M at NYCT; \$1.3M at MTA HQ; \$1.0M at the LIRR; \$0.6M at MNR; and \$0.3M at SIR.
Overtime	R	(1.6)	(20.8)	The overage reflects the impact of higher Subway Capital Track Program requirements at NYCT (\$0.9M); higher levels of work performed by MTA Police at MTA HQ (\$0.7M); and higher activity on several projects at MNR (\$0.4M). These results were partially offset by a favorable variance of \$0.3M at the LIRR, due to the timing of project activity.	(4.1)	(25.7)	The overage reflects the impact of higher Subway Capital Track Program requirements at NYCT (\$2.8M); higher levels of work performed by MTA Police at MTA HQ (\$1.3M); and higher activity on several projects at MNR (\$0.5M). These results were partially offset by a favorable variance of \$0.4M at the LIRR due to the timing of projects.
Health and Welfare	R	0.0	0.3	Agency variances were minor.	(0.2)	(2.2)	The timing of project activity was responsible for an unfavorable variance at the LIRR of (\$0.4M).
Pensions	R	(0.6)	(18.0)	The LIRR was (\$0.5M) unfavorable due to timing.	(1.2)	(19.7)	Timing was responsible for unfavorable variances of (\$1.2M) at the LIRR and (\$0.3M) at NYCT, and a favorable variance of \$0.3M at MTACC.
Other Fringe Benefits	R	(1.1)	(8.1)	Higher direct overhead expenses resulting from salary and wage overruns were responsible for an unfavorable variance at NYCT of (\$1.6M), partially offset by a favorable variance at the LIRR of \$0.3M due to timing.	0.1	0.4	MTA HQ had a favorable variance of \$0.4M primarily due to the timing of IT consolidation charges and vacancies. Lower project activity was responsible for favorable variances at the LIRR and MTACC of \$0.4M and \$0.3M, respectively. These results were partially offset by an unfavorable variance at NYCT of (\$0.9M) primarily due to higher direct overhead expenses resulting from salary and wage overruns.

**METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN - 2014 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS
February 2015
(\$ in millions)**

Generic Revenue or Expense Category	Nonreimb or Reimb	Favorable (Unfavorable)		February	Favorable (Unfavorable)		YEAR-TO-DATE
		\$	%	Reason for Variance	\$	%	Reason for Variance
Reimbursable Overhead	R	8.9	34.7	The variance reflects the favorable timing of expense recovery billings--\$5.1M at MTA HQ, while other favorable outcomes were due to lower project activity--\$3.5M at NYCT and \$0.3M at the LIRR.	12.8	24.3	The YTD variance mainly reflects the favorable timing of expense recovery billings--\$7.6M at MTA HQ, while other favorable outcomes were due to lower project activity--\$4.1M at NYCT, \$0.7M at MNR, and \$0.3M at the LIRR.
Electric Power	R	0.1	64.2	Minor variance.	0.1	61.3	Minor variance.
Insurance	R	0.3	38.1	Agency variances were minor.	0.5	34.5	The LIRR was favorable by \$0.4M due to lower project activity. Other agency variances were minor.
Maintenance and Other Operating Contracts	R	0.2	6.0	The timing of project activity was responsible for favorable variances of \$0.4M at MNR and \$0.3M at the LIRR. Partially offsetting these results was an unfavorable variance of (\$0.5M) at NYCT due to the timing of building-related expenses.	1.9	25.4	The timing of project activity was responsible for favorable variances of \$1.1M at MNR and \$0.4M at the LIRR. NYCT was \$0.4M favorable due to the timing of vehicle maintenance and repair expenses.
Professional Service Contracts	R	1.7	46.5	MTA HQ was \$1.3M favorable due to the timing of West Side Yard project activity. The timing of project activity was responsible for the favorable variance of \$0.5M at MNR. MTA CC was \$0.4M favorable due to the timing of MTA chargebacks and engineering and consulting services. Partially offsetting these results was an unfavorable variance of (\$0.6M) at NYCT mostly due to the timing of advertising and electronic data processing expenses.	3.3	47.7	Timing was the overall cause for this variance: MTA HQ was \$3.6M favorable related to the West Side Yard project, and MTA CC was \$0.7M favorable due to MTA chargebacks and engineering and consulting services. Partially offsetting these results was an unfavorable variance of (\$1.1M) at NYCT due to IT hardware, advertising and electronic data processing expenses.
Materials & Supplies	R	4.4	45.4	Changes in project activity levels, maintenance material requirements, and the timing of payments contributed to favorable results of \$1.7M at the LIRR, \$1.6M at MNR, and \$1.0M at NYCT.	9.5	45.9	Changes in project activity levels, maintenance material requirements, and the timing of payments contributed to favorable results of \$5.3M at MNR, \$3.7M at the LIRR, and \$0.4M at NYCT.
Other Business Expenses	R	(0.0)	(1.1)	Agency variances were minor.	0.4	25.2	MTACC was \$0.4M favorable due to timing.
Subsidies	NR	58.7	16.2	The favorable variance for the month of \$58.7 million was mainly due to higher-than-forecasted Urban Tax revenues (\$30.7 million) due to strong real estate activity in NYC, and to accrual timing differences for City Subsidy to MTA Bus (\$12.0 million), PBT (\$10.5 million), and CDOT (\$4.4 million).	(21.8)	(3.2)	The unfavorable YTD variance of \$21.8 million was mainly due to the timing of booking accruals for PMT (\$58.9 million) and PBT (\$40.3 million). This was offset by favorable Urban Tax revenues (\$61.1 million) due to stronger-than-expected real estate activity in New York City and favorable City Subsidy to MTA Bus (\$16.4 million) due to timing.
Debt Service	NR	31.9	14.5	Favorable variance of \$31.9 million primarily due to lower variable rates and timing of Transportation Revenue Bonds and TBTA General Resolution deposits.	33.9	7.7	Favorable Year-to-Date variance of \$33.9 million is primarily due to lower variable rates and payments for TBTA Bonds that were not made in the month of February.

METROPOLITAN TRANSPORTATION AUTHORITY
Overtime Decomposition Report
Adopted Budget vs. Actuals
February 2015

The attached table presents consolidated results of overtime followed by an overtime legend.

For detailed overtime results please refer to the Agency reports located in the financial reporting sections of Agency operating committee agendas.

Below is a summary of the major consolidated variances for February 2015 (year-to-date).

2015 OVERTIME REPORTING - PRELIMINARY FEBRUARY RESULTS (NON-REIMBURSABLE)

Month

Total overtime was (\$17.4M), or (31%), unfavorable to the Adopted Budget.

Weather Emergencies was (\$17.1M) over budget, reflecting greater coverage and preparation necessitated by record-breaking cold temperatures and capricious snowstorms. Also, this variance includes \$9.8 million in Winter Storm Juno related costs, which were incurred at NYCT in January but captured in this month's results.

Vacancy/Absentee Coverage was (\$7.3M) unfavorable, reflecting higher vacancies and levels of absenteeism for track maintenance, bus operators, and bus maintainers at NYCT, and vacancies in the Maintenance of Equipment department at the LIRR.

Programmatic/Routine Maintenance was \$4.5M favorable, primarily due to staff diverted to implement cold weather plans and perform weather-related functions at NYCT and MNR. This was partially offset by an increase in track welding and rail flaw detection at the LIRR, and greater levels of work required by the ageing bus fleet at MTA Bus.

Other was \$2.2M favorable, mostly due to timing.

YTD

Total overtime was (\$25.4M), or (22%) unfavorable to the Adopted Budget.

Weather Emergencies was (\$19.4M) unfavorable mostly due to preparation, coverage and clean-up costs associated with record-breaking winter conditions, as well as several snow storms impacting NYCT, the LIRR, MNR and MTA Bus.

Vacancy/Absentee Coverage was (\$10.9M) unfavorable, reflecting higher vacancies and levels of absenteeism for signal maintainers, bus operators, and bus maintainers at NYCT, and vacancies in the Maintenance of Equipment department at the LIRR.

METROPOLITAN TRANSPORTATION AUTHORITY
Overtime Decomposition Report
Adopted Budget vs. Actuals
February 2015

Other was \$4.2M favorable, mostly due to timing.

Scheduled Service was \$1.7M favorable, mostly due to bus operator and bus maintainer vacancies at NYCT, and lower holiday overtime coverage required within the Maintenance of Equipment and Transportation departments at the LIRR. At NYCT, the cost of providing coverage as a result of the noted vacancies is captured in both the *Vacancy/Absentee* and *Unscheduled Service* categories.

Programmatic/Routine Maintenance was \$1.2M favorable, primarily due to staff diverted to implement cold weather plans and perform weather-related functions at NYCT and MNR. This was partially offset by the impact of increased work required on the ageing bus fleet at MTA Bus, and an increase in track welding and rail flaw detection at the LIRR.

Metropolitan Transportation Authority
2015 February Financial Plan
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	February			February Year-to-Date		
	Adopted Budget	Actuals	Var. - Fav./(Unfav)	Adopted Budget	Actuals	Var. - Fav./(Unfav)
NON-REIMBURSABLE OVERTIME						
<u>Scheduled Service</u>	\$17.5	\$16.7	\$0.8 4.6%	\$36.6	\$34.9	\$1.7 4.7%
<u>Unscheduled Service</u>	\$8.4	\$8.6	(\$0.3) (3.2%)	\$16.9	\$18.3	(\$1.4) (8.4%)
<u>Programmatic/Routine Maintenance</u>	\$14.8	\$10.3	\$4.5 30.4%	\$30.9	\$29.7	\$1.2 3.9%
<u>Unscheduled Maintenance</u>	\$0.1	\$0.3	(\$0.2) (157.6%)	\$0.4	\$0.5	(\$0.1) (29.8%)
<u>Vacancy/Absentee Coverage</u>	\$6.4	\$13.8	(\$7.3) -114.6%	\$12.1	\$23.1	(\$10.9) -90.3%
<u>Weather Emergencies</u>	\$6.7	\$23.8	(\$17.1) -256.7%	\$13.3	\$32.6	(\$19.4) (145.8%)
<u>Safety/Security/Law Enforcement</u>	\$0.9	\$0.9	\$0.0 3.9%	\$1.6	\$2.2	(\$0.6) (36.8%)
<u>Other</u>	\$1.3	(\$0.8)	\$2.2 162.1%	\$2.8	(\$1.4)	\$4.2 151.8%
Subtotal	\$56.1	\$73.5	(\$17.4) (31.0%)	\$114.6	\$139.9	(\$25.4) (22.1%)
REIMBURSABLE OVERTIME	\$7.8	\$9.4	(\$1.6)	\$16.1	\$20.2	(\$4.1)
TOTAL OVERTIME	\$63.9	\$82.9	(\$19.0)	\$130.7	\$160.2	(\$29.5)

* Exceeds 100%

NOTES: Totals may not add due to rounding.
Percentages are based on each type of Overtime and not on Total Overtime.
SIR Overtime data is included in "Other"

METROPOLITAN TRANSPORTATION AUTHORITY
2015 Overtime Reporting
Overtime Legend

<u>Type</u>	<u>Definition</u>
<i>Scheduled Service</i>	Crew book/Regular Run/Shift hours (above 8 hours) required by train crews, bus/tower/block operators, transportation supervisors/dispatchers, fare sales and collection, Train & Engineers, as well as non-transportation workers whose work is directly related to providing service (includes coverage for holidays).
<i>Unscheduled Service</i>	Service coverage resulting from extraordinary events not related to weather, such as injuries, mechanical breakdowns, unusual traffic, tour length, late tour relief, and other requirements that arise that are non-absence related.
<i>Programmatic/Routine Maintenance</i>	<i>Program Maintenance</i> work for which overtime is planned (e.g. Railroad Tie Replacement, Sperry Rail Testing, Running Board Replacement Programs). This also includes <i>Routine Maintenance</i> work for which OT has been planned, as well as all other maintenance <u>not</u> resulting from extraordinary events, including running repairs. Program/Routine maintenance work is usually performed during hours that are deemed more practical in order to minimize service disruptions, and includes contractual scheduled pay over 8 hours.
<i>Unscheduled Maintenance</i>	Resulting from an <u>extraordinary event</u> (not weather-related) requiring the use of unplanned maintenance to perform repairs on trains, buses, subway and bus stations, depots, tracks and administrative and other facilities, including derailments, tour length and weekend coverage.
<i>Vacancy/Absentee Coverage</i>	Provides coverage for an absent employee or a vacant position.
<i>Weather Emergencies</i>	Coverage necessitated by extreme weather conditions (e.g. snow, flooding, hurricane, and tornadoes), as well as preparatory and residual costs.
<i>Safety/Security/Law Enforcement</i>	Coverage required to provide additional customer & employee protection and to secure MTA fleet facilities, transportation routes, and security training.
<i>Other</i>	Includes overtime coverage for clerical, administrative positions that are eligible for overtime, and miscellaneous overtime.
<i>Reimbursable Overtime</i>	Overtime incurred to support projects that are reimbursed from the MTA Capital Program and other funding sources.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan - 2015 Adopted Budget
Consolidated Accrual Subsidy Detail
February 2015
(\$ in millions)

	Current Month			Year-to-Date		
	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance
Accrued Subsidies:						
<i>Dedicated Taxes</i>						
Mass Transportation Operating Assistance Fund (MMTOA)	\$0.0	-	-	\$0.0	-	-
Petroleum Business Tax	42.9	53.4	10.5	93.7	53.4	(40.3)
MRT 1 (Gross)	21.9	23.6	1.7	43.7	47.6	3.9
MRT 2 (Gross)	8.4	7.6	(0.8)	16.9	15.5	(1.4)
Urban Tax	56.5	87.2	30.7	113.0	174.1	61.1
	\$129.6	\$171.8	\$42.1	\$267.2	\$290.6	\$23.3
<i>New State Taxes and Fees</i>						
Payroll Mobility Taxes	174.7	175.4	0.6	308.4	249.5	(58.9)
Payroll Mobility Tax Replacement Funds	-	-	-	-	-	-
MTA Aid Taxes ¹	-	-	-	-	-	-
	\$174.7	\$175.4	\$0.6	\$308.4	\$249.5	(\$58.9)
<i>State and Local Subsidies</i>						
NYS Operating Assistance	-	-	-	-	-	-
NYC and Local 18b:						
New York City	-	-	-	-	-	-
Nassau County	-	-	-	-	-	-
Suffolk County	-	-	-	-	-	-
Westchester County	-	-	-	-	-	-
Putnam County	-	-	-	-	-	-
Dutchess County	-	-	-	-	-	-
Orange County	-	-	-	-	-	-
Rockland County	-	-	-	-	-	-
CDOT Subsidies	12.1	16.4	4.4	24.1	22.3	(1.9)
Station Maintenance	13.9	13.5	(0.4)	27.9	27.0	(0.8)
	\$26.0	\$30.0	\$4.0	\$52.0	\$49.3	(\$2.7)
Sub-total Dedicated Taxes & State and Local Subsidies	\$330.4	\$377.1	\$46.7	\$627.6	\$589.4	(\$38.2)
City Subsidy to MTA Bus	32.3	44.3	12.0	64.2	80.6	16.4
City Subsidy to SIRTOA	0.0	0.0	-	0.0	0.0	-
Total Dedicated Taxes & State and Local Subsidies	\$362.7	\$421.4	\$58.7	\$691.8	\$670.0	(\$21.8)
<i>Inter-Agency Subsidy Transactions</i>						
B&T Operating Surplus Transfer	26.1	-	(26.1)	59.4	-	(59.4)
	\$26.1	\$0.0	(\$26.1)	\$59.4	\$0.0	(\$59.4)
Total Accrued Subsidies	\$388.8	\$421.4	\$32.6	\$751.2	\$670.0	(\$81.2)

¹ License, Vehicle Registration, Taxi and Auto Rental Fees
Note: Differences are due to rounding.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan - 2015 Adopted Budget
Consolidated Accrual Subsidy Detail
Explanation of Variances
(\$ in millions)

February 2015

Accrued Subsidies	Variance \$	Variance %	Explanations
Petroleum Business Tax	10.5	24.6%	The favorable accrual variance was primarily due to timing of booking of accruals by MTA Accounting. The year-to-date variance was unfavorable.
MRT(b) 1 (Gross)	1.7	8.0%	MRT-1 transactions were slightly above budget for the month and year-to-date.
MRT(b) 2 (Gross)	(0.8)	-9.9%	MRT-2 transactions were slightly below budget for the month and year-to-date.
Urban Tax	30.7	54.3%	The favorable variance was primarily due to higher than budgeted real estate transactions in New York City for the month and year-to-date.
CDOT Subsidies	4.4	36.3%	The favorable variance for the month was due primarily to timing. The year-to-date variance was slightly unfavorable.
Station Maintenance	(0.4)	-3.0%	The slightly unfavorable variance for the month and year-to-date was due primarily to timing.
City Subsidy to MTA Bus	12.0	46.1%	Variance was mostly timing related. Drawdowns are related to the timing of cash obligations for MTA Bus.
B&T Operating Surplus Transfer	(26.1)	-100.0%	The unfavorable variance was due to the timing of accruals.

Year-to-Date

Accrued Subsidies	Variance \$	Variance %	Explanations
Petroleum Business Tax	(40.3)	-43.0%	The unfavorable year-to-date variance was due primarily to timing of booking accruals. Most of this should be reversed with MTA Accounting's first quarter reconciliation in April, 2015.
MRT(b) 1 (Gross)	3.9	8.9%	See explanation for the month.
MRT(b) 2 (Gross)	(1.4)	-8.1%	See explanation for the month.
Urban Tax	61.1	54.1%	See explanation for the month.
Payroll Mobility Taxes	(58.9)	-19.1%	The year-to-date unfavorable variance was due to timing delays in booking accruals by MTA Accounting and will be reversed with the quarterly reconciliation in April 2015.
CDOT Subsidies	(1.9)	-7.8%	See explanation for the month.
Station Maintenance	(0.8)	-3.0%	The unfavorable variance was due primarily to timing.
City Subsidy to MTA Bus	16.4	31.5%	See explanation for the month.
B&T Operating Surplus Transfer	(59.4)	-100.0%	See explanation for the month.

**METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN - ADOPTED BUDGET**

DEBT SERVICE

(\$ in millions)

February 2015

	Adopted Budget	Actual	Variance	% Variance	Explanation
Dedicated Tax Fund:					Lower than budgeted variable rates.
NYC Transit	\$31.7	\$29.6	\$2.1		
Commuter Railroads	6.5	6.4	0.1		
<i>Dedicated Tax Fund Subtotal</i>	\$38.2	\$35.9	\$2.3	5.9%	
MTA Transportation Revenue:					Timing of debt service deposits.
NYC Transit	\$74.0	\$65.4	\$8.6		
Commuter Railroads	47.8	41.0	6.8		
MTA Bus	1.8	2.2	(0.5)		
SIRTOA	0.0	0.1	(0.0)		
<i>MTA Transportation Subtotal</i>	\$123.7	\$108.7	\$15.0	12.1%	
Commercial Paper:					Lower than budgeted variable rates.
NYC Transit	\$1.7	\$0.1	\$1.6		
Commuter Railroads	1.1	0.0	1.1		
MTA Bus	0.0	0.0	0.0		
<i>Commercial Paper Subtotal</i>	\$2.8	\$0.1	\$2.7	96.3%	
2 Broadway COPs:					
NYC Transit	\$1.6	\$1.6	(\$0.0)		
Bridges & Tunnels	0.2	0.2	(0.0)		
MTA HQ	0.2	0.2	(0.0)		
<i>2 Broadway COPs Subtotal</i>	\$2.1	\$2.1	(\$0.0)	-0.1%	
TBTA General Resolution (2)					
NYC Transit	\$15.5	\$10.7	\$4.8		
Commuter Railroads	7.3	5.0	2.3		
Bridges & Tunnels	19.1	12.9	6.2		
<i>TBTA General Resolution Subtotal</i>	\$42.0	\$28.6	\$13.4	31.8%	
TBTA Subordinate (2)					
NYC Transit	\$6.3	\$7.1	(\$0.8)		
Commuter Railroads	2.8	3.1	(0.4)		
Bridges & Tunnels	2.5	2.8	(0.3)		
<i>TBTA Subordinate Subtotal</i>	\$11.5	\$13.0	(\$1.5)	-12.9%	
Total Debt Service	\$220.3	\$188.4	\$31.9	14.5%	
Debt Service by Agency:					
NYC Transit	\$130.9	\$114.4	\$16.4		
SIRTOA	0.0	0.1	(0.0)		
Commuter Railroads	65.5	55.5	10.0		
MTA Bus	1.8	2.2	(0.5)		
Bridges & Tunnels	21.8	15.9	5.9		
MTAHQ	0.2	0.2	(0.0)		
Total Debt Service	\$220.3	\$188.4	\$31.9	14.5%	

Notes:

- (1) Forecasted debt service is calculated based upon projected monthly deposits from available pledged revenues into debt service accounts. Actual payments to bondholders are made from the debt service accounts when due as required for each series of bonds and do not conform to this schedule.
- (2) Generally, the calendarization of monthly debt service deposits is calculated by dividing projected annual debt service by 12. Month to month variations ("timing differences") on the existing debt portfolio can occur based upon, among other things, (a) for all bonds, the date when income from the securities in which the debt service accounts are invested becomes available varies, (b) for variable rate financings, differences between (i) the budgeted interest rate and the actual interest rate, (ii) projected interest payment dates to bondholders and actual interest payment dates to bondholders, and (iii) projected monthly funding dates for accrued debt service and actual funding dates, (c) for transactions with swaps, the difference between when MTA/TBTA funds debt service and the receipt of the corresponding swap payment by the counterparty, and difference between rates received and rates paid and (d) for commercial paper, the interest payment date is the date of the maturity of the commercial paper and the dealers set the term of the commercial paper from 1 to 270 days, which is not foreseeable at the time the annual debt service budgets are prepared.
- (3) Debt service is allocated among Transit, Commuter, MTA Bus, and TBTA categories based on actual spending of bond proceeds for approved capital projects. Allocation of 2 Broadway COPs is based on occupancy.
Totals may not add due to rounding.

**METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN - ADOPTED BUDGET**

DEBT SERVICE

(\$ in millions)

February 2015 Year-to-Date

	Adopted Budget	Actual	Variance	% Variance	Explanation
Dedicated Tax Fund:					Lower than budgeted variable rates.
NYC Transit	\$63.4	\$59.4	\$4.0		
Commuter Railroads	13.0	12.8	0.2		
<i>Dedicated Tax Fund Subtotal</i>	\$76.4	\$72.3	\$4.2	5.5%	
MTA Transportation Revenue:					
NYC Transit	\$148.1	\$143.3	\$4.7		
Commuter Railroads	95.7	89.9	5.8		
MTA Bus	3.6	4.7	(1.2)		
SIRTOA	0.1	0.1	(0.0)		
<i>MTA Transportation Subtotal</i>	\$247.4	\$238.0	\$9.3	3.8%	
Commercial Paper:					Lower than budgeted variable rates.
NYC Transit	\$3.4	\$0.1	\$3.3		
Commuter Railroads	2.2	0.0	2.2		
MTA Bus	0.0	0.0	0.0		
<i>Commercial Paper Subtotal</i>	\$5.7	\$0.1	\$5.6	98.0%	
2 Broadway COPs:					
NYC Transit	\$3.3	\$3.3	\$0.0		
Bridges & Tunnels	0.5	0.5	0.0		
MTA HQ	0.5	0.4	0.0		
<i>2 Broadway COPs Subtotal</i>	\$4.2	\$4.2	\$0.0	0.9%	
TBTA General Resolution (2)					
NYC Transit	\$31.1	\$25.8	\$5.2		
Commuter Railroads	14.6	12.1	2.5		
Bridges & Tunnels	38.3	31.2	7.1		
<i>TBTA General Resolution Subtotal</i>	\$83.9	\$69.1	\$14.8	17.7%	
TBTA Subordinate (2)					
NYC Transit	\$12.5	\$12.5	\$0.0		
Commuter Railroads	5.5	5.5	0.0		
Bridges & Tunnels	5.0	4.9	0.0		
<i>TBTA Subordinate Subtotal</i>	\$23.0	\$23.0	\$0.0	0.1%	
Total Debt Service	\$440.6	\$406.7	\$33.9	7.7%	
Debt Service by Agency:					
NYC Transit	\$261.8	\$244.4	\$17.4		
SIRTOA	0.1	0.1	(0.0)		
Commuter Railroads	131.0	120.4	10.6		
MTA Bus	3.6	4.7	(1.1)		
Bridges & Tunnels	43.7	36.6	7.1		
MTAHQ	0.5	0.4	0.0		
Total Debt Service	\$440.6	\$406.7	\$33.9	7.7%	

Notes:

- (1) Forecasted debt service is calculated based upon projected monthly deposits from available pledged revenues into debt service accounts. Actual payments to bondholders are made from the debt service accounts when due as required for each series of bonds and do not conform to this schedule.
- (2) Generally, the calendarization of monthly debt service deposits is calculated by dividing projected annual debt service by 12. Month to month variations ("timing differences") on the existing debt portfolio can occur based upon, among other things, (a) for all bonds, the date when income from the securities in which the debt service accounts are invested becomes available varies, (b) for variable rate financings, differences between (i) the budgeted interest rate and the actual interest rate, (ii) projected interest payment dates to bondholders and actual interest payment dates to bondholders, and (iii) projected monthly funding dates for accrued debt service and actual funding dates, (c) for transactions with swaps, the difference between when MTA/TBTA funds debt service and the receipt of the corresponding swap payment by the counterparty, and difference between rates received and rates paid and (d) for commercial paper, the interest payment date is the date of the maturity of the commercial paper and the dealers set the term of the commercial paper from 1 to 270 days, which is not foreseeable at the time the annual debt service budgets are prepared.
- (3) Debt service is allocated among Transit, Commuter, MTA Bus, and TBTA categories based on actual spending of bond proceeds for approved capital projects. Allocation of 2 Broadway COPs is based on occupancy.

Totals may not add due to rounding.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan - 2015 Adopted Budget
Cash Subsidy Detail by Agency
(\$ in millions)

February 2015

Cash Subsidies:	NYC Transit			Commuter Railroads			SIR			MTA Bus			MTAHQ			TOTAL		
	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance
Dedicated Taxes																		
MMTOA ⁽¹⁾	\$0.0	0.0	0.0	\$0.0	0.0	0.0	\$0.0	0.0	0.0	\$0.0	\$0.0	0.0	\$0.0	\$0.0	0.0	\$0.0	\$0.0	0.0
Petroleum Business Tax	43.2	45.4	2.2	7.6	8.0	0.4	-	-	-	-	-	-	-	-	-	50.8	53.4	2.6
MRT ⁽²⁾ 1 (Gross)	-	-	-	-	-	-	-	-	-	-	-	-	21.9	24.0	2.1	21.9	24.0	2.1
MRT ⁽²⁾ 2 (Gross)	-	-	-	-	-	-	-	-	-	-	-	-	8.4	7.9	(0.5)	8.4	7.9	(0.5)
Urban Tax	56.5	86.9	30.4	-	-	-	-	-	-	-	-	-	-	-	-	56.5	86.9	30.4
	\$99.7	\$132.3	\$32.6	\$7.6	\$8.0	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$30.3	\$31.9	\$1.6	\$137.6	\$172.2	\$34.6
New State Taxes and Fees																		
Payroll Mobility Tax	122.8	123.3	0.4	51.9	52.1	0.2	-	-	-	-	-	-	-	-	-	174.7	175.4	0.6
Payroll Mobility Tax Replacement Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
MTA Aid ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
	\$122.8	\$123.3	\$0.4	\$51.9	\$52.1	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$174.7	\$175.4	\$0.6
State and Local Subsidies																		
NYS Operating Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
NYC and Local 18b:																		
New York City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Nassau County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Suffolk County	-	-	-	-	1.9	1.9	-	-	-	-	-	-	-	-	-	0.0	1.9	1.9
Westchester County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Putnam County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Dutchess County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Orange County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Rockland County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
CDOT Subsidies	-	-	-	17.6	8.2	(9.4)	-	-	-	-	-	-	-	-	-	17.6	8.2	(9.4)
Station Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Inter-Agency Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Pay-As-You Go Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
	\$0.0	\$0.0	\$0.0	\$17.6	\$10.1	(\$7.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$17.6	\$10.1	(\$7.5)
Sub-total Dedicated Taxes & State and Local Subsidies	\$222.5	\$255.5	\$33.0	\$77.1	\$70.2	(\$7.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$30.3	\$31.9	\$1.6	\$329.9	\$357.6	\$27.7
City Subsidy to MTA Bus	-	-	-	-	-	-	-	-	-	\$18.5	18.5	-	-	-	-	18.5	18.5	0.0
Total Dedicated Taxes & State and Local Subsidies	\$222.5	\$255.5	\$33.0	\$77.1	\$70.2	(\$7.0)	\$0.0	\$0.0	\$0.0	\$18.5	\$18.5	\$0.0	\$30.3	\$31.9	\$1.6	\$348.4	\$376.1	\$27.7
Inter-Agency Subsidy Transactions																		
B&T Operating Surplus Transfer	35.0	32.4	(2.6)	54.0	50.3	(3.7)	-	-	-	-	-	-	-	-	-	89.0	82.7	(6.3)
	\$35.0	\$32.4	(\$2.6)	\$54.0	\$50.3	(\$3.7)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$89.0	\$82.7	(\$6.3)
Total Cash Subsidies	\$257.5	\$288.0	\$30.5	\$131.1	\$120.4	(\$10.7)	\$0.0	\$0.0	\$0.0	\$18.5	\$18.5	\$0.0	\$30.3	\$31.9	\$1.6	\$437.4	\$458.8	\$21.4

¹ Metropolitan Mass Transportation Operating Assistance Fund
² License, Vehicle Registration, Taxi and Auto Rental Fees
Note: Differences are due to rounding.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan - 2015 Adopted Budget
Cash Subsidy Detail by Agency
(\$ in millions)

Year-to-Date

	NYC Transit			Commuter Railroads			SIR			MTA Bus			MTAHQ			TOTAL		
	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance
Cash Subsidies:																		
Dedicated Taxes																		
MMTOA ⁽¹⁾	\$0.0	\$0.0	\$0.0	\$0.0	0.0	\$0.0	\$0.0	0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Petroleum Business Tax	84.6	97.1	12.5	14.9	17.1	2.2	-	-	-	-	-	-	-	-	-	99.6	114.3	14.7
MRT ⁽²⁾ 1 (Gross)	-	-	-	-	-	-	-	-	-	-	-	-	43.7	53.8	10.1	43.7	53.8	10.1
MRT ⁽²⁾ 2 (Gross)	-	-	-	-	-	-	-	-	-	-	-	-	16.9	16.8	(0.1)	16.9	16.8	(0.1)
Other MRT ⁽²⁾ Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-
Urban Tax	113.0	181.1	68.2	-	-	-	-	-	-	-	-	-	-	-	-	113.0	181.1	68.2
	\$197.6	\$278.2	\$80.7	\$14.9	\$17.1	\$2.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$60.6	\$70.6	\$10.0	\$273.1	\$366.0	\$92.9
New State Taxes and Fees																		
Payroll Mobility Tax	216.8	222.2	5.4	91.6	93.9	2.3	-	-	-	-	-	-	-	-	-	308.4	316.0	7.6
Payroll Mobility Tax Replacement Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-
MTA Aid ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-
	\$216.8	\$222.2	\$5.4	\$91.6	\$93.9	\$2.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$308.4	\$316.0	\$7.6
State and Local Subsidies																		
NYS Operating Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-
NYC and Local 18b:																		
New York City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-
Nassau County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-
Suffolk County	-	-	-	-	1.9	1.9	-	-	-	-	-	-	-	-	-	0.0	1.9	1.9
Westchester County	-	-	-	-	1.8	1.8	-	-	-	-	-	-	-	-	-	0.0	1.8	1.8
Putnam County	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	0.0	0.1	0.1
Dutchess County	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	0.0	0.1	0.1
Orange County	-	-	-	-	0.0	0.0	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Rockland County	-	-	-	-	0.0	0.0	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
CDOT Subsidies	-	-	-	29.3	9.9	(19.4)	-	-	-	-	-	-	-	-	-	29.3	9.9	(19.4)
Station Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-
Inter-Agency Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-
NYCT Charge Back of MTA Bus Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-
Pay-As-You Go Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-
	\$0.0	\$0.0	\$0.0	\$29.3	\$13.9	(\$15.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$29.3	\$13.9	(\$15.5)
Sub-total Dedicated Taxes & State and Local Subsidies	\$414.4	\$500.4	\$86.0	\$135.8	\$124.8	(\$11.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$60.6	\$70.6	\$10.0	\$610.8	\$695.9	\$85.0
City Subsidy to MTA Bus	-	-	-	-	-	-	-	-	-	\$37.0	37.0	-	-	-	-	37.0	37.0	-
Total Dedicated Taxes & State and Local Subsidies	\$414.4	\$500.4	\$86.0	\$135.8	\$124.8	(\$11.0)	\$0.0	\$0.0	\$0.0	\$37.0	\$37.0	\$0.0	\$60.6	\$70.6	\$10.0	\$647.8	\$732.9	\$85.0
Inter-Agency Subsidy Transactions																		
B&T Operating Surplus Transfer	35.0	32.4	(2.6)	54.0	50.3	(3.7)	-	-	-	-	-	-	-	-	-	89.0	82.7	(6.3)
	\$35.0	\$32.4	(\$2.6)	\$54.0	\$50.3	(\$3.7)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$89.0	\$82.7	(\$6.3)
Total Cash Subsidies	\$449.4	\$532.8	\$83.5	\$189.8	\$175.1	(\$14.7)	\$0.0	\$0.0	\$0.0	\$37.0	\$37.0	\$0.0	\$60.6	\$70.6	\$10.0	\$736.8	\$815.6	\$78.7

¹ Metropolitan Mass Transportation Operating Assistance Fund
² License, Vehicle Registration, Taxi and Auto Rental Fees
Note: Differences are due to rounding.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan - 2015 Adopted Budget
Consolidated Subsidy Cash
Explanation of Variances
(\$ in millions)

February 2015

Cash Subsidies	Variance \$	Variance %	Explanations
Petroleum Business Tax	2.6	5.1%	The favorable variance for the month and YTD reflected timing due to the non-seasonal nature of PBT receipts while monthly forecasts are based on prior year experience.
MRT ^(b) 1 (Gross)	2.1	9.8%	The variance was above the budget for the month and YTD due to better-than-expected MRT-1 cash receipts.
MRT ^(b) 2 (Gross)	(0.5)	-6.3%	The variance was above the budget for the month due to slightly better-than-expected MRT-2 cash receipts. Year-to-date receipts were on target.
Urban Tax	30.4	53.8%	Urban Tax receipts were favorable due to stronger-than-expected real estate activity in NYC for the month and YTD.
CDOT Subsidies	(9.4)	-53.5%	The unfavorable variance was primarily due to timing.

Year-to-Date

Cash Subsidies	Variance \$	Variance %	Explanations
Petroleum Business Tax	14.7	14.8%	See explanation for the month.
MRT ^(b) 1 (Gross)	10.1	23.1%	See explanation for the month.
MRT ^(b) 2 (Gross)	(0.1)	-0.4%	See explanation for the month.
Urban Tax	68.2	53.8%	See explanation for the month.
CDOT Subsidies	(19.4)	< (100%)	See explanation for the month.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan - 2015 Adopted Budget
Total Positions by Function and Agency
February 2015

Function/Agency	Adopted Budget	Actual	Variance Favorable/ (Unfavorable)
Administration	4,525	4,174	351
NYC Transit	1,344	1,418	(74)
Long Island Rail Road	532	487	45
Metro-North Railroad	478	426	52
Bridges & Tunnels	93	81	12
Headquarters	1,895	1,621	274
Staten Island Railway	25	23	2
Capital Construction Company	17	12	5
Bus Company	141	106	35
Operations	29,930	29,628	302
NYC Transit	22,401	22,330	71
Long Island Rail Road	2,399	2,354	45
Metro-North Railroad	1,815	1,813	1
Bridges & Tunnels	757	590	167
Headquarters	-	-	-
Staten Island Railway	103	105	(2)
Capital Construction Company	-	-	-
Bus Company	2,455	2,436	20
Maintenance	30,913	30,088	825
NYC Transit	21,367	20,899	468
Long Island Rail Road	4,037	3,880	157
Metro-North Railroad	3,892	3,752	140
Bridges & Tunnels	367	340	27
Headquarters	-	-	-
Staten Island Railway	155	153	2
Capital Construction Company	-	-	-
Bus Company	1,095	1,064	31
Engineering/Capital	1,968	1,903	65
NYC Transit	1,319	1,337	(18)
Long Island Rail Road	130	127	3
Metro-North Railroad	109	91	18
Bridges & Tunnels	225	193	32
Headquarters	-	-	-
Staten Island Railway	26	18	8
Capital Construction Company	122	113	9
Bus Company	37	24	13
Public Safety	1,733	1,670	63
NYC Transit	642	615	27
Long Island Rail Road	-	-	-
Metro-North Railroad	-	-	-
Bridges & Tunnels	267	266	1
Headquarters	806	773	33
Staten Island Railway	-	-	-
Capital Construction Company	-	-	-
Bus Company	18	16	2
Total Positions	69,069	67,463	1,606

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan - 2015 Adopted Budget
Total Positions by Function and Agency
February 2015

Category	Adopted Budget	Actual	Variance Favorable/
Total Positions	69,069	67,463	1,606
NYC Transit	47,073	46,599	474
Long Island Rail Road	7,098	6,848	250
Metro-North Railroad	6,294	6,082	212
Bridges & Tunnels	1,709	1,470	239
Headquarters	2,701	2,394	307
Staten Island Railway	309	299	10
Capital Construction Company	139	125	14
Bus Company	3,746	3,646	101
Non-reimbursable	62,488	60,786	1,702
NYC Transit	42,321	41,274	1,047
Long Island Rail Road	6,211	6,195	16
Metro-North Railroad	5,775	5,774	1
Bridges & Tunnels	1,622	1,383	239
Headquarters	2,571	2,269	302
Staten Island Railway	280	278	2
Capital Construction Company	-	-	-
Bus Company	3,708	3,613	96
Reimbursable	6,581	6,677	(96)
NYC Transit	4,752	5,325	(573)
Long Island Rail Road	887	653	234
Metro-North Railroad	519	308	211
Bridges & Tunnels	87	87	-
Headquarters	130	125	5
Staten Island Railway	29	21	8
Capital Construction Company	139	125	14
Bus Company	38	33	5
Total Full Time	68,913	67,218	1,695
NYC Transit	46,933	46,370	563
Long Island Rail Road	7,098	6,848	250
Metro-North Railroad	6,293	6,081	212
Bridges & Tunnels	1,709	1,470	239
Headquarters	2,701	2,394	307
Staten Island Railway	309	299	10
Capital Construction Company	139	125	14
Bus Company	3,731	3,631	101
Total Full-Time Equivalent	156	250	(94)
NYC Transit	140	229	(89)
Long Island Rail Road	-	-	-
Metro-North Railroad	1	1	-
Bridges & Tunnels	-	-	-
Headquarters	-	-	-
Staten Island Railway	-	-	-
Capital Construction Company	-	5	(5)
Bus Company	15	15	-

Note: Totals may differ due to rounding

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan - 2015 Adopted Budget
Total Positions by Function and Occupational Group
February 2015

FUNCTION/OCCUPATIONAL GROUP	Adopted Budget	Actual	Variance Favorable/ (Unfavorable)
Administration	4,525	4,174	351
Managers/Supervisors	1,847	1,371	476
Professional, Technical, Clerical	2,695	2,777	(82)
Operational Hourlies	(17)	26	(43)
Operations	29,930	29,628	302
Managers/Supervisors	3,515	3,429	86
Professional, Technical, Clerical	1,009	974	35
Operational Hourlies	25,406	25,225	181
Maintenance	30,913	30,088	825
Managers/Supervisors	5,479	5,256	223
Professional, Technical, Clerical	1,866	1,814	52
Operational Hourlies	23,569	23,019	550
Engineering/Capital	1,968	1,903	65
Managers/Supervisors	552	516	36
Professional, Technical, Clerical	1,394	1,372	22
Operational Hourlies	22	15	7
Public Safety	1,733	1,670	63
Managers/Supervisors	472	441	31
Professional, Technical, Clerical	148	128	20
Operational Hourlies	1,113	1,101	12
Total Positions	69,069	67,463	1,606
Managers/Supervisors	11,865	11,013	852
Professional, Technical, Clerical	7,112	7,065	47
Operational Hourlies	50,093	49,386	707

(millions)

	<u>Current Month Stabilization Fund</u>			<u>Year to Date Stabilization Fund</u>		
	<u>Commuter</u>	<u>Transit</u>	<u>Total</u>	<u>Commuter</u>	<u>Transit</u>	<u>Total</u>
	<u>(General Fd)</u>	<u>(TA Stab)</u>		<u>(General Fd)</u>	<u>(TA Stab)</u>	
From Date:	02/01/15	02/01/15	02/01/15	01/01/15	01/01/15	01/01/15
To Date:	02/28/15	02/28/15	02/28/15	02/28/15	02/28/15	02/28/15
Opening Balance	-\$197.239	\$205.597	\$8.358	-\$65.096	\$169.079	\$103.983
RECEIPTS						
Interest Earnings	-0.008	0.015	0.007	-0.006	0.032	0.025
New York State						
State and regional mass transit taxes - MMTOA	0.000	0.000	0.000	0.000	0.000	0.000 *
MTTF	8.011	45.395	53.406	17.140	97.126	114.266
Total Dedicated Taxes Received	8.011	45.395	53.406	17.140	97.126	114.266
Less DTF Debt Service	6.380	29.561	35.941	12.826	59.428	72.254
Net Dedicated Taxes for Operations	1.631	15.834	17.464	4.314	37.698	42.012
Payroll Mobility Tax	84.000	218.572	302.572	84.000	298.122	382.122
MTA Aid Trust Taxes	0.000	0.000	0.000	0.000	0.000	0.000
Operating Assistance - 18b	0.000	0.000	0.000	0.000	0.000	0.000
NYS School Fares	0.000	0.000	0.000	0.000	0.000	0.000
Additional Mass Transp Operating Assistance	0.000	n/a	0.000	0.000	n/a	0.000
Total - New York State	\$85.631	\$234.406	\$320.036	\$88.314	\$335.820	\$424.134
Local						
Dutchess County						
Operating Assistance - 18b	\$0.000	n/a	\$0.000	\$0.095	n/a	\$0.095
Station Maintenance	0.000	n/a	0.000	0.000	n/a	0.000
Nassau County						
Operating Assistance - 18b	0.000	n/a	0.000	0.000	n/a	0.000
Station Maintenance	0.000	n/a	0.000	0.000	n/a	0.000
New York City						
Operating Assistance - 18b	0.000	0.000	0.000	0.000	0.000	0.000
Urban - Real Property & Mortgage Recording Tax	n/a	86.859	86.859	n/a	181.122	181.122
Additional Assistance New York City	n/a	0.000	0.000	n/a	0.000	0.000
Station Maintenance	0.000	n/a	0.000	0.000	n/a	0.000
Orange County						
Operating Assistance - 18b	0.000	n/a	0.000	0.037	n/a	0.037
Station Maintenance	0.000	n/a	0.000	0.000	n/a	0.000
Putnam County						
Operating Assistance - 18b	0.000	n/a	0.000	0.095	n/a	0.095
Station Maintenance	0.000	n/a	0.000	0.000	n/a	0.000
Rockland County						
Operating Assistance - 18b	0.000	n/a	0.000	0.007	n/a	0.007
Station Maintenance	0.000	n/a	0.000	0.000	n/a	0.000
Suffolk County						
Operating Assistance - 18b	1.879	n/a	1.879	1.879	n/a	1.879
Station Maintenance	0.000	n/a	0.000	0.000	n/a	0.000
Westchester County						
Operating Assistance - 18b	0.000	n/a	0.000	1.836	n/a	1.836
Station Maintenance	0.000	n/a	0.000	0.000	n/a	0.000
Total - Local	\$1.879	\$86.859	\$88.738	\$3.949	\$181.122	\$185.071

