



\$680,265,000
METROPOLITAN TRANSPORTATION AUTHORITY
Dedicated Tax Fund Green Bonds, Series 2017B
(Climate Bond Certified)



consisting of

\$309,225,000
Dedicated Tax Fund Green Bonds,
Subseries 2017B-1
(Climate Bond Certified)

\$371,040,000
Dedicated Tax Fund Refunding Green Bonds,
Subseries 2017B-2
(Climate Bond Certified)

Dated: Date of Delivery

Due: November 15, as shown on inside cover pages

The Metropolitan Transportation Authority's (MTA) Dedicated Tax Fund Green Bonds, Series 2017B (Climate Bond Certified) (the Series 2017B Bonds) consisting of the Dedicated Tax Fund Green Bonds, Subseries 2017B-1 (the Subseries 2017B-1 Bonds) and the Dedicated Tax Fund Refunding Green Bonds, Subseries 2017B-2 (the Subseries 2017B-2 Bonds) are being issued to retire certain Dedicated Tax Fund Bond Anticipation Notes, and to refund certain outstanding Dedicated Tax Fund Bonds.

The Series 2017B Bonds –

- are MTA's special, not general, obligations, payable solely from the State taxes deposited into the Pledged Amounts Account of the Metropolitan Transportation Authority Dedicated Tax Fund as described herein, and
- are not a debt of the State of New York (the State) or The City of New York (the City) or any other local government unit.

MTA has no taxing power.

In the opinion of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel to MTA, under existing law and relying on certain representations by MTA and assuming the compliance by MTA with certain covenants, interest on the Series 2017B Bonds is:

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

Also in Co-Bond Counsel's opinion, under existing law, interest on the Series 2017B Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See "TAX MATTERS" herein for a discussion of certain federal and State income tax matters.

The Series 2017B Bonds will bear interest at the rates shown on the inside cover pages hereof.

The Series 2017B Bonds are subject to redemption prior to maturity as described herein.

The Series 2017B Bonds are offered when, as, and if issued, subject to certain conditions, and are expected to be delivered through the facilities of The Depository Trust Company, on or about May 17, 2017.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2017B Bonds. Investors are advised to read the entire official statement, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

Ramirez & Co., Inc.

Academy Securities

Alamo Capital

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

Joint Co-Senior Managers

BofA Merrill Lynch
J.P. Morgan

Citigroup

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

Jefferies

Loop Capital Markets
RBC Capital Markets

Morgan Stanley

Barclays
Cabreria Capital Markets, LLC
FTN Financial Capital Markets
Rice Financial Products Company

Blaylock Van, LLC
Drexel Hamilton, LLC
KeyBanc Capital Markets Inc.
Stern Brothers & Co.
TD Securities

BNY Mellon Capital Markets
Fidelity Capital Markets
Raymond James
Stifel

\$680,265,000
METROPOLITAN TRANSPORTATION AUTHORITY
Dedicated Tax Fund Green Bonds, Series 2017B
(Climate Bond Certified)

consisting of

\$309,225,000
Dedicated Tax Fund Green Bonds, Subseries 2017B-1
(Climate Bond Certified)

\$144,545,000 Serial Bonds

<u>Maturity</u> <u>(November 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP Number*</u> <u>(59259N)</u>
2018	\$ 500,000	4.00%	0.790%	7L1
2019	515,000	4.00	0.940	7M9
2020	530,000	4.00	1.140	7N7
2021	555,000	4.00	1.320	7P2
2022	1,660,000	4.00	1.490	7Q0
2023	1,725,000	4.00	1.690	7R8
2024	1,795,000	4.00	1.890	7S6
2025	1,860,000	4.00	2.080	7T4
2026	2,645,000	5.00	2.270	7U1
2027	14,040,000	5.00	2.410	7V9
2028	6,665,000	5.00	2.540†	7W7
2029	12,160,000	5.00	2.650†	7X5
2030	7,735,000	5.00	2.720†	7Y3
2031	5,585,000	5.00	2.830†	7Z0
2032	8,090,000	5.00	2.900†	8A4
2033	6,870,000	5.00	2.970†	8B2
2034	22,470,000	5.00	3.040†	8C0
2035	33,940,000	5.00	3.070†	8D8
2036	4,825,000	5.00	3.120†	8E6
2037	5,060,