(millions)

	<u>Current Month Stabilization Fund</u>			<u>Year to Date Stabilization Fund</u>		
	<u>Commuter</u>	<u>Transit</u>	<u>Total</u>	<u>Commuter</u>	<u>Transit</u>	<u>Total</u>
	<u>(General Fd)</u>	<u>(TA Stab)</u>		<u>(General Fd)</u>	<u>(TA Stab)</u>	
From Date:	02/01/15	02/01/15	02/01/15	01/01/15	01/01/15	01/01/15
To Date:	02/28/15	02/28/15	02/28/15	02/28/15	02/28/15	02/28/15
<u>MTA Bridges and Tunnels- Surplus Transfers</u>	50.276	32.446	82.722	50.276	32.446	82.722
Total Subsidy and Other Receipts	\$137.786	\$353.710	\$491.496	\$142.539	\$549.387	\$691.927
<u>MTA Sources for Interagency Loans</u>						
B&T Necessary Reconstruction Reserve	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
MTA Capital Program - Non-Resolution Funds	0.000	0.000	0.000	0.000	0.000	0.000
MRT-2 Corporate Account	0.000	0.000	0.000	0.000	0.000	0.000
2012 OPEB Loan	0.000	0.000	0.000	0.000	0.000	0.000
Total Loans	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Receipts and Loans Received	\$137.779	\$353.725	\$491.504	\$142.533	\$549.419	\$691.952

Continued on Next Page

Continued on Next Page

(millions)

	<u>Current Month Stabilization Fund</u>			<u>Year to Date Stabilization Fund</u>		
	<u>Commuter (General Fd)</u>	<u>Transit (TA Stab)</u>	<u>Total</u>	<u>Commuter (General Fd)</u>	<u>Transit (TA Stab)</u>	<u>Total</u>
From Date:	02/01/15	02/01/15	02/01/15	01/01/15	01/01/15	01/01/15
To Date:	02/28/15	02/28/15	02/28/15	02/28/15	02/28/15	02/28/15
<u>Brought forward from prior page</u>						
Opening Balance	-\$197.239	\$205.597	\$8.358	-\$65.096	\$169.079	\$103.983
Total Receipts and Loans Received	137.779	353.725	491.504	142.533	549.419	691.952
Total Cash and Receipts Available	-\$59.460	\$559.321	\$499.861	\$77.437	\$718.498	\$795.935
<u>DISBURSEMENTS</u>						
<u>Revenue Supported Debt Service</u>	42.455	69.831	112.285	91.401	149.457	240.858
<u>Agency Operations</u>						
MTA Long Island Railroad	45.630	0.000	45.630	109.930	0.000	109.930
MTA Metro-North Rail Road	13.156	0.000	13.156	36.807	0.000	36.807
MTA New York City Transit	0.000	102.572	102.572	0.000	182.122	182.122
MTA NYCT for SIRTOA	0.000	0.000	0.000	0.000	0.000	0.000
Capital Program Contribution	0.000	0.000	0.000	0.000	0.000	0.000
Forward Energy Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Capital Security Account	0.000	0.000	0.000	0.000	0.000	0.000
Total Debt Service and Operations	\$101.241	\$172.403	\$273.643	\$238.138	\$331.579	\$569.717
<u>Repayment of Interagency Loans</u>						
B&T Necessary Reconstruction Reserve	0.000	0.000	0.000	0.000	0.000	0.000
MTA Capital Program - Non-Resolution Funds	0.000	0.000	0.000	0.000	0.000	0.000
MRT-2 Corporate Account	0.000	0.000	0.000	0.000	0.000	0.000
2012 OPEB Loan	0.000	0.000	0.000	0.000	0.000	0.000
Total Loans Payback	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Disbursements	\$101.241	\$172.403	\$273.643	\$238.138	\$331.579	\$569.717
<u>STABILIZATION FUND BALANCE</u>	-\$160.701	\$386.919	\$226.218	-\$160.701	\$386.919	\$226.218
<u>Ending Loan Balances</u>						
B&T Necessary Reconstruction Reserve	0.000	0.000	0.000	0.000	0.000	0.000
MTA Capital Program - Non-Resolution Funds	0.000	100.000	100.000	0.000	100.000	100.000
MRT-2 Corporate Account	0.000	0.000	0.000	0.000	0.000	0.000
2012 OPEB Loan	0.000	0.000	0.000	0.000	0.000	0.000
	\$0.000	\$100.000	\$100.000	\$0.000	\$100.000	\$100.000
<u>End of Month NYCT Operating Fund borrowing from MTA Invest Pool not included in Ending Loan Balances above</u>	n/a	\$162.741	\$162.741	n/a	\$162.741	\$162.741
<u>Total Loan Balances (including negative Operating and Stabilization Fund Balances)</u>				\$160.701	\$262.741	\$423.442

* Note: 2013 MMTOA was reallocated from Transit to Commuter to match actual appropriation.

METROPOLITAN TRANSPORTATION AUTHORITY
FAREBOX RECOVERY AND FAREBOX OPERATING RATIOS
2015 ADOPTED BUDGET AND ACTUALS
FEBRUARY 2015

FAREBOX RECOVERY RATIOS		
	2015 <u>Adopted Budget</u>	2015 <u>YTD Actual</u>
New York City Transit	37.7%	42.5%
Staten Island Railway	10.5%	11.3%
Long Island Rail Road	31.1%	28.6%
Metro-North Railroad	41.3%	39.2%
Bus Company	<u>27.8%</u>	<u>24.8%</u>
MTA Agency Average	36.6%	38.8%

FAREBOX OPERATING RATIOS		
	2015 <u>Adopted Budget</u>	2015 <u>YTD Actual</u>
New York City Transit	60.1%	57.9%
Staten Island Railway	14.6%	16.1%
Long Island Rail Road	47.7%	42.3%
Metro-North Railroad	62.9%	53.7%
Bus Company	<u>35.3%</u>	<u>31.7%</u>
MTA Agency Average	57.0%	53.4%

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

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

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



Metropolitan Transportation Authority

State of New York

New York City Transit
Long Island Rail Road
Metro-North Railroad
Bridges and Tunnels
Bus Company

Report on Revenue Passengers and Vehicles Ridership Data Thru February, 2015

NOTE: Ridership data are preliminary and subject to revision as well as adjustments warranted by annual audit review.

**Prepared by:
MTA Division of Management & Budget**

Thursday, April 09, 2015

Metropolitan Transportation Authority**February**

Revenue Passengers	2013	2014	Percent Change	2015	Percent Change
MTA New York City Transit	180,355,395	178,057,023	-1.27%	178,248,388	0.11%
MTA New York City Subway	127,900,426	129,802,427	1.49%	130,733,374	0.72%
MTA New York City Bus	52,454,969	48,254,596	-8.01%	47,515,014	-1.53%
MTA Staten Island Railway	315,778	315,154	-0.20%	308,325	-2.17%
MTA Long Island Rail Road	6,020,679	6,107,685	1.45%	6,142,068	0.56%
MTA Metro-North Railroad	5,996,007	5,963,984	-0.53%	5,972,025	0.13%
<i>East of Hudson</i>	5,883,759	5,846,639	-0.63%	5,849,842	0.05%
Harlem Line	1,979,265	1,958,194	-1.06%	1,931,569	-1.36%
Hudson Line	1,151,020	1,134,115	-1.47%	1,135,396	0.11%
New Haven Line	2,753,474	2,754,330	0.03%	2,782,877	1.04%
<i>West of Hudson</i>	112,248	117,345	4.54%	122,183	4.12%
Port Jervis Line	69,549	71,485	2.78%	72,288	1.12%
Pascack Valley Line	42,699	45,860	7.40%	49,895	8.80%
MTA Bus Company	9,649,044	9,007,308	-6.65%	9,074,682	0.75%
MTA Bridges & Tunnels	19,831,970	18,701,703	-5.70%	19,987,945	6.88%
Total All Agencies	202,336,902	199,451,154	-1.43%	199,745,489	0.15%
(Excludes Bridges & Tunnels)					
Weekdays:	19	19		19	
Holidays:	1	1		1	
Weekend Days:	8	8		8	
Days	28	28		28	

Thursday, April 09, 2015

Metropolitan Transportation Authority

February

Revenue Passengers Year to Date	2013	2014	Percent Change	2015	Percent Change
MTA New York City Transit	373,429,881	366,239,033	-1.93%	361,747,548	-1.23%
MTA New York City Subway	264,979,521	266,949,790	0.74%	264,548,175	-0.90%
MTA New York City Bus	108,450,360	99,289,243	-8.45%	97,199,373	-2.10%
MTA Staten Island Railway	681,809	672,375	-1.38%	645,100	-4.06%
MTA Long Island Rail Road	12,648,947	12,673,113	0.19%	12,504,377	-1.33%
MTA Metro-North Railroad	12,673,140	12,490,234	-1.44%	12,276,091	-1.71%
<i>East of Hudson</i>	12,443,332	12,244,847	-1.60%	12,023,229	-1.81%
Harlem Line	4,162,232	4,094,433	-1.63%	3,972,329	-2.98%
Hudson Line	2,401,890	2,364,116	-1.57%	2,320,925	-1.83%
New Haven Line	5,879,210	5,786,298	-1.58%	5,729,975	-0.97%
<i>West of Hudson</i>	229,808	245,387	6.78%	252,862	3.05%
Port Jervis Line	143,119	149,061	4.15%	149,623	0.38%
Pascack Valley Line	86,689	96,326	11.12%	103,239	7.18%
MTA Bus Company	19,956,174	18,443,338	-7.58%	18,532,556	0.48%
MTA Bridges & Tunnels	42,122,193	39,449,020	-6.35%	40,978,379	3.88%
Total All Agencies	419,389,951	410,518,093	-2.12%	405,705,672	-1.17%
(Excludes Bridges & Tunnels)					
Weekdays:	40	40		39	
Holidays:	3	3		3	
Weekend Days:	16	16		17	
Days	59	59		59	

Thursday, April 09, 2015

Metropolitan Transportation Authority

February

Revenue Passengers

12 Month Averages	2013	2014	Percent Change	2015	Percent Change
MTA New York City Transit	193,549,121	198,161,191	2.38%	201,153,942	1.51%
MTA New York City Subway	137,863,992	142,460,499	3.33%	145,740,501	2.30%
MTA New York City Bus	55,685,130	55,700,693	0.03%	55,413,442	-0.52%
MTA Staten Island Railway	364,515	350,928	-3.73%	361,695	3.07%
MTA Long Island Rail Road	6,799,820	6,950,689	2.22%	7,141,028	2.74%
MTA Metro-North Railroad	6,891,109	6,932,967	0.61%	7,037,082	1.50%
<i>East of Hudson</i>	6,759,295	6,800,316	0.61%	6,896,125	1.41%
Harlem Line	2,217,264	2,240,156	1.03%	2,250,445	0.46%
Hudson Line	1,318,739	1,319,982	0.09%	1,349,447	2.23%
New Haven Line	3,223,292	3,240,178	0.52%	3,296,233	1.73%
<i>West of Hudson</i>	131,814	132,651	0.63%	140,957	6.26%
Port Jervis Line	83,364	82,442	-1.11%	84,908	2.99%
Pascack Valley Line	48,449	50,209	3.63%	56,049	11.63%
MTA Bus Company	10,117,282	10,286,529	1.67%	10,472,538	1.81%
MTA Bridges & Tunnels	23,473,067	23,487,861	0.06%	23,990,872	2.14%
Total All Agencies	217,721,848	222,682,304	2.28%	226,166,285	1.56%
(Excludes Bridges & Tunnels)					
Weekdays:	19	19		19	
Holidays:	1	1		1	
Weekend Days:	8	8		8	
Days	28	28		28	

Thursday, April 09, 2015

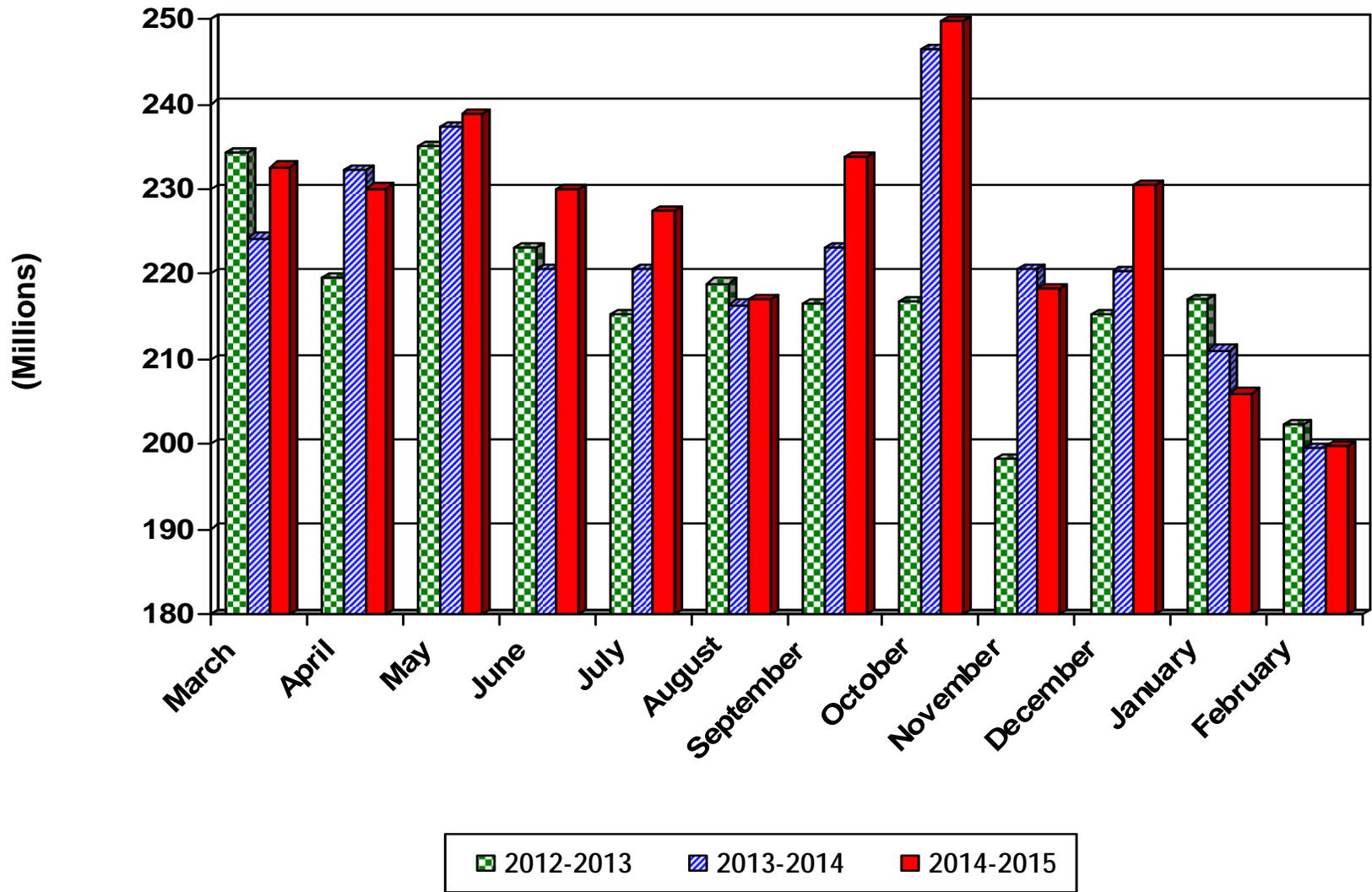
Metropolitan Transportation Authority

February

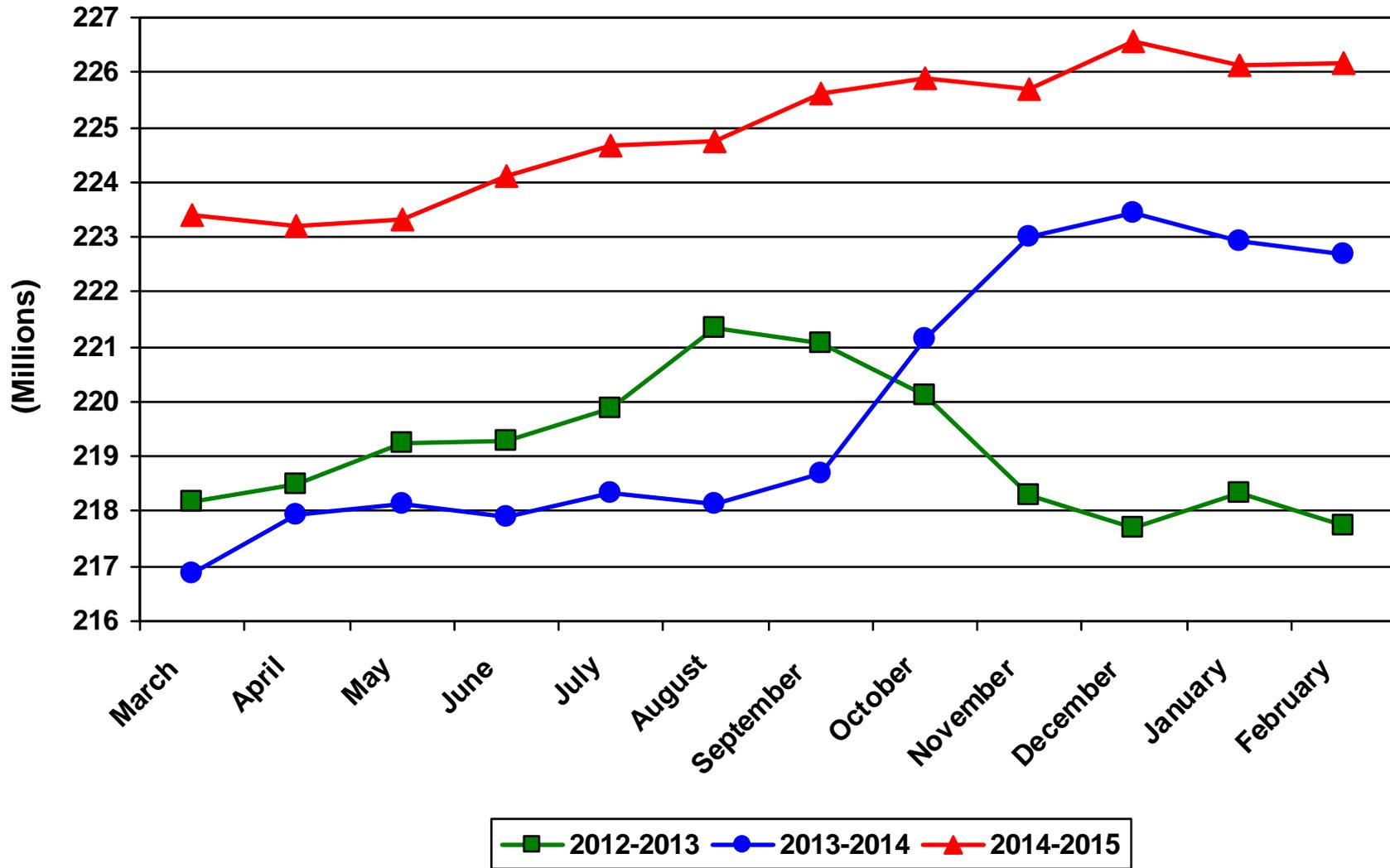
Average Weekday Passengers	2013	2014	Percent Change	2015	Percent Change
MTA New York City Transit	7,720,408	7,448,314	-3.52%	7,579,466	1.76%
MTA New York City Subway	5,466,124	5,442,073	-0.44%	5,566,553	2.29%
MTA New York City Bus	2,254,283	2,006,241	-11.00%	2,012,913	0.33%
MTA Staten Island Railway	15,075	14,860	-1.42%	14,715	-0.97%
MTA Long Island Rail Road	280,121	282,588	0.88%	285,444	1.01%
MTA Metro-North Railroad	272,440	270,975	-0.54%	268,325	-0.98%
<i>East of Hudson</i>	266,546	264,816	-0.65%	261,911	-1.10%
Harlem Line	89,947	89,179	-0.85%	87,218	-2.20%
Hudson Line	52,086	51,284	-1.54%	50,800	-0.94%
New Haven Line	124,513	124,353	-0.13%	123,893	-0.37%
<i>West of Hudson</i>	5,893	6,159	4.50%	6,414	4.15%
Port Jervis Line	3,648	3,750	2.77%	3,793	1.16%
Pascack Valley Line	2,245	2,409	7.31%	2,621	8.80%
MTA Bus Company	424,297	381,461	-10.10%	391,635	2.67%
MTA Bridges & Tunnels	765,137	693,199	-9.40%	753,228	8.66%
Total All Agencies	8,712,340	8,398,198	-3.61%	8,539,586	1.68%
(Excludes Bridges & Tunnels)					
Weekdays:	19	19		19	
Holidays:	1	1		1	
Weekend Days:	8	8		8	
Days	28	28		28	

Thursday, April 09, 2015

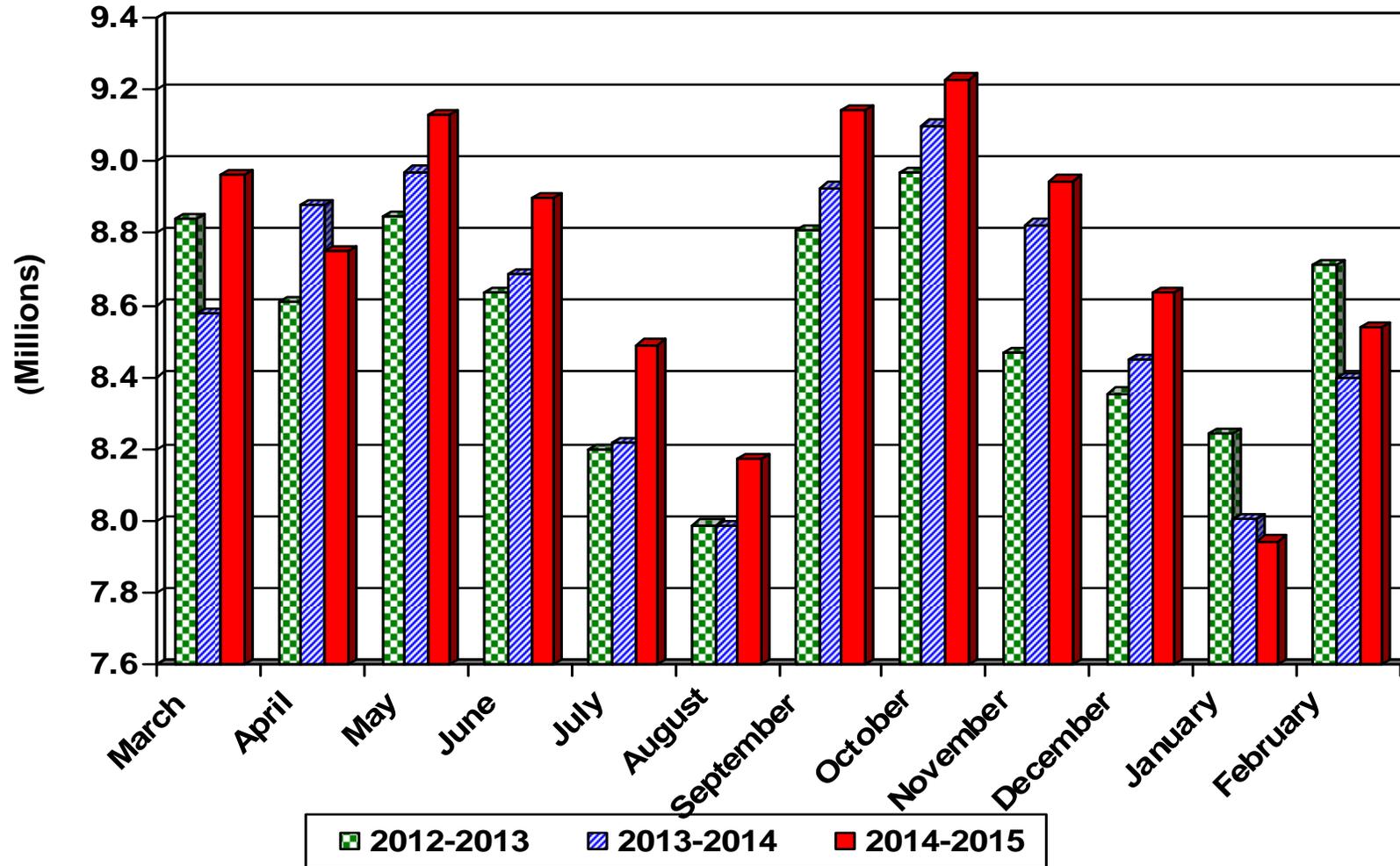
Metropolitan Transportation Authority Revenue Passengers



Metropolitan Transportation Authority Revenue Passengers 12 Month Averages



Metropolitan Transportation Authority Average Weekday Passengers



Metropolitan Transportation Authority

Revenue Passengers

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	234,372,981	224,234,827	-4.33%	232,619,587	3.74%
April	219,593,763	232,297,024	5.78%	230,127,706	-0.93%
May	235,143,368	237,347,958	0.94%	238,847,033	0.63%
June	223,139,032	220,490,708	-1.19%	229,971,756	4.30%
July	215,272,302	220,562,209	2.46%	227,358,980	3.08%
August	218,936,858	216,372,684	-1.17%	217,065,083	0.32%
September	216,478,722	223,125,464	3.07%	233,808,873	4.79%
October	216,776,585	246,469,549	13.70%	249,749,147	1.33%
November	198,318,886	220,519,382	11.19%	218,236,110	-1.04%
December	215,239,725	220,249,751	2.33%	230,505,478	4.66%
January	217,053,049	211,066,938	-2.76%	205,960,183	-2.42%
February	202,336,902	199,451,154	-1.43%	199,745,489	0.15%
12 Month Ave	217,721,848	222,682,304	2.28%	226,166,285	1.56%
Year-to-Date	419,389,951	410,518,093	-2.12%	405,705,672	-1.17%

12 Month Averages

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	218,158,826	216,877,001	-0.59%	223,381,034	3.00%
April	218,504,024	217,935,607	-0.26%	223,200,258	2.42%
May	219,258,227	218,119,322	-0.52%	223,325,180	2.39%
June	219,282,187	217,898,629	-0.63%	224,115,268	2.85%
July	219,881,406	218,339,454	-0.70%	224,681,665	2.90%
August	221,355,023	218,125,773	-1.46%	224,739,365	3.03%
September	221,082,706	218,679,668	-1.09%	225,629,649	3.18%
October	220,121,943	221,154,082	0.47%	225,902,949	2.15%
November	218,282,030	223,004,123	2.16%	225,712,677	1.21%
December	217,710,256	223,421,626	2.62%	226,567,320	1.41%
January	218,335,013	222,922,783	2.10%	226,141,758	1.44%
February	217,721,848	222,682,304	2.28%	226,166,285	1.56%

Average Weekday Passengers

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	8,842,851	8,576,124	-3.02%	8,961,785	4.50%
April	8,607,145	8,878,080	3.15%	8,749,537	-1.45%
May	8,848,957	8,972,963	1.40%	9,129,881	1.75%
June	8,635,867	8,688,245	0.61%	8,900,992	2.45%
July	8,196,028	8,216,654	0.25%	8,489,922	3.33%
August	7,988,999	7,987,369	-0.02%	8,172,203	2.31%
September	8,806,848	8,928,275	1.38%	9,141,834	2.39%
October	8,967,293	9,101,830	1.50%	9,230,840	1.42%
November	8,467,584	8,824,741	4.22%	8,947,640	1.39%
December	8,354,545	8,450,370	1.15%	8,635,225	2.19%
January	8,244,870	8,004,540	-2.91%	7,942,765	-0.77%
February	8,712,340	8,398,198	-3.61%	8,539,586	1.68%

MTA New York City Transit

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	208,660,641	199,523,012	-4.38%	207,634,529	4.07%
April	195,344,365	206,817,977	5.87%	204,849,373	-0.95%
May	209,359,911	211,398,239	0.97%	212,847,982	0.69%
June	198,122,467	196,048,183	-1.05%	204,157,340	4.14%
July	190,765,785	195,519,881	2.49%	201,455,345	3.04%
August	193,724,876	191,741,194	-1.02%	192,219,890	0.25%
September	192,555,771	198,671,419	3.18%	207,769,829	4.58%
October	192,892,768	219,617,281	13.85%	222,191,504	1.17%
November	176,579,235	196,664,216	11.37%	194,418,829	-1.14%
December	191,153,756	195,693,862	2.38%	204,555,139	4.53%
January	193,074,487	188,182,009	-2.53%	183,499,160	-2.49%
February	180,355,395	178,057,023	-1.27%	178,248,388	0.11%
12 Month Ave	193,549,121	198,161,191	2.38%	201,153,942	1.51%
Year-to-Date	373,429,881	366,239,033	-1.93%	361,747,548	-1.23%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	193,902,856	192,787,652	-0.58%	198,837,151	3.14%
April	194,194,940	193,743,787	-0.23%	198,673,101	2.54%
May	194,864,729	193,913,647	-0.49%	198,793,913	2.52%
June	194,901,239	193,740,790	-0.60%	199,469,676	2.96%
July	195,444,731	194,136,965	-0.67%	199,964,298	3.00%
August	196,741,227	193,971,658	-1.41%	200,004,189	3.11%
September	196,517,184	194,481,295	-1.04%	200,762,390	3.23%
October	195,653,107	196,708,338	0.54%	200,976,908	2.17%
November	194,037,742	198,382,087	2.24%	200,789,793	1.21%
December	193,541,074	198,760,429	2.70%	201,528,233	1.39%
January	194,086,537	198,352,722	2.20%	201,137,995	1.40%
February	193,549,121	198,161,191	2.38%	201,153,942	1.51%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	7,833,237	7,581,779	-3.21%	7,952,858	4.89%
April	7,618,738	7,867,227	3.26%	7,752,530	-1.46%
May	7,839,588	7,952,469	1.44%	8,088,167	1.71%
June	7,626,923	7,672,456	0.60%	7,860,640	2.45%
July	7,220,613	7,246,503	0.36%	7,486,780	3.32%
August	7,040,545	7,040,270	0.00%	7,193,127	2.17%
September	7,776,340	7,900,537	1.60%	8,081,709	2.29%
October	7,993,039	8,074,957	1.02%	8,177,035	1.26%
November	7,535,218	7,802,540	3.55%	7,892,538	1.15%
December	7,364,350	7,464,105	1.35%	7,623,337	2.13%
January	7,279,536	7,082,303	-2.71%	7,014,374	-0.96%
February	7,720,408	7,448,314	-3.52%	7,579,466	1.76%

MTA New York City Subway

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	147,401,147	142,325,996	-3.44%	148,394,847	4.26%
April	139,080,375	146,912,790	5.63%	147,907,313	0.68%
May	148,496,485	150,755,402	1.52%	152,868,196	1.40%
June	141,986,322	141,227,567	-0.53%	147,939,131	4.75%
July	137,228,468	140,822,610	2.62%	146,505,849	4.04%
August	139,253,563	138,560,862	-0.50%	139,868,371	0.94%
September	136,901,247	141,523,393	3.38%	149,373,432	5.55%
October	137,259,455	156,433,315	13.97%	160,120,773	2.36%
November	124,309,325	141,447,579	13.79%	141,226,971	-0.16%
December	137,471,991	142,566,679	3.71%	150,132,948	5.31%
January	137,079,095	137,147,363	0.05%	133,814,801	-2.43%
February	127,900,426	129,802,427	1.49%	130,733,374	0.72%
12 Month Ave	137,863,992	142,460,499	3.33%	145,740,501	2.30%
Year-to-Date	264,979,521	266,949,790	0.74%	264,548,175	-0.90%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	137,904,177	137,441,062	-0.34%	142,966,236	4.02%
April	138,141,120	138,093,764	-0.03%	143,049,113	3.59%
May	138,692,450	138,282,007	-0.30%	143,225,179	3.57%
June	138,809,063	138,218,777	-0.43%	143,784,476	4.03%
July	139,306,129	138,518,289	-0.57%	144,258,080	4.14%
August	140,252,826	138,460,564	-1.28%	144,367,039	4.27%
September	140,120,487	138,845,743	-0.91%	145,021,209	4.45%
October	139,544,894	140,443,564	0.64%	145,328,497	3.48%
November	138,264,925	141,871,752	2.61%	145,310,113	2.42%
December	137,881,855	142,296,309	3.20%	145,940,635	2.56%
January	138,237,382	142,301,999	2.94%	145,662,922	2.36%
February	137,863,992	142,460,499	3.33%	145,740,501	2.30%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	5,530,836	5,415,926	-2.08%	5,691,221	5.08%
April	5,427,522	5,589,663	2.99%	5,607,703	0.32%
May	5,557,889	5,664,205	1.91%	5,815,676	2.67%
June	5,475,383	5,536,340	1.11%	5,700,985	2.97%
July	5,211,599	5,240,690	0.56%	5,466,523	4.31%
August	5,081,510	5,116,343	0.69%	5,260,029	2.81%
September	5,527,044	5,627,647	1.82%	5,812,513	3.28%
October	5,679,106	5,750,807	1.26%	5,893,267	2.48%
November	5,323,238	5,608,862	5.37%	5,734,440	2.24%
December	5,274,755	5,420,212	2.76%	5,584,168	3.02%
January	5,160,819	5,159,344	-0.03%	5,112,634	-0.91%
February	5,466,124	5,442,073	-0.44%	5,566,553	2.29%

MTA New York City Bus

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	61,259,494	57,197,015	-6.63%	59,239,682	3.57%
April	56,263,990	59,905,187	6.47%	56,942,060	-4.95%
May	60,863,426	60,642,837	-0.36%	59,979,786	-1.09%
June	56,136,145	54,820,616	-2.34%	56,218,209	2.55%
July	53,537,317	54,697,271	2.17%	54,949,495	0.46%
August	54,471,313	53,180,332	-2.37%	52,351,519	-1.56%
September	55,654,524	57,148,026	2.68%	58,396,397	2.18%
October	55,633,313	63,183,966	13.57%	62,070,731	-1.76%
November	52,269,910	55,216,637	5.64%	53,191,858	-3.67%
December	53,681,765	53,127,183	-1.03%	54,422,191	2.44%
January	55,995,392	51,034,646	-8.86%	49,684,359	-2.65%
February	52,454,969	48,254,596	-8.01%	47,515,014	-1.53%
12 Month Ave	55,685,130	55,700,693	0.03%	55,413,442	-0.52%
Year-to-Date	108,450,360	99,289,243	-8.45%	97,199,373	-2.10%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	55,998,679	55,346,590	-1.16%	55,870,915	0.95%
April	56,053,819	55,650,023	-0.72%	55,623,988	-0.05%
May	56,172,279	55,631,640	-0.96%	55,568,734	-0.11%
June	56,092,176	55,522,013	-1.02%	55,685,200	0.29%
July	56,138,602	55,618,676	-0.93%	55,706,218	0.16%
August	56,488,401	55,511,094	-1.73%	55,637,150	0.23%
September	56,396,696	55,635,553	-1.35%	55,741,181	0.19%
October	56,108,214	56,264,774	0.28%	55,648,412	-1.10%
November	55,772,817	56,510,334	1.32%	55,479,680	-1.82%
December	55,659,218	56,464,119	1.45%	55,587,597	-1.55%
January	55,849,155	56,050,724	0.36%	55,475,074	-1.03%
February	55,685,130	55,700,693	0.03%	55,413,442	-0.52%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	2,302,401	2,165,853	-5.93%	2,261,636	4.42%
April	2,191,216	2,277,564	3.94%	2,144,827	-5.83%
May	2,281,700	2,288,264	0.29%	2,272,491	-0.69%
June	2,151,540	2,136,116	-0.72%	2,159,655	1.10%
July	2,009,014	2,005,813	-0.16%	2,020,257	0.72%
August	1,959,035	1,923,927	-1.79%	1,933,097	0.48%
September	2,249,296	2,272,890	1.05%	2,269,196	-0.16%
October	2,313,933	2,324,150	0.44%	2,283,768	-1.74%
November	2,211,980	2,193,679	-0.83%	2,158,097	-1.62%
December	2,089,596	2,043,893	-2.19%	2,039,169	-0.23%
January	2,118,717	1,922,959	-9.24%	1,901,739	-1.10%
February	2,254,283	2,006,241	-11.00%	2,012,913	0.33%

MTA Bus Company

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	11,049,329	10,509,736	-4.88%	10,804,408	2.80%
April	10,054,362	11,045,951	9.86%	10,568,960	-4.32%
May	10,957,840	11,257,915	2.74%	11,192,859	-0.58%
June	10,122,902	10,003,795	-1.18%	10,566,947	5.63%
July	9,674,026	10,040,732	3.79%	10,414,380	3.72%
August	10,027,841	9,915,420	-1.12%	10,055,633	1.41%
September	10,068,914	10,509,491	4.38%	11,134,458	5.95%
October	10,081,508	11,612,978	15.19%	11,810,454	1.70%
November	9,520,500	10,156,366	6.68%	10,098,386	-0.57%
December	9,893,990	9,942,627	0.49%	10,491,414	5.52%
January	10,307,130	9,436,030	-8.45%	9,457,874	0.23%
February	9,649,044	9,007,308	-6.65%	9,074,682	0.75%
12 Month Ave	10,117,282	10,286,529	1.67%	10,472,538	1.81%
Year-to-Date	19,956,174	18,443,338	-7.58%	18,532,556	0.48%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	10,091,305	10,072,316	-0.19%	10,311,085	2.37%
April	10,113,419	10,154,949	0.41%	10,271,336	1.15%
May	10,136,859	10,179,955	0.43%	10,265,915	0.84%
June	10,125,693	10,170,029	0.44%	10,312,844	1.40%
July	10,143,879	10,200,588	0.56%	10,343,981	1.41%
August	10,211,934	10,191,220	-0.20%	10,355,666	1.61%
September	10,196,948	10,227,934	0.30%	10,407,746	1.76%
October	10,147,736	10,355,557	2.05%	10,424,203	0.66%
November	10,085,695	10,408,546	3.20%	10,419,371	0.10%
December	10,073,150	10,412,599	3.37%	10,465,103	0.50%
January	10,126,064	10,340,007	2.11%	10,466,923	1.23%
February	10,117,282	10,286,529	1.67%	10,472,538	1.81%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	423,988	408,385	-3.68%	421,636	3.24%
April	400,164	427,969	6.95%	404,704	-5.44%
May	418,369	432,244	3.32%	432,168	-0.02%
June	395,623	398,327	0.68%	412,766	3.62%
July	370,696	375,087	1.18%	389,844	3.93%
August	367,817	366,042	-0.48%	379,207	3.60%
September	416,264	425,744	2.28%	439,524	3.24%
October	427,130	433,829	1.57%	442,183	1.93%
November	409,797	410,328	0.13%	420,197	2.41%
December	394,582	388,825	-1.46%	399,293	2.69%
January	397,021	361,347	-8.99%	369,255	2.19%
February	424,297	381,461	-10.10%	391,635	2.67%

MTA Staten Island Railway

Revenue Passengers

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	415,419	342,829	-17.47%	373,386	8.91%
April	364,882	365,207	0.09%	360,578	-1.27%
May	410,031	381,077	-7.06%	385,989	1.29%
June	388,184	348,493	-10.22%	378,355	8.57%
July	328,507	300,308	-8.58%	342,895	14.18%
August	352,063	309,082	-12.21%	311,243	0.70%
September	379,807	367,724	-3.18%	391,276	6.40%
October	401,614	425,014	5.83%	430,201	1.22%
November	328,542	351,758	7.07%	351,734	-0.01%
December	323,327	347,265	7.40%	369,585	6.43%
January	366,031	357,221	-2.41%	336,775	-5.72%
February	315,778	315,154	-0.20%	308,325	-2.17%
12 Month Ave	364,515	350,928	-3.73%	361,695	3.07%
Year-to-Date	681,809	672,375	-1.38%	645,100	-4.06%

12 Month Averages

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	386,130	358,466	-7.16%	353,474	-1.39%
April	385,997	358,493	-7.13%	353,088	-1.51%
May	386,328	356,080	-7.83%	353,498	-0.73%
June	385,003	352,773	-8.37%	355,986	0.91%
July	385,103	350,423	-9.01%	359,535	2.60%
August	386,658	346,841	-10.30%	359,715	3.71%
September	384,557	345,834	-10.07%	361,678	4.58%
October	382,537	347,784	-9.08%	362,110	4.12%
November	376,106	349,719	-7.02%	362,108	3.54%
December	370,431	351,714	-5.05%	363,968	3.48%
January	368,797	350,980	-4.83%	362,264	3.22%
February	364,515	350,928	-3.73%	361,695	3.07%

Average Weekday Passengers

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	16,934	14,523	-14.23%	16,025	10.34%
April	15,800	15,520	-1.77%	14,953	-3.66%
May	16,842	15,784	-6.28%	16,310	3.33%
June	16,434	15,289	-6.97%	16,110	5.37%
July	14,002	12,713	-9.20%	13,854	8.97%
August	13,710	12,370	-9.78%	12,742	3.01%
September	17,300	16,402	-5.20%	16,792	2.38%
October	18,225	17,025	-6.59%	17,290	1.56%
November	15,364	16,011	4.21%	16,296	1.77%
December	14,427	14,815	2.69%	15,248	2.92%
January	15,203	14,995	-1.37%	14,541	-3.02%
February	15,075	14,860	-1.42%	14,715	-0.97%

MTA Long Island Rail Road

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	7,102,378	6,897,877	-2.88%	6,983,094	1.24%
April	6,858,130	6,961,659	1.51%	7,189,777	3.28%
May	7,172,588	7,112,429	-0.84%	7,250,532	1.94%
June	7,235,529	6,994,737	-3.33%	7,509,011	7.35%
July	7,289,683	7,401,120	1.53%	7,626,108	3.04%
August	7,482,932	7,274,722	-2.78%	7,399,382	1.71%
September	6,719,248	6,790,701	1.06%	7,297,453	7.46%
October	6,621,963	7,431,994	12.23%	7,663,987	3.12%
November	5,607,406	6,666,796	18.89%	6,681,433	0.22%
December	6,859,040	7,203,125	5.02%	7,587,185	5.33%
January	6,628,268	6,565,428	-0.95%	6,362,309	-3.09%
February	6,020,679	6,107,685	1.45%	6,142,068	0.56%
12 Month Ave	6,799,820	6,950,689	2.22%	7,141,028	2.74%
Year-to-Date	12,648,947	12,673,113	0.19%	12,504,377	-1.33%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	6,847,957	6,782,779	-0.95%	6,957,791	2.58%
April	6,865,138	6,791,406	-1.07%	6,976,801	2.73%
May	6,901,253	6,786,393	-1.66%	6,988,309	2.98%
June	6,905,972	6,766,327	-2.02%	7,031,165	3.91%
July	6,926,573	6,775,613	-2.18%	7,049,914	4.05%
August	6,980,385	6,758,262	-3.18%	7,060,303	4.47%
September	6,966,323	6,764,217	-2.90%	7,102,532	5.00%
October	6,942,881	6,831,719	-1.60%	7,121,865	4.25%
November	6,842,217	6,920,002	1.14%	7,123,085	2.93%
December	6,812,799	6,948,675	1.99%	7,155,090	2.97%
January	6,829,183	6,943,439	1.67%	7,138,163	2.80%
February	6,799,820	6,950,689	2.22%	7,141,028	2.74%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	286,263	287,601	0.47%	291,919	1.50%
April	286,139	281,100	-1.76%	289,571	3.01%
May	288,384	286,442	-0.67%	302,178	5.49%
June	300,269	302,486	0.74%	308,600	2.02%
July	300,228	293,335	-2.30%	302,669	3.18%
August	286,121	288,390	0.79%	302,316	4.83%
September	304,976	296,361	-2.82%	305,806	3.19%
October	268,456	289,647	7.89%	298,040	2.90%
November	243,193	304,762	25.32%	318,659	4.56%
December	293,968	296,888	0.99%	301,964	1.71%
January	279,154	277,061	-0.75%	283,228	2.23%
February	280,121	282,588	0.88%	285,444	1.01%

MTA Metro-North Railroad

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	7,145,214	6,961,373	-2.57%	6,824,170	-1.97%
April	6,972,024	7,106,230	1.92%	7,159,018	0.74%
May	7,242,998	7,198,299	-0.62%	7,169,671	-0.40%
June	7,269,950	7,095,500	-2.40%	7,360,103	3.73%
July	7,214,301	7,300,168	1.19%	7,520,253	3.01%
August	7,349,146	7,132,265	-2.95%	7,078,935	-0.75%
September	6,754,982	6,786,130	0.46%	7,215,858	6.33%
October	6,778,733	7,382,282	8.90%	7,653,001	3.67%
November	6,283,202	6,680,246	6.32%	6,685,728	0.08%
December	7,009,613	7,062,872	0.76%	7,502,155	6.22%
January	6,677,133	6,526,250	-2.26%	6,304,066	-3.40%
February	5,996,007	5,963,984	-0.53%	5,972,025	0.13%
12 Month Ave	6,891,109	6,932,967	0.61%	7,037,082	1.50%
Year-to-Date	12,673,140	12,490,234	-1.44%	12,276,091	-1.71%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	6,930,578	6,875,789	-0.79%	6,921,533	0.67%
April	6,944,531	6,886,972	-0.83%	6,925,932	0.57%
May	6,969,059	6,883,247	-1.23%	6,923,546	0.59%
June	6,964,280	6,868,710	-1.37%	6,945,597	1.12%
July	6,981,120	6,875,866	-1.51%	6,963,937	1.28%
August	7,034,818	6,857,792	-2.52%	6,959,493	1.48%
September	7,017,694	6,860,388	-2.24%	6,995,304	1.97%
October	6,995,683	6,910,684	-1.22%	7,017,863	1.55%
November	6,940,270	6,943,771	0.05%	7,018,320	1.07%
December	6,912,802	6,948,209	0.51%	7,054,927	1.54%
January	6,924,432	6,935,635	0.16%	7,036,412	1.45%
February	6,891,109	6,932,967	0.61%	7,037,082	1.50%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	282,429	283,836	0.50%	279,347	-1.58%
April	286,303	286,265	-0.01%	287,779	0.53%
May	285,774	286,024	0.09%	291,057	1.76%
June	296,618	299,687	1.03%	302,876	1.06%
July	290,489	289,015	-0.51%	296,775	2.69%
August	280,806	280,298	-0.18%	284,812	1.61%
September	291,967	289,232	-0.94%	298,002	3.03%
October	260,443	286,372	9.96%	296,293	3.46%
November	264,012	291,100	10.26%	299,951	3.04%
December	287,219	285,736	-0.52%	295,383	3.38%
January	273,955	268,835	-1.87%	261,367	-2.78%
February	272,440	270,975	-0.54%	268,325	-0.98%

East of Hudson

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	6,994,606	6,827,778	-2.39%	6,684,169	-2.10%
April	6,831,738	6,973,347	2.07%	7,018,716	0.65%
May	7,094,282	7,061,066	-0.47%	7,028,443	-0.46%
June	7,121,125	6,959,429	-2.27%	7,213,680	3.65%
July	7,062,979	7,156,528	1.32%	7,366,433	2.93%
August	7,192,537	6,995,610	-2.74%	6,935,605	-0.86%
September	6,618,194	6,659,062	0.62%	7,072,104	6.20%
October	6,639,905	7,241,822	9.07%	7,499,635	3.56%
November	6,211,788	6,556,763	5.55%	6,555,045	-0.03%
December	6,901,054	6,927,541	0.38%	7,356,438	6.19%
January	6,559,573	6,398,208	-2.46%	6,173,387	-3.51%
February	5,883,759	5,846,639	-0.63%	5,849,842	0.05%
12 Month Ave	6,759,295	6,800,316	0.61%	6,896,125	1.41%
Year-to-Date	12,443,332	12,244,847	-1.60%	12,023,229	-1.81%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	6,794,411	6,745,393	-0.72%	6,788,349	0.64%
April	6,809,710	6,757,193	-0.77%	6,792,129	0.52%
May	6,835,170	6,754,425	-1.18%	6,789,411	0.52%
June	6,831,555	6,740,951	-1.33%	6,810,598	1.03%
July	6,848,940	6,748,747	-1.46%	6,828,091	1.18%
August	6,902,348	6,732,336	-2.46%	6,823,090	1.35%
September	6,882,159	6,735,742	-2.13%	6,857,510	1.81%
October	6,856,715	6,785,901	-1.03%	6,878,995	1.37%
November	6,803,441	6,814,649	0.16%	6,878,852	0.94%
December	6,778,435	6,816,857	0.57%	6,914,593	1.43%
January	6,791,068	6,803,409	0.18%	6,895,858	1.36%
February	6,759,295	6,800,316	0.61%	6,896,125	1.41%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	275,580	277,480	0.69%	272,688	-1.73%
April	279,630	280,222	0.21%	281,399	0.42%
May	279,003	279,778	0.28%	284,329	1.63%
June	289,538	292,904	1.16%	295,913	1.03%
July	283,280	282,473	-0.29%	289,768	2.58%
August	273,982	274,082	0.04%	277,998	1.43%
September	284,787	282,886	-0.67%	291,153	2.92%
October	253,501	280,254	10.55%	289,611	3.34%
November	260,337	284,607	9.32%	292,710	2.85%
December	281,798	279,287	-0.89%	288,744	3.39%
January	268,348	262,725	-2.10%	254,821	-3.01%
February	266,546	264,816	-0.65%	261,911	-1.10%

Harlem Line

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	2,321,334	2,262,610	-2.53%	2,225,318	-1.65%
April	2,235,081	2,286,516	2.30%	2,303,958	0.76%
May	2,318,904	2,326,618	0.33%	2,295,131	-1.35%
June	2,318,256	2,244,617	-3.18%	2,337,339	4.13%
July	2,274,018	2,330,442	2.48%	2,363,438	1.42%
August	2,311,944	2,234,767	-3.34%	2,206,725	-1.25%
September	2,162,096	2,201,297	1.81%	2,298,402	4.41%
October	2,180,347	2,436,355	11.74%	2,465,785	1.21%
November	2,068,664	2,160,739	4.45%	2,138,624	-1.02%
December	2,254,289	2,303,474	2.18%	2,398,294	4.12%
January	2,182,967	2,136,239	-2.14%	2,040,760	-4.47%
February	1,979,265	1,958,194	-1.06%	1,931,569	-1.36%
12 Month Ave	2,217,264	2,240,156	1.03%	2,250,445	0.46%
Year-to-Date	4,162,232	4,094,433	-1.63%	3,972,329	-2.98%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	2,224,687	2,212,370	-0.55%	2,237,048	1.12%
April	2,228,530	2,216,656	-0.53%	2,238,502	0.99%
May	2,236,445	2,217,299	-0.86%	2,235,878	0.84%
June	2,236,225	2,211,163	-1.12%	2,243,604	1.47%
July	2,242,551	2,215,865	-1.19%	2,246,354	1.38%
August	2,259,258	2,209,433	-2.21%	2,244,017	1.57%
September	2,251,618	2,212,700	-1.73%	2,252,109	1.78%
October	2,243,010	2,234,034	-0.40%	2,254,562	0.92%
November	2,228,129	2,241,707	0.61%	2,252,719	0.49%
December	2,220,656	2,245,806	1.13%	2,260,621	0.66%
January	2,225,292	2,241,912	0.75%	2,252,664	0.48%
February	2,217,264	2,240,156	1.03%	2,250,445	0.46%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	91,890	92,439	0.60%	91,373	-1.15%
April	92,081	92,340	0.28%	92,964	0.68%
May	91,782	92,633	0.93%	93,578	1.02%
June	94,958	95,281	0.34%	96,687	1.47%
July	92,071	92,508	0.47%	93,783	1.38%
August	88,674	88,214	-0.52%	89,396	1.34%
September	93,799	93,887	0.09%	95,338	1.55%
October	83,661	94,635	13.12%	95,720	1.15%
November	87,177	94,617	8.53%	96,470	1.96%
December	92,943	93,600	0.71%	94,891	1.38%
January	89,719	88,158	-1.74%	84,941	-3.65%
February	89,947	89,179	-0.85%	87,218	-2.20%

Hudson Line

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	1,343,474	1,316,583	-2.00%	1,288,797	-2.11%
April	1,334,926	1,355,099	1.51%	1,384,546	2.17%
May	1,399,291	1,396,805	-0.18%	1,381,606	-1.09%
June	1,394,023	1,370,358	-1.70%	1,422,392	3.80%
July	1,401,131	1,344,284	-4.06%	1,454,534	8.20%
August	1,433,031	1,373,141	-4.18%	1,381,075	0.58%
September	1,300,945	1,335,036	2.62%	1,402,529	5.06%
October	1,304,322	1,447,870	11.01%	1,465,645	1.23%
November	1,190,123	1,280,951	7.63%	1,271,965	-0.70%
December	1,321,710	1,255,542	-5.01%	1,419,350	13.05%
January	1,250,870	1,230,001	-1.67%	1,185,529	-3.62%
February	1,151,020	1,134,115	-1.47%	1,135,396	0.11%
12 Month Ave	1,318,739	1,319,982	0.09%	1,349,447	2.23%
Year-to-Date	2,401,890	2,364,116	-1.57%	2,320,925	-1.83%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	1,327,113	1,316,498	-0.80%	1,317,667	0.09%
April	1,328,947	1,318,179	-0.81%	1,320,121	0.15%
May	1,333,125	1,317,972	-1.14%	1,318,854	0.07%
June	1,331,955	1,316,000	-1.20%	1,323,190	0.55%
July	1,335,482	1,311,263	-1.81%	1,332,378	1.61%
August	1,346,743	1,306,272	-3.01%	1,333,039	2.05%
September	1,341,937	1,309,113	-2.45%	1,338,663	2.26%
October	1,337,349	1,321,075	-1.22%	1,340,144	1.44%
November	1,325,504	1,328,644	0.24%	1,339,396	0.81%
December	1,321,091	1,323,130	0.15%	1,353,046	2.26%
January	1,322,973	1,321,391	-0.12%	1,349,340	2.12%
February	1,318,739	1,319,982	0.09%	1,349,447	2.23%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	52,943	53,491	1.03%	52,564	-1.73%
April	54,535	54,378	-0.29%	55,355	1.80%
May	54,880	55,108	0.42%	55,684	1.05%
June	56,479	57,371	1.58%	58,063	1.21%
July	55,874	53,128	-4.91%	56,978	7.25%
August	54,403	53,645	-1.39%	55,092	2.70%
September	55,710	56,228	0.93%	57,423	2.13%
October	49,650	55,821	12.43%	56,450	1.13%
November	49,881	55,544	11.35%	56,666	2.02%
December	54,024	50,648	-6.25%	55,712	10.00%
January	51,239	50,387	-1.66%	48,922	-2.91%
February	52,086	51,284	-1.54%	50,800	-0.94%

New Haven Line

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	3,329,798	3,248,585	-2.44%	3,170,054	-2.42%
April	3,261,731	3,331,732	2.15%	3,330,212	-0.05%
May	3,376,087	3,337,643	-1.14%	3,351,706	0.42%
June	3,408,846	3,344,454	-1.89%	3,453,949	3.27%
July	3,387,830	3,481,802	2.77%	3,548,461	1.91%
August	3,447,562	3,387,702	-1.74%	3,347,805	-1.18%
September	3,155,153	3,122,729	-1.03%	3,371,173	7.96%
October	3,155,236	3,357,597	6.41%	3,568,205	6.27%
November	2,953,001	3,115,073	5.49%	3,144,456	0.94%
December	3,325,055	3,368,525	1.31%	3,538,794	5.05%
January	3,125,736	3,031,968	-3.00%	2,947,098	-2.80%
February	2,753,474	2,754,330	0.03%	2,782,877	1.04%
12 Month Ave	3,223,292	3,240,178	0.52%	3,296,233	1.73%
Year-to-Date	5,879,210	5,786,298	-1.58%	5,729,975	-0.97%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	3,242,612	3,216,525	-0.80%	3,233,634	0.53%
April	3,252,233	3,222,358	-0.92%	3,233,507	0.35%
May	3,265,600	3,219,154	-1.42%	3,234,679	0.48%
June	3,263,375	3,213,788	-1.52%	3,243,804	0.93%
July	3,270,907	3,221,619	-1.51%	3,249,359	0.86%
August	3,296,347	3,216,631	-2.42%	3,246,034	0.91%
September	3,288,604	3,213,929	-2.27%	3,266,738	1.64%
October	3,276,356	3,230,793	-1.39%	3,284,288	1.66%
November	3,249,808	3,244,299	-0.17%	3,286,737	1.31%
December	3,236,688	3,247,921	0.35%	3,300,926	1.63%
January	3,242,803	3,240,107	-0.08%	3,293,854	1.66%
February	3,223,292	3,240,178	0.52%	3,296,233	1.73%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	130,747	131,550	0.61%	128,751	-2.13%
April	133,014	133,503	0.37%	133,080	-0.32%
May	132,341	132,037	-0.23%	135,067	2.29%
June	138,101	140,251	1.56%	141,163	0.65%
July	135,335	136,836	1.11%	139,007	1.59%
August	130,905	132,224	1.01%	133,509	0.97%
September	135,278	132,771	-1.85%	138,392	4.23%
October	120,190	129,799	7.99%	137,441	5.89%
November	123,279	134,447	9.06%	139,574	3.81%
December	134,831	135,039	0.15%	138,141	2.30%
January	127,389	124,180	-2.52%	120,958	-2.59%
February	124,513	124,353	-0.13%	123,893	-0.37%

West of Hudson

Revenue Passengers

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	150,608	133,595	-11.30%	140,001	4.80%
April	140,286	132,883	-5.28%	140,302	5.58%
May	148,716	137,233	-7.72%	141,228	2.91%
June	148,825	136,071	-8.57%	146,423	7.61%
July	151,322	143,640	-5.08%	153,820	7.09%
August	156,609	136,655	-12.74%	143,330	4.88%
September	136,788	127,068	-7.11%	143,754	13.13%
October	138,828	140,460	1.18%	153,366	9.19%
November	71,414	123,483	72.91%	130,683	5.83%
December	108,559	135,331	24.66%	145,717	7.67%
January	117,560	128,042	8.92%	130,679	2.06%
February	112,248	117,345	4.54%	122,183	4.12%
12 Month Ave	131,814	132,651	0.63%	140,957	6.26%
Year-to-Date	229,808	245,387	6.78%	252,862	3.05%

12 Month Averages

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	136,167	130,396	-4.24%	133,184	2.14%
April	134,821	129,779	-3.74%	133,803	3.10%
May	133,889	128,822	-3.78%	134,136	4.12%
June	132,726	127,759	-3.74%	134,998	5.67%
July	132,179	127,119	-3.83%	135,847	6.87%
August	132,470	125,456	-5.29%	136,403	8.73%
September	135,535	124,646	-8.03%	137,793	10.55%
October	138,968	124,782	-10.21%	138,869	11.29%
November	136,830	129,121	-5.63%	139,469	8.01%
December	134,367	131,352	-2.24%	140,334	6.84%
January	133,364	132,226	-0.85%	140,554	6.30%
February	131,814	132,651	0.63%	140,957	6.26%

Average Weekday Passengers

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	6,849	6,356	-7.20%	6,659	4.77%
April	6,673	6,043	-9.44%	6,380	5.58%
May	6,771	6,247	-7.74%	6,728	7.71%
June	7,080	6,783	-4.19%	6,964	2.67%
July	7,209	6,543	-9.24%	7,008	7.10%
August	6,824	6,215	-8.92%	6,814	9.63%
September	7,180	6,346	-11.62%	6,849	7.93%
October	6,942	6,118	-11.87%	6,682	9.22%
November	3,675	6,493	76.68%	7,241	11.52%
December	5,421	6,449	18.96%	6,639	2.95%
January	5,608	6,109	8.94%	6,546	7.15%
February	5,893	6,159	4.50%	6,414	4.15%

Port Jervis Line

Revenue Passengers

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	93,911	82,466	-12.19%	84,471	2.43%
April	88,819	82,564	-7.04%	85,808	3.93%
May	93,989	85,089	-9.47%	85,895	0.95%
June	94,452	83,426	-11.67%	87,459	4.83%
July	97,178	91,288	-6.06%	93,470	2.39%
August	100,855	89,188	-11.57%	86,344	-3.19%
September	85,604	80,627	-5.81%	86,526	7.32%
October	87,075	86,989	-0.10%	93,068	6.99%
November	47,613	75,365	58.29%	78,265	3.85%
December	67,755	83,241	22.86%	87,965	5.68%
January	73,570	77,576	5.45%	77,335	-0.31%
February	69,549	71,485	2.78%	72,288	1.12%
12 Month Ave	83,364	82,442	-1.11%	84,908	2.99%
Year-to-Date	143,119	149,061	4.15%	149,623	0.38%

12 Month Averages

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	86,374	82,410	-4.59%	82,609	0.24%
April	84,775	81,889	-3.40%	82,879	1.21%
May	83,350	81,148	-2.64%	82,947	2.22%
June	81,489	80,229	-1.55%	83,283	3.81%
July	80,356	79,738	-0.77%	83,465	4.67%
August	80,040	78,766	-1.59%	83,228	5.66%
September	82,959	78,351	-5.55%	83,719	6.85%
October	86,374	78,344	-9.30%	84,226	7.51%
November	86,451	80,656	-6.70%	84,467	4.72%
December	84,966	81,947	-3.55%	84,861	3.56%
January	84,382	82,281	-2.49%	84,841	3.11%
February	83,364	82,442	-1.11%	84,908	2.99%

Average Weekday Passengers

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	4,271	3,922	-8.16%	4,017	2.40%
April	4,224	3,755	-11.10%	3,902	3.92%
May	4,280	3,874	-9.48%	4,092	5.63%
June	4,493	4,158	-7.47%	4,159	0.03%
July	4,630	4,159	-10.18%	4,260	2.43%
August	4,396	4,056	-7.72%	4,104	1.17%
September	4,491	4,026	-10.35%	4,123	2.41%
October	4,354	3,790	-12.95%	4,056	7.02%
November	2,455	3,963	61.43%	4,335	9.39%
December	3,383	3,967	17.26%	4,008	1.03%
January	3,511	3,703	5.47%	3,875	4.65%
February	3,648	3,750	2.77%	3,793	1.16%

Pascack Valley Line

Revenue Passengers

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	56,697	51,129	-9.82%	55,530	8.61%
April	51,467	50,319	-2.23%	54,494	8.30%
May	54,727	52,144	-4.72%	55,333	6.12%
June	54,373	52,645	-3.18%	58,964	12.00%
July	54,144	52,352	-3.31%	60,350	15.28%
August	55,754	47,467	-14.86%	56,986	20.05%
September	51,184	46,441	-9.27%	57,228	23.23%
October	51,753	53,471	3.32%	60,298	12.77%
November	23,801	48,118	102.17%	52,418	8.94%
December	40,804	52,090	27.66%	57,752	10.87%
January	43,990	50,466	14.72%	53,344	5.70%
February	42,699	45,860	7.40%	49,895	8.80%
12 Month Ave	48,449	50,209	3.63%	56,049	11.63%
Year-to-Date	86,689	96,326	11.12%	103,239	7.18%

12 Month Averages

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	49,793	47,985	-3.63%	50,575	5.40%
April	50,046	47,890	-4.31%	50,923	6.33%
May	50,539	47,675	-5.67%	51,189	7.37%
June	51,237	47,531	-7.23%	51,716	8.80%
July	51,824	47,381	-8.57%	52,382	10.55%
August	52,430	46,691	-10.95%	53,175	13.89%
September	52,576	46,295	-11.95%	54,074	16.80%
October	52,594	46,439	-11.70%	54,643	17.67%
November	50,379	48,465	-3.80%	55,001	13.49%
December	49,402	49,405	0.01%	55,473	12.28%
January	48,982	49,945	1.97%	55,713	11.55%
February	48,449	50,209	3.63%	56,049	11.63%

Average Weekday Passengers

Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	2,578	2,433	-5.61%	2,642	8.58%
April	2,449	2,288	-6.58%	2,478	8.31%
May	2,491	2,372	-4.77%	2,636	11.11%
June	2,587	2,625	1.49%	2,805	6.83%
July	2,579	2,384	-7.56%	2,748	15.25%
August	2,428	2,159	-11.08%	2,710	25.53%
September	2,689	2,320	-13.72%	2,726	17.50%
October	2,588	2,328	-10.05%	2,626	12.80%
November	1,220	2,530	107.38%	2,906	14.86%
December	2,038	2,482	21.79%	2,631	6.00%
January	2,097	2,406	14.76%	2,671	10.99%
February	2,245	2,409	7.31%	2,621	8.80%

MTA Bridges & Tunnels

Revenue Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	23,927,645	23,376,021	-2.31%	23,431,567	0.24%
April	23,651,425	23,638,588	-0.05%	23,834,773	0.83%
May	25,192,764	25,045,252	-0.59%	25,668,919	2.49%
June	25,233,363	24,738,988	-1.96%	25,374,933	2.57%
July	24,887,622	24,886,530	0.00%	25,435,425	2.21%
August	25,669,824	25,636,599	-0.13%	25,951,945	1.23%
September	23,763,047	23,810,071	0.20%	24,481,160	2.82%
October	22,928,321	25,036,991	9.20%	25,189,827	0.61%
November	20,945,342	23,200,297	10.77%	23,361,017	0.69%
December	23,355,262	23,035,975	-1.37%	24,182,522	4.98%
January	22,290,223	20,747,317	-6.92%	20,990,434	1.17%
February	19,831,970	18,701,703	-5.70%	19,987,945	6.88%
12 Month Ave	23,473,067	23,487,861	0.06%	23,990,872	2.14%
Year-to-Date	42,122,193	39,449,020	-6.35%	40,978,379	3.88%
12 Month Averages					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	23,831,401	23,427,099	-1.70%	23,492,490	0.28%
April	23,836,239	23,426,029	-1.72%	23,508,839	0.35%
May	23,840,229	23,413,736	-1.79%	23,560,811	0.63%
June	23,835,592	23,372,538	-1.94%	23,613,806	1.03%
July	23,785,328	23,372,447	-1.74%	23,659,548	1.23%
August	23,903,353	23,369,679	-2.23%	23,685,826	1.35%
September	23,885,599	23,373,597	-2.14%	23,741,750	1.58%
October	23,784,961	23,549,320	-0.99%	23,754,487	0.87%
November	23,576,786	23,737,233	0.68%	23,767,880	0.13%
December	23,550,942	23,710,625	0.68%	23,863,426	0.64%
January	23,593,748	23,582,050	-0.05%	23,883,685	1.28%
February	23,473,067	23,487,861	0.06%	23,990,872	2.14%
Average Weekday Passengers					
Service Month	2012-2013	2013-2014	Percentage Change	2014-2015	Percentage Change
March	797,238	776,880	-2.55%	780,125	0.42%
April	808,640	801,771	-0.85%	805,672	0.49%
May	831,734	834,831	0.37%	849,333	1.74%
June	853,960	838,525	-1.81%	850,160	1.39%
July	829,552	824,594	-0.60%	846,651	2.67%
August	842,278	837,517	-0.57%	856,625	2.28%
September	821,457	811,806	-1.17%	834,545	2.80%
October	736,273	817,107	10.98%	824,083	0.85%
November	725,399	802,918	10.69%	810,122	0.90%
December	802,287	785,165	-2.13%	809,947	3.16%
January	755,080	700,973	-7.17%	710,337	1.34%
February	765,137	693,199	-9.40%	753,228	8.66%

Fuel Hedge Program

Current Hedge Activity

Ultra Low Sulfur Diesel Hedges				Natural Gas Hedge			
<u>Start</u>	<u>End</u>	<u>Lock in Price/Gal</u>	<u>Gallons Hedged/Mn</u>	<u>Start</u>	<u>End</u>	<u>Lock in Price/MMBtu</u>	<u>MMBtus Hedged/Mn</u>
Aug-2014	Aug-2015	\$2.824	229,883	*			
Sep-2014	Sep-2015	\$2.822	420,968	*			
Nov-2014	Oct-2015	\$2.787	228,375	*			
Dec-2014	Dec-2015	\$2.769	425,026	*			
Feb-2015	Jan-2016	\$2.836	231,917	*			
Mar-2015	Feb-2016	\$2.807	231,917	*			
Apr-2015	Mar-2016	\$2.821	231,917	*			
Jul-2014	Apr-2016	\$2.863	204,265	*			
Jun-2015	May-2016	\$2.927	246,153	*			
Jul-2015	Jun-2016	\$2.865	246,152	*			
Aug-2015	Jul-2016	\$2.818	246,150	*			
Apr-2015	Aug-2016	\$2.736	208,878	*			
Oct-2015	Sep-2016	\$2.551	244,601	*			
Nov-2015	Oct-2016	\$2.395	244,599	*			
Dec-2015	Nov-2016	\$2.034	244,601	*			
Jan-2016	Dec-2016	\$1.810	241,927	*			
Feb-2016	Jan-2016	\$2.052	244,389	*			
Mar-2016	Feb-2017	\$1.920	244,391	*			

Commodity Prices Assumed in Financial Plan						
	Diesel Fuel			Natural Gas		
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
2015 February Plan	\$2.79	\$2.72	\$2.77	\$3.95	\$4.08	\$4.21

Annual Impact as of April 15, 2015

	<u>(\$ in millions)</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Ultra Low Sulfur Diesel</u>			
Current Prices vs. February Plan	\$58.147	\$47.790	\$45.715
Impact of Hedge	<u>(37.264)</u>	<u>(9.397)</u>	<u>0.030</u>
Net Impact: Fav/(Unfav)	\$20.884	\$38.394	\$45.746
<u>Compressed Natural Gas</u>			
Current Prices vs. February Plan	(\$1.801)	(\$2.110)	\$6.692
Impact of Hedge	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Net Impact: Fav/(Unfav)	(\$1.801)	(\$2.110)	\$6.692
<u>Summary</u>			
Current Prices vs. February Plan	\$56.347	\$45.680	\$52.407
Impact of Hedge	<u>(37.264)</u>	<u>(9.397)</u>	<u>0.030</u>
Net Impact: Fav/(Unfav)	\$19.083	\$36.284	\$52.437

Estimated impacts are based on monthly average price times forecast usage, which may differ from actual purchases.

APRIL 2015
MTA REAL ESTATE
FINANCE COMMITTEE AGENDA ITEMS

1. ACTION ITEMS

MTA NEW YORK CITY TRANSIT

- a. Lease with iFlowers, Inc. for the operation of two retail spaces at Jay Street-MetroTech station, Fulton Line, Brooklyn

MTA LONG ISLAND RAIL ROAD

- b. License agreement with the Oyster Bay Railroad Museum for the operation of a railroad museum, Oyster Bay, NY
- c. Lease agreement with Brentwood Food Inc. for a restaurant at LIRR's former Brentwood Station, Brentwood, NY
- d. Amendment to License Agreement with Rail Road Café, Inc. at Long Island Rail Road's Great Neck Station in the Village of Great Neck Plaza, NY

MTA METRO-NORTH RAILROAD

- e. Memorandum of Understanding with the New York City Department of Transportation for the installation and maintenance of an emergency wireless communication system antennas serving Grand Central train shed and the Park Avenue Tunnel in New York, NY
- f. Lease with PROVA GCT, LLC dba Prova for a full-service restaurant with seating and take-out service in Retail Space LC-31 at Grand Central Terminal

METROPOLITAN TRANSPORTATION AUTHORITY

- g. Revisions to MTA's Advertising Standards

2. INFORMATION ITEMS

- a. Status report on month-to-month licenses
- b. Status report on Grand Central Terminal Vanderbilt Hall events
- c. Status report on Grand Central Terminal Graybar Passage retail kiosks
- d. Modification of development rights transaction in MTA property located at Queens Block 403 Lot 1
- e. Implementation of West Side Yard PILOST requirement

<u>Legal Name</u>	<u>Popular Name</u>	<u>Abbreviation</u>
New York City Transit Authority	MTA New York City Transit	NYC Transit
The Long Island Rail Road Company	MTA Long Island Rail Road	LIRR
Metropolitan Suburban Bus Authority	MTA Long Island Bus	LI Bus
Metro-North Commuter Railroad Company	MTA Metro-North Railroad	MNR
Triborough Bridge and Tunnel Authority	MTA Bridges and Tunnels	MTA B&T
MTA Capital Construction Company	MTA Capital Construction	MTACC
MTA Bus Company	MTA Bus Company	MTA Bus

Staten Island Rapid Transit Operating Authority is a subsidiary of the Metropolitan Transportation Authority. Its popular name is MTA Staten Island Railway (abbreviated SIR).

Manhattan and Bronx Surface Transit Operating Authority is a subsidiary of the New York City Transit Authority (abbreviated as MaBSTOA).

MTA NEW YORK CITY TRANSIT

Staff Summary

Subject LEASE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name IAN SALSBERG

Date APRIL 27, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	4/27/15	X		
2	Board	4/29/15	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY: MTA New York City Transit ("NYCT")
 LESSEE: iFlowers, Inc.
 LOCATION: Units 5 and 6, Jay Street-MetroTech Subway Station, Brooklyn
 ACTIVITY: Unit 5: Retail sale of flowers and provision of an ATM
 Unit 6: Retail sale of cell phones accessories, gift items, and provision of an ATM
 ACTION REQUESTED: Approval of terms
 TERM: 10 years
 SPACE: Unit 5: 84 sq. ft., Unit 6: 133 sq. ft.
 COMPENSATION:

Year	Annual	Monthly	% Increase	Per Sq. Ft.
1	\$17,400.00	\$1,450.00	--	\$80.18
2	\$18,450.00	\$1,537.50	6%	\$85.02
3	\$19,600.00	\$1,633.33	6%	\$90.32
4	\$20,700.00	\$1,725.00	6%	\$95.39
5	\$21,800.00	\$1,816.67	5%	\$100.46
6	\$22,900.00	\$1,908.33	5%	\$105.53
7	\$24,000.00	\$2,000.00	5%	\$110.60
8	\$25,100.00	\$2,091.67	5%	\$115.67
9	\$26,200.00	\$2,183.33	4%	\$120.74
10	\$27,300.00	\$2,275.00	4%	\$125.81

COMMENTS:

MTA Real Estate issued a request for proposals ("RFP") for the two retail units listed above. The spaces are new to the NYCT retail inventory, created in a recent rehabilitation of the station. MTA Real Estate offered the spaces for general retail use and did not permit newsstands because there is an existing newsstand in the vicinity.

MTA Real Estate received three responsive proposals for Unit 5 and two responsive proposals for Unit 6. Proposers allowed to submit a best and final offer ("BAFO") at both locations. The top proposer for both units after the BAFO was iFlowers, Inc. Details of the BAFO proposals are listed in the chart below.

Staff Summary

FINANCE COMMITTEE MEETING iFlowers, Inc. (Cont'd.)

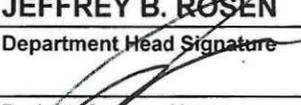
<u>Name of Proposer</u>	<u>First Year Rent</u>	<u>Present value at 9% discount rate</u>
	Unit 5	
iFlowers, Inc.	\$8,400	\$68,532
Bip Patel	\$8,100	\$63,157
Shafika Faruqi	\$4,200	\$32,753
	Unit 6	
iFlowers, Inc.	\$9,000	\$69,903
Shafika Faruqi	\$5,400	\$42,106

Arthur Mavashev is the 100% owner of iFlowers, Inc. Mr. Mavashev has retail experience as an owner of a cell phone store and convenience store. MTA Real Estate performed a background and credit check on Mr. Mavashev and iFlowers, Inc. and results show that he has sufficient resources to build out and operate both units. Mr. Mavashev will sign a limited personal guaranty.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease agreement with iFlowers, Inc. on the above-described terms and conditions.

MTA LONG ISLAND RAIL ROAD

Staff Summary

Subject LICENSE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name ROBERT GOLDBERG

Date APRIL 27, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	4/27/15	X		
2	Board	4/29/15	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY: MTA Long Island Rail Road ("LIRR")

LICENSEE: The Oyster Bay Railroad Museum, a not-for-profit corporation

LOCATION: Northeasterly portion of Oyster Bay Yard on Bay Avenue near Harbor Place, located in the Town of Oyster Bay, County of Nassau, New York

ACTIVITY: Operation of a railroad museum

ACTION REQUESTED: Approval of terms

TERM: Ten years, terminable at will on 60 days' notice by LIRR

SPACE: Approximately 30,000 square feet

COMPENSATION: One-time \$500 administrative fee

COMMENTS:

LIRR recently issued an RFP for property that is currently occupied by the Oyster Bay Railroad Museum ("the Museum") under a sublicense from LIRR's licensee, the Town of Oyster Bay. The property is not currently needed by LIRR for operational purposes.

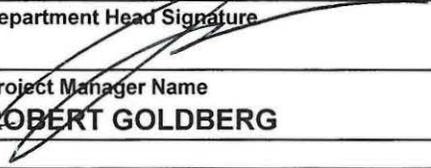
The Museum was the only respondent to the RFP. The licensed area contains a railroad turntable which is listed on the National Register of Historic Places and forms part of the Museum, which also showcases vintage LIRR train cars and equipment on the licensed area. The value of the property as a development site is significantly impaired by the property's irregular shape, proximity to LIRR operations, and the need to maintain the historic roundtable.

The Museum, a 501 (c)(3) not-for-profit corporation, has been operating at this location since November 2002, and pending confirmation of an agreement with LIRR for continued use of the site, expects to obtain a grant from the State of New York with which it will improve the site, including electrifying the turntable, to further its mission of telling the story of the heritage of the railroad in Long Island and showcasing past rail technology.

Based on the forgoing, MTA Real Estate recommends entering into a license agreement with the Oyster Bay Railroad Museum under the above terms and conditions.

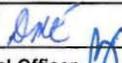
Staff Summary



Subject LEASE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name ROBERT GOLDBERG

Date APRIL 27, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	4/27/15	X		
2	Board	4/29/15	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY: MTA Long Island Rail Road ("LIRR")

LESSEE: Brentwood Food Inc.

PROPERTY: Former Brentwood Station building (approximately 940 square feet) and surrounding property (an irregularly shaped 20,460 sq. ft. parcel), Brentwood, New York (the "Property")

ACTIVITY: Owner-operated restaurant

ACTION REQUESTED: Approval of terms

TERM: 25 years

TERMINATION: On 365 days' notice for transportation purposes through year 15; at will on 180 days' notice in years 16-25.

ASSIGNMENT/
SUBLETTING/CHANGE
OF USE: Subject to landlord's consent.

RENT:	Year	Annual	Monthly	% Increase	Per sq. ft.
	1	\$7,000.00	\$583.33		\$7.45
	2	\$7,210.00	\$600.83	3%	\$7.67
	3	\$7,426.30	\$618.86	3%	\$7.90
	4	\$7,649.09	\$637.42	3%	\$8.14
	5	\$7,878.56	\$656.55	3%	\$8.38
	6	\$8,114.92	\$676.24	3%	\$8.63
	7	\$8,358.37	\$696.53	3%	\$8.89
	8	\$8,609.12	\$717.43	3%	\$9.16
	9	\$8,867.39	\$738.95	3%	\$9.43
	10	\$9,133.41	\$761.12	3%	\$9.72
	11	\$18,000.00	\$1,500.00	97%	\$19.15

Staff Summary

FINANCE COMMITTEE MEETING

Subject: Lease Agreement (Cont'd.)

Page 2 of 2

12	\$18,540.00	\$1,545.00	3%	\$19.72
13	\$19,096.20	\$1,591.35	3%	\$20.32
14	\$19,669.09	\$1,639.09	3%	\$20.92
15	\$20,259.16	\$1,688.26	3%	\$21.55
16	\$20,866.93	\$1,738.91	3%	\$22.20
17	\$21,492.94	\$1,791.08	3%	\$22.86
18	\$22,137.73	\$1,844.81	3%	\$23.55
19	\$22,801.86	\$1,900.16	3%	\$24.26
20	\$23,485.92	\$1,957.16	3%	\$24.99
21	\$30,000.00	\$2,500.00	28%	\$31.91
22	\$30,900.00	\$2,575.00	3%	\$32.87
23	\$31,827.00	\$2,652.25	3%	\$33.86
24	\$32,781.81	\$2,731.82	3%	\$34.87
25	\$33,765.26	\$2,813.77	3%	\$35.92

COMMENTS:

The Property is the prior Ronkonkoma Branch station building and is not currently required for railroad operations. It is vacant and requires substantial investment from an incoming tenant. However, LIRR desires to retain ownership for possible future use as the property is one of only two "out" parcels remaining on this section of the Ronkonkoma Branch, and has requested MTA Real Estate to obtain a tenant to occupy and care for the Property.

MTA Real Estate therefore issued a request for proposals ("RFP") to lease the Property "as is", and received two proposals. BX Healthy Choice LLC submitted a proposal for a convenience store, with an NPV, calculated at a 9% discount rate, of \$155,637.72 for the term. The other proposal was submitted by Shahid Haroon, who offered to establish a self-operated restaurant café or fast food franchise, with a NPV of \$128,909.76 over the term.

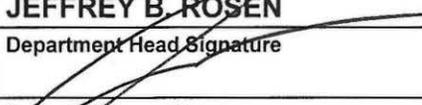
As per MTA Real Estate's standard procedure, a credit and background check was ordered for BX Healthy Choice and its principal, Shahid Rasul. However, repeated requests by our credit agency for documentation from Mr. Rasul to substantiate information in his proposal were ignored, ultimately resulting in his disqualification.

Mr. Haroon, who plans to operate at the property under the newly formed corporate name of Brentwood Food Inc., has been a tenant of the LIRR at several locations over the years, has proven capable of constructing and opening stores, and has been a responsible tenant. An updated LIDA background and credit report indicates Mr. Haroon has satisfactory financial credentials. The rent offered by Mr. Haroon over the first 10 years approximates the fair market rental value of the Property as estimated by MTA Real Estate's independent consultant, and contains significant rent increases in years 11 and 21.

Mr. Haroon will be responsible for the complete renovation of the old station building and rehabilitation of the balance of the Property as well as for its long-term maintenance and will provide the required insurance coverage.

Based on the forgoing, MTA Real Estate requests authorization to net lease the Property on the above-described terms and conditions.

Staff Summary

Subject AMENDED LICENSE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name STEPHEN BROWN

Date April 27, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	4/27/15	X		
2	Board	4/29/15	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY: MTA Long Island Rail Road ("LIRR")
 LICENSEE: Rail Road Café, Inc. ("Rail Road Café")
 LOCATION: LIRR's Great Neck Station, 37 Station Plaza, Great Neck, NY (the "Subject Property")
 ACTIVITY: Amendment of license agreement
 ACTION REQUESTED: Approval of amended terms
 SPACE: Approximately 2,184 square feet, including basement and attic
 COMPENSATION: \$227,000 rent credit, to be applied against future rent charges, shown below.

<u>Year</u>	<u>Annual</u>	<u>Monthly</u>	<u>% Increase</u>	<u>PSF</u>
1	\$78,000.00	\$6,500.00		\$107.14
2	\$81,900.00	\$6,825.00	5	\$112.50
3	\$85,995.00	\$7,166.25	5	\$118.13
4	\$90,295.00	\$7,524.58	5	\$124.03
5	\$94,809.00	\$7,900.75	5	\$130.23
6	\$99,550.00	\$8,295.83	5	\$136.74
7	\$104,527.00	\$8,710.58	5	\$143.58
8	\$109,754.00	\$9,146.17	5	\$150.76
9	\$115,241.00	\$9,603.42	5	\$158.30
10	\$121,003.00	\$10,083.58	5	\$166.21

COMMENTS:

The Subject Property is a standalone building located adjacent to LIRR's Great Neck Station and ticket office in downtown Great Neck. The building is not used for operational purposes and the prior tenant operated a restaurant/café. The most recent RFP Rail Road Café was awarded a license to operate a restaurant/café for a 10-year term.

Staff Summary

FINANCE COMMITTEE MEETING

Subject (Cont'd.)

Because the prior tenant operated a restaurant/café, the RFP envisioned a turn-key operation with limited improvement costs for the incoming licensee. Rail Road Café planned an investment of \$50,000 for minor improvements and cosmetic alterations, and offered compensation with a nominal value over the term of \$981,074. However, during the plan review process, which involved, in addition to LIRR review, input from the Village of Great Neck and the New York State Historic Preservation Office ("SHPO"), a number of unanticipated and costly improvements were specified for Rail Road Café to complete in order to open the business. These improvements included the design and installation of a new municipal water service, a new fire alarm and suppression system, relocation of an internal staircase, and installation of certain new restaurant fixtures. Ultimately, the costs for a comprehensive final build-out escalated to be approximately \$400,000 higher than the Rail Road Café's original budget.

Rail Road Café requested a credit against future compensation in the amount of \$227,000 to cover a portion of the unforeseen improvement costs. MTA reviewed the request, and agrees that the costs included in the request were unforeseen at the time of the RFP. Rail Road Café agreed to fund the remaining \$223,000 required to complete the improvement work, an amount far above the \$50,000 it had originally planned.

MTA Real Estate believes that it would be unfair to terminate the tenant and reoffer the building, given the significant amount of time and money the tenant has already put into the building in the face of changing build-out requirements and significantly higher than anticipated costs. Moreover, the amendment proposed is also advantageous to LIRR financially, as it would be highly unlikely that offering the building via RFP now would generate more rent than the tenant has committed to. Finally, the improved building will significantly increase in value, as the bulk of the improvements made by Rail Road Café will benefit not only its tenancy but will make the building more marketable at the expiration of the term.

Based on the foregoing, MTA Real Estate requests authorization to amend Rail Road Café's agreement as discussed above.

MTA METRO NORTH RAILROAD

Staff Summary

Subject MEMORANDUM OF UNDERSTANDING
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name ALICIA BIGGS

Date APRIL 27, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	4/27/15	X		
2	Board	4/29/15	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY: MTA Metro-North Railroad ("Metro-North")

EXTERNAL PARTY: New York City Department of Transportation (the "DOT")

LOCATION: Three street light poles along Park Avenue

ACTIVITY: The installation and maintenance of an emergency wireless communication system to serve Grand Central Terminal and the Park Avenue Tunnel

ACTION REQUESTED: Approval of terms

TERM: April 1, 2015 to January 1, 2040

COMPENSATION: N/A

COMMENTS:

The New York City Fire Department ("FDNY") determined that its operations require enhancements to the emergency wireless communications network (known as "CCN") located in Grand Central Terminal and the Park Avenue Tunnel. A consortium of cellular carriers, pursuant to a 2010 agreement between the carriers and Metro-North, is installing the CCN in addition to a commercial cellular network in the terminal and tunnel. Pursuant to a 2010 memorandum of understanding between FDNY and Metro-North, the materials and installation costs of the CCN are funded by FDNY, while Metro-North will own and maintain the CCN equipment.

Metro-North has identified three street light poles along Park Avenue at the 59th Street, 72nd Street and 86th Street intersections for additional CCN antennas. The antennas will provide radio coverage for the NYFD's fire response and EMS ground communications between the GCT train shed, Park Avenue Tunnel, and means of egress from the tunnel to the surrounding streets. The light poles in question are controlled by the New York City Department of Transportation ("DOT"). DOT will allow the antenna installations on the street light poles at no cost, with the costs of installation paid for by FDNY and ownership and maintenance with Metro-North.

Based on the foregoing, MTA Real Estate requests authorization to enter into a memorandum of understanding with the New York City Department of Transportation on the above-described terms and conditions.

Staff Summary

Subject LEASE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name NANCY MARSHALL

Date APRIL 27, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	4/27/15	X		
2	Board	4/29/15	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY: MTA Metro-North Railroad ("Metro-North")
 TENANT: PROVA GCT, LLC dba Prova
 LOCATION: Retail Space LC-31 and Storage Space MCSE-04
 ACTIVITY: A full-service restaurant with seating and take-out service selling tenant produced Neapolitan style pizza and other Italian menu items; including insalate, antipasti, panini, pasta, main entrees, side dishes, desserts and full bar service with wine and alcohol
 ACTION REQUESTED: Approval of terms
 TERM: 10 years
 SPACE: Approximately 1508 sq. ft. of retail space and approximately 104 sq. ft. of storage space
 COMPENSATION: Annual Base Rent plus 8% of gross sales over Breakpoint, as follows:

<u>Year</u>	<u>Annual Base Rent</u>	<u>PSF</u>	<u>Breakpoint</u>
1	\$540,000.00	\$358.00	\$3,000,000.00
2	\$540,000.00	\$358.00	\$3,000,000.00
3	\$572,400.00	\$379.57	\$3,180,000.00
4	\$572,400.00	\$379.57	\$3,180,000.00
5	\$606,744.00	\$402.35	\$3,370,800.00
6	\$606,744.00	\$402.35	\$3,370,800.00
7	\$643,149.00	\$426.49	\$3,573,048.00
8	\$643,149.00	\$426.49	\$3,573,048.00
9	\$681,738.00	\$452.08	\$3,787,430.00
10	\$681,738.00	\$452.08	\$3,787,430.00

COMMON AREA MAINTENANCE CHARGE: Estimated at \$110.00 per square foot, increasing annually by three percent. The total square footage to which the common area maintenance charges will apply will be determined after final design review.
 STORAGE RENT: \$87.00 per sq. ft. per year, increasing annually by 3%
 MARKETING: \$11.00 per sq. ft. per year, increasing annually by 3%

Staff Summary

FINANCE COMMITTEE MEETING

PROVA GCT, LLC dba Prova

TRASH:	\$17.00 per sq. ft. per year, increasing annually by 3%
SECURITY:	Three months minimum rent plus a personal guaranty from Donatella Arpaia Stewart (limited to six months rent after vacating of premises)
INSURANCE:	Standard
CONSTRUCTION PERIOD:	120 days

COMMENTS:

MTA Real Estate Department requests Board authorization to enter into a lease agreement with PROVA GCT, LLC dba Prova based on the terms and conditions contained herein.

In response to a recent MTA Request for Proposals ("RFP") for Retail Space LC-31, Grand Central Terminal, eight proposals were received. Such proposals were received from Prova, Two Boots (the incumbent), Artichoke Basille's Pizza, Angry Taco by David Burke, Corso Coffee, Handcrafted Mexican by Simon Oren, Napolini Pizza e Ristorante and Santa Fe Grill.

Per the Guidelines for Selection of Tenants for Grand Central Terminal approved by the MTA Board in November 2009, and amended in March 2014, such proposals were independently evaluated by Newmark Grubb Knight Frank and Jones Lang LaSalle, and subsequently evaluated by the Director of GCT Development. When evaluating the proposals, two evaluation criteria were taken into account. Selection Criterion A, which accounts for 70% of the score, is designed to evaluate the direct economic benefit of a proposal. Selection Criterion B, which accounts for 30% of the score, reflects the evaluator's estimation of a proposal's indirect economic benefit to the MTA. The Director of GCT Development's independent evaluation gave Prova the highest Total Selection Criteria Score. However, because Two Boots offered a higher guaranteed minimum rent a selection committee was convened.

The selection committee reviewed and scored the eight proposals, and as indicated in the annexed chart, awarded Prova the highest Selection Criterion A Score and the third highest Selection Criterion B Score. The Guaranteed Rent Adjustment Factor of .56 for Two Boots reflects the evaluators' high level of uncertainty that the Unadjusted Guaranteed Rent Amount being offered by Two Boots would be received by MTA, taking into account Two Boots' prior sales, anticipated sales, and rent payment history, and the Adjusted Guaranteed Rent Amount for Two Boots was therefore substantially less than the Unadjusted Guaranteed Rent Amount offered by Prova. The rent to be paid by Prova is higher than the estimated fair market rental value of the subject space as estimated by Newmark Grubb Knight Frank prior to RFP issuance.

Donatella Arpaia Stewart, the managing partner of Prova, is an experienced NY restaurateur and television personality, recognized for her creative cooking. Since opening her first restaurant, Bellini, in 1998, Donatella has lent her expertise to a string of successful NYC restaurants including davidburke & donatella, Anthos and Kefi. These projects have collectively earned her substantial praise, in the form of Michelin Stars, Five Diamond Awards, and James Beard nominations. In developing the concept for Prova, Donatella spent months in Naples studying the strict traditions of the world's finest Neapolitan pizzaiolis. Every aspect of Prova at GCT is designed to safeguard the quality of the food while maintaining an environment where great food can be served quickly. The full range of Prova's menu will be a welcome addition to the Dining Concourse. This space will undergo a full renovation incorporating reclaimed woods and other recycled materials, a fully renovated kitchen and improved lighting.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease agreement with PROVA GCT, LLC dba Prova on the above-described terms and conditions.

Staff Summary

FINANCE COMMITTEE MEETING PROVA GCT, LLC dba Prova

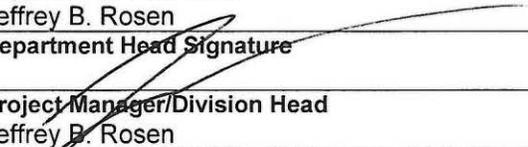
Grand Central Terminal Retail Leasing Evaluation Sheet
Evaluator: SELECTION COMMITTEE

Space: LC-31 (currently Two Boots)
Date: February 19, 2015

Scoring	A	B	C	D	E	F	G	H	I	J
	<u>Unadjusted Guaranteed Rent Amount</u>	<u>Guaranteed Rent Adjustment Factor*</u>	<u>Adjusted Guaranteed Rent Amount (A x B)</u>	<u>Unadjusted Percentage Rent Amount</u>	<u>Percentage Rent Adjustment Factor**</u>	<u>Adjusted Percentage Rent Amount (D x E)</u>	<u>Adjusted Total Rent Amount (C + F)</u>	<u>Selection Criterion A Score *** (0-70)</u>	<u>Selection Criterion B Score (0-30)</u>	<u>Total Selection Criterion Score (H + I)</u>
Prova	\$4,420,599	1.0	\$4,420,599	\$31,803	.50	\$15,901	\$4,436,500	70.0	22.7	92.7
Artichoke Basille's Pizza	\$3,593,724	1.0	\$3,593,724	\$266,891	0	-	\$3,593,724	56.7	20.0	76.7
Angry Tao by David Burke	\$3,662,874	1.0	\$3,662,874	-	0	-	\$3,662,874	57.8	16.3	74.1
Corso Coffee	\$2,662,018	1.0	\$2,662,018	\$820,657	.50	\$410,329	\$3,072,346	48.5	19.3	67.8
Two Boots	\$5,017,902	.56	\$2,810,025	-	0	-	\$2,810,025	44.3	16.6	60.9
Handcrafted Mexican by Simon Oren	\$2,038,107	1.0	\$2,038,107	\$24,371	0	-	\$2,038,107	32.2	23.0	55.2
Napolini Pizza e Ristorante	\$1,915,919	1.0	\$1,915,919		0	-	\$1,915,919	30.2	23.6	53.8
Santa Fe Grill	\$2,495,641	1.0	\$2,495,641	\$221,639	.16	\$35,462	\$2,532,581	39.9	7.0	46.9
* Guaranteed Rent Adjustment Factor: from 1.00 (no uncertainty about A) to as low as 0.50 (great uncertainty about A); however may be as low as 0.00 per guidelines										
** Percentage Rent Adjustment Factor: as high as 0.50 (no uncertainty about D) to as low as zero (great uncertainty about D)										
*** Selection Criterion A Score: 70 multiplied by the ratio of the Adjusted Total Rent Amount for the proposer to the highest Adjusted Total Rent Amount (from column G)										

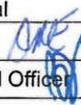
METROPOLITAN TRANSPORTATION AUTHORITY

Staff Summary

Subject Adoption of Advertising Policy with Revised Advertising Standards
Department Real Estate
Department Head Name Jeffrey B. Rosen
Department Head Signature 
Project Manager/Division Head Jeffrey B. Rosen

Date April 27, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	4/27/15			
2	Board	4/29/15			

Internal Approvals			
Order	Approval	Order	Approval
3	Chief of Staff 		
2	Chief Financial Officer 	1	Legal 

Purpose:

To obtain Board approval of the MTA Advertising Policy annexed hereto that includes revisions to MTA's Advertising Standards.

Discussion:

The proposed MTA Advertising Policy would establish uniform, reasonable, and viewpoint-neutral standards for the display of advertising in and on the facilities, vehicles and other property (together "Property") of the Metropolitan Transportation Authority and its affiliated and subsidiary agencies (together "MTA") and convert the MTA's Property from a designated public forum into a limited public forum by excluding advertising of a political nature.

The MTA's mission is to provide safe, reliable, and efficient public transportation and crossings within its service area. The MTA's transportation operations are funded by a combination of federal, state, and local funds, including grants and taxes, as well as fare box and toll revenue. Advertising revenues are an important supplemental source of revenue that supports the MTA's transportation operations. The MTA's purpose in allowing paid advertising to be displayed in and on the Property is to maximize such supplemental revenue to support transportation operations.

By accepting paid advertising for display in and on the Property, the MTA is acting in a proprietary capacity as a provider of public transportation and crossings seeking to maximize advertising revenue to support its transportation operations. Starting from the Effective Date of the new Policy (April 29, 2015), the MTA does not intend that the advertising permitted to be displayed in and on the Property be created, designated, or used as a public forum for expressive activities or general discourse or opinions. In furtherance of the MTA's purpose of maximizing advertising revenue, the MTA in its proprietary capacity would be limiting advertisements it will accept for display in and on the Property to paid commercial advertising, certain public service announcements that will help build goodwill for the MTA among its riders and the public, and governmental messages. The MTA would continue to retain control over the advertising that it will allow to be displayed in and on the Property by subjecting all proposed advertisements to the Advertising Standards included in the proposed MTA Advertising Policy. MTA expressly intends that the advertising permitted to be displayed in and on the Property be a limited public forum.

In establishing and enforcing these revised Advertising Standards, the MTA seeks to fulfill the following goals and objectives:

- Maximize advertising revenue
- Maximize ridership and fare revenue
- Maintain a secure and orderly operating environment
- Maintain a safe and welcoming environment for all MTA employees and customers, including minors, who use MTA's subways, buses, commuter trains and crossings
- Minimize the resources and attention that have been expended to resolve disputes relating to the permissibility of certain political advertisements, thus unnecessarily diverting the organization from performing its mission
- Avoid identification of MTA with, and the appearance of MTA endorsement of, the advertisements of non-MTA parties displayed in or on the Property, including the associated messages, products, services, or events being proposed or promoted

MTA received approximately \$138 million in advertising revenues in 2014. It is estimated that the revenue received by MTA in 2014 from advertisements that would not be accepted under the proposed MTA Advertising Policy would have been under \$1 million or less than 1% of total annual revenues.

Recommendation:

It is recommended that the Board approve and adopt the annexed MTA Advertising Policy.

MTA ADVERTISING POLICY

I. PURPOSE

- A. To establish uniform, reasonable, and viewpoint-neutral standards for the display of advertising in and on the facilities, vehicles and other property (together “Property”) of the Metropolitan Transportation Authority and its affiliated and subsidiary agencies (together “MTA”).
- B. To convert the MTA’s Property from a designated public forum into a limited public forum by excluding advertising of a political nature after the Effective Date.

II. SCOPE

This policy applies to all advertisements proposed to be displayed in and on the Property on or after the Effective Date set forth below.

III. OBJECTIVE

The MTA’s mission is to provide safe, reliable, and efficient public transportation and crossings within its service area. The MTA’s transportation operations are funded by a combination of federal, state, and local funds, including grants and taxes, as well as fare box and toll revenue. Advertising revenues are an important supplemental source of revenue that supports the MTA’s transportation operations. The MTA’s purpose in allowing paid advertising to be displayed in and on the Property is to maximize such supplemental revenue to support transportation operations.

By accepting paid advertising for display in and on the Property, the MTA is acting in a proprietary capacity as a provider of public transportation and crossings seeking to maximize advertising revenue to support its transportation operations. Starting from the Effective Date, the MTA does not intend that the advertising permitted to be displayed in and on the Property be created, designated, or used as a public forum for expressive activities or general discourse or opinions. In furtherance of the MTA’s purpose of maximizing advertising revenue, the MTA in its proprietary capacity is limiting advertisements it will accept for display in and on the Property to paid commercial advertising, certain public service announcements that will help build goodwill for the MTA among its riders and the public, and governmental messages. The MTA retains control over the advertising that it will allow to be displayed in and on the Property by subjecting all proposed advertisements to the Advertising Standards below. MTA expressly intends that the advertising permitted to be displayed in and on the Property be a limited public forum.

In establishing and enforcing these Advertising Standards, the MTA seeks to fulfill the following goals and objectives:

- Maximize advertising revenue
- Maximize ridership and fare revenue
- Maintain a secure and orderly operating environment

- Maintain a safe and welcoming environment for all MTA employees and customers, including minors, who use MTA's subways, buses, commuter trains and crossings
- Minimize the resources and attention that have been expended to resolve disputes relating to the permissibility of certain political advertisements, thus unnecessarily diverting the organization from performing its mission
- Avoid identification of MTA with, and the appearance of MTA endorsement of, the advertisements of non-MTA parties displayed in or on the Property, including the associated messages, products, services, or events being proposed or promoted

IV. ADVERTISING STANDARDS

A. Permitted Advertising

The MTA may display advertisements that fall under one or more of the following categories:

1. Commercial advertising. Paid advertisements that propose, promote, or solicit the sale, rent, lease, license, distribution, or availability of, or some other commercial transaction concerning, goods, products, services, or events for the advertiser's commercial or proprietary interest, or more generally promote an entity that engages in such activities.

2. Governmental advertising. Notices or messages from the MTA that promote the MTA or any of its functions or programs, and also paid notices or messages of the United States government, the State of New York and its agencies, the City of New York and its departments, or of any of the County governments within the Metropolitan Commuter Transportation District that advance specific governmental purposes.

3. Public service announcements. Public service announcements not otherwise prohibited under Section IV.B of this Policy, which are sponsored by either a government entity or a nonprofit corporation that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and which are directed to the general public and relate directly to:

- Prevention or treatment of illnesses;
- Promotion of safety or personal well-being;
- Education or training;
- Art or culture;
- Provision of children and family services;
- Provision of services and programs that provide support to low income citizens, senior citizens, or people with disabilities; or
- Solicitation by broad-based contribution campaigns that provide funds to multiple charitable organizations active in the above-listed areas.

B. Prohibited Advertising

Notwithstanding the foregoing, the MTA will not accept any advertisement for display in or on the Property if it falls within one or more of the following categories:

1. Promotes or opposes a political party, or promotes or opposes any ballot referendum or the election of any candidate or group of candidates for federal, state, judicial, or local government offices.
2. Is political in nature, including but not limited to advertisements that either:
 - a. Are directed or addressed to the action, inaction, prospective action or policies of a governmental entity, except as permitted in Sections IV.A.2–IV.A.3 of this Policy; or
 - b. Prominently or predominately advocate or express a political message, including but not limited to an opinion, position, or viewpoint regarding disputed economic, political, moral, religious or social issues or related matters, or support for or opposition to disputed issues or causes.
3. Is false, misleading, or deceptive.
4. Promotes unlawful or illegal goods, services, or activities, or involves other unlawful conduct.
5. Falsely implies or declares an endorsement by the MTA of any service, product, or point of view.
6. Encourages or depicts unsafe behavior with respect to MTA’s transportation operations, such as failure to comply with normal safety precautions in awaiting, boarding, riding upon or debarking from MTA vehicles, or is otherwise directly adverse to the commercial, administrative or operational interests of the MTA as a business.
7. Depicts or describes in a patently offensive manner sexual or excretory activities so as to satisfy the definition of obscene material as contained in New York Penal Law § 235.00, as such provision may be amended, modified, or supplemented from time to time.
8. Contains material, which, if sold or loaned to a minor for monetary consideration with knowledge of its character and content, would give rise to a violation of New York Penal Law § 235.21, which prohibits the dissemination of indecent material to minors, as such provision may be amended, modified, or supplemented from time to time.
9. Contains material, which, if displayed with knowledge of its character and content, would give rise to a violation of New York Penal Law § 245.11, which prohibits the public display of offensive sexual material, as such provision may be amended, modified, or supplemented from time to time.
10. Promotes tobacco or any tobacco-related product.

11. Contains an image of a person who appears to be a minor in sexually suggestive dress, pose, or context.

12. Contains material the display of which the MTA reasonably foresees would imminently incite or provoke violence or other immediate breach of the peace, and so harm, disrupt, or interfere with safe, efficient, and orderly transit operations.

13. Contains material that demeans or disparages an individual or group of individuals. For purposes of determining whether an advertisement contains such material, the MTA will determine whether a reasonably prudent person, knowledgeable of the MTA's ridership and using prevailing community standards, would believe that the advertisement contains material that is abusive to, or debases the dignity of, an individual or group of individuals.

14. Contains sexually explicit material that appeals to the prurient interest in sex or is so violent, frightening, or otherwise disturbing as to reasonably be deemed harmful to minors.

15. Promotes an escort service or sexually oriented business.

C. Additional Provisions Relating to Advertisements

To avoid identification of the MTA with messages or images contained within advertisements displayed in and on the Property and to avoid the appearance of MTA endorsement of goods, products, services, events by advertisers, advertisements shall readily and unambiguously identify the person, corporation, or entity paying for the advertisement. An advertiser may, at the MTA's discretion, be required to include in the advertisement a statement explicitly identifying the person, corporation, or entity paying for the advertisement. An advertiser may also, at the MTA's discretion, be required to incorporate additional language to avoid the appearance of MTA endorsement.

V. REVIEW OF ADVERTISING PROPOSED FOR DISPLAY IN OR ON THE PROPERTY

1. Before accepting an advertisement for display in or on the Property, the advertising contractor shall review such proposed advertisement to determine whether the advertisement complies with the Advertising Standards.

2. If the advertising contractor determines that a proposed advertisement does not, or may not, comply with the Advertising Standards it shall promptly notify the Director of MTA Real Estate (or a designee) in writing of its determination and the reason for its determination.

3. If the Director of Real Estate determines, following receipt and consideration of such recommendation, that a proposed advertisement does not comply with the Advertising Standards, the advertiser shall be notified by the advertising contractor. The advertising contractor, in consultation with the Director of Real Estate, may discuss with the advertiser revisions to the advertisement to try to bring the advertisement into compliance with the Advertising Standards, and the advertiser may submit a revised advertisement to the advertising contractor for review.

3. If the advertiser and the advertising contractor do not reach agreement with regard to a revision of the advertisement, or the Director of Real Estate determines that no appropriate revision would bring the advertisement into compliance with the Advertising Standards, or the advertiser chooses not to submit a revised advertisement, the advertiser may request a final determination from the Director of Real Estate. The Director of Real Estate, in reaching a final determination, may consult with the advertising contractor, or with the MTA General Counsel, and the Chairman and Chief Executive Officer, or their designees, or with any other individuals, and may consider any materials submitted by the advertiser. The Director of Real Estate shall advise the advertiser and the advertising contractor of the final determination in writing.

VI. SEVERABILITY

If any section, subsection, sentence, clause, phrase or other portion of this Policy is, for any reason, declared invalid, in whole or in part, by any court of competent jurisdiction, such portion shall be deemed severable, and such invalidity shall not affect the validity of the remaining portions of this Policy, which remaining portions shall continue in full force and effect.

VII. EFFECTIVE DATE

This Advertising Policy is effective as of April 29, 2015.

INFORMATION ITEMS

Memorandum



Metropolitan Transportation Authority

State of New York

Date April 27, 2015

To Members of the Finance Committee

From Jeffrey B. Rosen, Director, Real Estate

Re **Status of Month-to-Month Licenses for Passenger Amenities**

In June 1988, the MTA Board adopted a policy, which allows the Real Estate Department to enter into month-to-month agreements for “passenger service oriented concessions without individual Committee or Board approval”. Attached is a status report of month-to-month agreements, which were executed pursuant to the policy.

TENANTS CURRENTLY ON MONTH-TO-MONTH AGREEMENTS

MONTH: APRIL 2015

AGENCY	LOCATION (STATION)	TENANT/USE	SF	DATE OF AGREEMENT	MONTHLY COMPENSATION	COMMENT
1. NYCT	WTC Station 8 th Ave. Line, Manhattan	Fakhrul Alam/Newsstand	420	January 2004	\$155.14	Special site conditions will require interim tenancy until there is a station rehab
2. LIRR	Bellmore Station, Bellmore, NY	Newsstation, Inc./Newsstand	120	March 2009	\$300	To be publicly re-offered Spring 2015
3. MNR	Grand Central Terminal	Grand Central Coffee Corp., d/b/a Irving Farm	253	February 2013	\$9,966	Due to East Side Access construction project, location to be offered in 2016
4. MNR	Grand Central Terminal	Hudson News	1191	January 2010	\$5,000	Special site conditions require interim tenancy (East Side Access)
5. MNR	Croton Harmon Station	Dry Cleaning Drop Off	714	August 2013	\$2,159.72	Due to MNR station construction project, location to be publicly offered first quarter 2016
6. MNR	Various stations	Elrac, LLC, d/b/a Enterprise Rent-A-Car	N/A	April 1, 2014	\$2,333.33	Currently being publically offered.
7. NYCT	Main St – Flushing, Queens	IRT Flushing News Inc	121	October 1, 2014	\$6,700.00	To be publicly offered summer 2015
8. NYCT	370 Jay Street lobby, Brooklyn	New York University / Exhibition space	325	December 1, 2014	\$1.00 payment waived	Property disposition effective March 3, 2015
9. MNR	Grand Central Terminal	Diptyque	225	February 2, 2015	\$20,000	To be publicly offered in 2016
10. MNR	Grand Central Terminal	Jacques Torres	455	February 27, 2015	\$5,260	To be publicly offered in 2015

Memorandum



Metropolitan Transportation Authority

State of New York

Date April 27, 2015
To Members of the Finance Committee
From Jeffrey B. Rosen, Director, Real Estate
Re **GCT's Vanderbilt Hall Events Forecast**

The following report will be presented to the Real Estate Committee by GCT Development on a monthly basis. The events forecast will show events planned for Vanderbilt Hall in the next three to four month period. This calendar will always be subject to last minute changes for technical or scheduling reasons.

APRIL 2015 Event Forecast

Event	Date	Description	Space	Use
John Hancock	4/8	Fitness and insurance expo	Vanderbilt Hall	Public
MNR Blood Drive	4/16	East Side of Hall. Public Blood Drive	Vanderbilt Hall	Public
Holiday Fair Casting Call	4/16 - 4/17	Potential Holiday Fair vendors show their products	Vanderbilt Hall	Private
Wine Tasting	April 20, 2015	Industry and Consumer wine tasting event	Vanderbilt Hall	Private
Ford	April 21, 2015	Ford and Sony release new Explorer and sound system. Private concert in evening	Vanderbilt Hall	Public/Private

Memorandum



Metropolitan Transportation Authority

State of New York

Date April 27, 2015
To Members of the Finance Committee
From Jeffrey B. Rosen, Director, Real Estate
Re **GCT – Graybar Passage Retail Kiosks**

The following report will be presented by GCT Development office of the Real Estate Department whenever a new retail Permit Agreement has been entered into under the Retail Kiosk program approved by the MTA Board in January 2006.

GRAND CENTRAL TERMINAL
GRAYBAR PASSAGE RETAIL KIOSK PROGRAM
New Licensees-Month of April 2015

Licensee	License Dates	Use	Monthly Compensation
Sara Designs	3/1/15-3/31/15	The retail sale of licensee produced jewelry	3/1/15 \$3000
	4/1/15-4/30/15		4/1/15 \$3000
	5/1/15-5/31/15		5/1/15 \$3000
	6/1/15-6/30/15		6/1/15 \$3000
	7/1/15-7/31/15		7/1/15 \$2500

Staff Summary

Subject SALE OF SURPLUS PROPERTY
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature
Project Manager Name ROBERT PALEY / JOHN COYNE

Date APRIL 27, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	4/27/15			

Internal Approvals			
Order	Approval	Order	Approval
			Legal
	Chief of Staff		
	Chief Financial Officer		

AGENCY: Metropolitan Transportation Authority (“MTA”)
 COUNTERPARTY: Queens Plaza Park Development, LLC (“QPP”)
 LOCATION: Queens Block 403, consisting of Lot 1 (the “MTA Property”) and Lots 21 and 26 (the “QPP Property”)
 ACTIVITY: Reimbursement of MTA construction costs

COMMENTS:

At its March, 2015 meeting, the MTA Board approved the sale of development rights to QPP in accordance with the attached staff summary. In the meanwhile, QPP’s engineers have determined that certain MTA rock anchors (the “Rock Anchors”) which run beneath the QPP Property need to be de-tensioned in order for QPP to proceed with the necessary foundation work for its building.

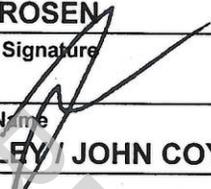
The Rock Anchors support an existing slurry wall adjoining an open cut on the MTA Property. This open cut gives MTA Capital Construction Company contractors access to the East Side Access tunnel, from which the construction of the East Side Access concourse at Grand Central Terminal is supplied. The Rock Anchors extend beneath the QPP Property in a field approximately 60 feet in length and at depths ranging from approximately 50 feet to approximately 100 feet below grade. A temporary easement for the portions of the Rock Anchors that extend onto the QPP property has expired.

In order to allow for the de-tensioning of the Rock Anchors, MTA Capital Construction Company will issue a change order to its contractor, Tutor Perini, and direct it to construct a new access shaft measuring roughly 45 feet by 70 feet. This new access shaft will allow the Rock Anchors to be de-tensioned and will provide comparable access to the East Side tunnel. Such change order will also include work associated with backfilling the area between the existing slurry wall and the new access shaft, which was previously expected to be part of a future East Side Access contract.

QPP has agreed to pay the \$6 million estimated cost of the work associated with constructing the new access shaft. The MTA will initially cover the cost of such work using a portion of the \$47.4 million payment that QPP will make to the MTA at closing, and then QPP will reimburse MTA for such cost by making an incremental \$6 million payment at such time as MTA relinquishes its temporary easements for Parcels C and D and delivers possession of the same to QPP (i.e. concurrently with the release of the escrowed portion of the purchase price as described in the attached staff summary). Such commitment will be backed by a personal guarantee from QPP’s principal, Kevin Maloney.

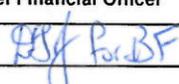
The terms transaction approved by the MTA Board in March, 2015, will remain the same in all other respects.

Staff Summary

Subject SALE OF SURPLUS PROPERTY
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name ROBERT PALEY / JOHN COYNE

Date MARCH 23, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	3/23/15	X		
2	Board	3/25/15	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY: Metropolitan Transportation Authority ("MTA")

BUYER: Queens Plaza Park Development, LLC ("QPP")

LOCATION: Queens Block 403, consisting of Lot 1 (the "MTA Property") and Lots 21 and 26 (the "QPP Property")

ACTIVITY: Sale of transferable development rights and surplus fee interests

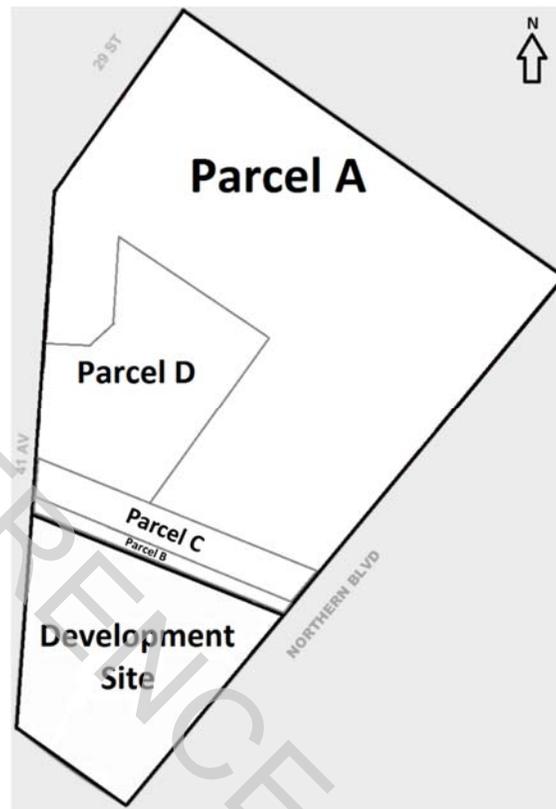
ACTION REQUESTED: Approval of terms

PROPERTY TO BE RETAINED BY MTA: Land identified as "Parcel A" on site plan below (including the portion of the same on which a New York City Transit vent facility is located), plus easements (as described below) with respect to land identified as "Parcel B", "Parcel C" and "Parcel D" on such site plan.

PROPERTY TO BE CONVEYED BY MTA TO QPP:

- (a) the unused transferable development rights attributable to the portion of Parcel A on which the NYCT vent building is located, which together with the development rights associated with Parcels B, C and D, will provide the developer with approximately 478,000 square feet of transferable development rights (the "TDRs");
- (b) fee title to Parcel B (a 10' by 220' strip), subject to retention by MTA of a temporary easement to retain certain existing tie-backs pending the completion of backfill operations on the MTA Property;
- (c) fee title to Parcel C (a 30' by 230' strip), subject to use restrictions and covenants requiring QPP and its successors and assigns to use Parcel C solely as a rear yard and surface driveway, and subject to retention by MTA of temporary surface easements to be relinquished upon completion of work on Parcel C by MTA Capital Construction ("MTACC") and perpetual easements for the maintenance, repair and replacement of subterranean MTA improvements; and
- (d) fee title to Parcel D (25,000± square feet), subject to use restrictions and a perpetual covenant requiring QPP and its successors and assigns to improve and maintain Parcel D in perpetuity as open space accessible to the public during daylight hours, and subject to retention by MTA of temporary surface easements to be relinquished upon completion of work on Parcel D by MTACC, and perpetual easements for the maintenance, repair and replacement of the MTA's subterranean improvements.

COMPENSATION: \$55,950,000.00



COMMENTS:

MTA acquired the MTA Property in 1987, for use in constructing the East 63rd Street Tunnel Project. The subsurface of the MTA Property is intersected by such tunnel (which is being incorporated into MTACC's East Side Access Project) as well as by NYC Transit's Queens Boulevard line tunnel, and the surface of the MTA Property is currently used by MTACC as a staging area for the East Side Access Project. In due course, when MTACC no longer needs it for staging, the MTA Property will to some extent be available for redevelopment. However, as a practical matter, due to load restrictions relating to such tunnels, only a fraction of the development rights associated with the MTA Property would ever be usable on the MTA Property. Accordingly the TDRs constitute surplus property and, in December, 2014, MTA Real Estate issued a request for proposals to acquire such excess development rights for off-site use (the "RFP").

Under the New York City Zoning Resolution, properties are assigned to specified zoning districts, each of which has a specified floor area ratio ("FAR") which, when multiplied by the lot area of the zoning lot, produces the maximum amount of floor area allowed on that zoning lot. Unused floor area development rights can be transferred from a zoning lot to an adjacent zoning lot, but generally cannot be transferred across a street or across zoning district boundary lines. The QPP Property and the western portion of the MTA Property are located in one zoning district, which allows for a maximum FAR of 12, and the eastern portion of the MTA Property is located in another, which allows for a maximum FAR of 5.0. Thus, there are currently approximately 744,000 square feet of development rights associated with the western portion of the MTA Property (which can only be transferred to the QPP Property, and of which QPP proposes to purchase 478,000) and approximately 340,000 square feet of non-transferable development rights associated with the eastern portion of the MTA Property.

QPP intends to construct an as-of-right residential building (including limited commercial space) on the QPP Property and Parcel B, using the TDRs to supplement its own development rights.

An environmental assessment (EA) was performed to determine whether there are any environmental impacts associated with the transfer of air rights and related actions, which would allow QPP to increase the height of the building it otherwise could build on its site from approximately 38 stories to 77 stories, and resulting in an additional 512,247 additional gross square feet (as distinct from zoning floor are) on the development site. This additional area represents up to an additional 490 residential units. The EA analyzed in detail the possible impacts that the proposed actions could have on the environment, using the methodologies described in the New York City Environmental Quality Review

Staff Summary

FINANCE COMMITTEE MEETING

Subject (Cont'd.)

(CEQR) Technical Manual. The EA concluded that that there would be no significant adverse environmental effects from the increases in the number of additional units and height of the building and, accordingly, supports the adoption of a Negative Declaration as it applies to the proposed actions. The results are described in the EA and the draft Negative Declaration separately provided to the Board.

QPP initially offered \$26,914,690 for the TDRs. However, following negotiations, QPP has agreed to pay a total of \$55,950,000, or \$117 per square foot of development rights to be used by QPP, an amount that slightly exceeds the appraised value of such development rights as determined by an independent appraiser engaged by MTARE as required by the Public Authorities Law. The entire purchase price will be payable closing; however, a portion of the same in the amount of \$8,535,304 will be deposited into escrow at closing, either as cash or a letter of credit, and released to the MTA from escrow as follows: \$1,440,000 upon relinquishment by MTACC of its temporary easements on Parcel C; and \$7,095,304 upon relinquishment by MTACC of its temporary easements on Parcel D. In addition, QPP will either widen the Queens Plaza Station subway stair at the northeast corner of Northern Boulevard and 41st Avenue, located adjacent to the QPP Property, or construct a second splayed entrance (with stairs connecting at the base of the existing entrance but rising in the opposite direction of the current entrance), at an estimated cost of approximately \$1 million; install and maintain landscaping on Parcel D (eventually, after MTACC is finished working on the MTA Property), at an estimated initial cost of \$3,500,000, and ongoing expense of approximately \$15,000 annually, which will ultimately enhance the value for redevelopment of the balance of the MTA Property; and reimburse the MTA for the MTA's outside counsel, design consultant, and appraisal expenses.

QPP is a joint venture between the Property Markets Group, Inc., a New York City-based property developer, and Kamran Hakim, a New York City-based real estate investor. QPP's principals have sufficient financial resources to fulfill all obligations associated with this transaction.

Based on the foregoing, MTA Real Estate requests that the Board (i) authorize the CEO or his designee to execute the Negative Declaration; and (ii) authorize MTA Real Estate to enter into a zoning lot development agreement, purchase and sale agreement, reciprocal easement agreement and other agreements as necessary to consummate this transaction with QPP on the above-described terms and conditions.

RESOLUTION

WHEREAS, the Board is considering a proposed sale of transferable development rights and surplus fee interests to Queens Plaza Park Development, LLC (“QPP”), under terms as described in the staff summary submitted to the Board, that would enable QPP to increase the height of the predominately residential building it otherwise would build on its site, Queens Block 40, Lots 21 and 26, from approximately 38 stories to 77 stories, and to construct up to 490 additional residential units;

WHEREAS, a Full Environmental Assessment Form, along with a more detailed Environmental Assessment Report prepared by the environmental consulting firm AKRF, Inc. (collectively, the “Environmental Assessment” or “EA”) has been distributed to the MTA Board;

WHEREAS, the EA analyzed the possible impacts that the proposed actions may have on the environment, using the methodologies described in the New York City Environmental Quality Review (CEQR) Technical Manual;

WHEREAS, the EA concluded that that there would be no significant adverse environmental impacts resulting from the transfer of development rights and fee interests that would allow increases in the number of additional units and height of the QPP’s building;

WHEREAS, a draft Negative Declaration has been prepared and distributed to the MTA Board pursuant to the State Environmental Quality Review Act (“SEQRA”);

WHEREAS, the MTA Board has considered the EA and the draft Negative Declaration;

NOW, THEREFORE, upon motion duly made and seconded, the following resolution is adopted by the MTA Board:

RESOLVED, that based upon the Environmental Assessment, the MTA Board finds and determines that the proposed sale of transferable development rights and surplus fee interests to Queens Plaza Park Development, LLC, will not result in any significant adverse environmental impacts; and it is further

RESOLVED, that the Negative Declaration is approved pursuant to SEQRA and the Chairman and Chief Executive Officer, or his designee, is authorized to execute it.

Staff Summary

Subject WSY PAYMENTS IN LIEU OF SALES TAX
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature
Project Manager Name ROBERT PALEY

Date APRIL 27, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	4/27/15		x	

Internal Approvals			
Order	Approval	Order	Approval
			Legal
	Chief of Staff		
	Chief Financial Officer		

AGENCY: Metropolitan Transportation Authority ("MTA")
 DEVELOPER: The Related Companies, L.P. and its affiliates and partners
 LOCATION: 20 Hudson Yards and 30 Hudson Yards located at 33rd Street and 10th Avenue.
 ACTIVITY: Implementation of PILOST requirements

COMMENTS:

Affiliates of the Related Companies (collectively, the "Developer") have leased the air rights above the LIRR West Side Yard from the MTA and are undertaking the real estate development project known as Hudson Yards (the "Project"). As the fee interest in the buildings comprising the Project is owned by the MTA, the Developer is exempted from sales taxes that would otherwise be payable with respect to various materials that are to be incorporated into such buildings during construction, but the ground lease requires the Developer to make payments in lieu of sales tax (PILOST) equal to the sales tax the Developer would have to pay if such buildings were privately owned. To date, the Developer has paid MTA approximately \$17.8 million in PILOST for construction activities at the Eastern Rail Yard and current projections anticipate that a total of approximately \$190 million will be paid to MTA through the end of ERY construction.

The Project includes 30 Hudson Yards, a 3 million square foot office component that will house new headquarters for Time Warner, as well as a 1 million square foot retail mall to be known as 20 Hudson Yards. This mixed-use component will be constructed above the "throat" of the ERY and the design requires extraordinarily large steel trusses to span the entirety of such throat. The quantity of steel required to address this unique situation is such that no single supplier would be able to supply, fabricate and install the steel in a conventional manner, and the Developer will be required to enter into steel purchase and fabrication contracts with one or more out-of-state suppliers that will fabricate the steel out of state.

Because the steel will be fabricated out of state, the Developer would (if it were subject to sales tax) potentially be subject to "double taxation". However, the Developer has demonstrated to MTA staff, and the MTA's advisors PriceWaterhouse Coopers and Paul Weiss have confirmed, that (again, if it were subject to sales tax) the Developer could, in accordance with NYS Tax Law Regulation 531, unilaterally avoid such double taxation by entering into a joint venture with its supplier. Accordingly, as a win-win accommodation, and by way of honoring the letter and spirit of the PILOST requirements of the ground lease, MTA staff have agreed to accept PILOST equal to the sales tax that would be payable if such joint venture had in fact been formed, plus the \$500,000 that the parties have determined would have been the maximum amount the Developer would have needed to incur in order to form such joint venture.

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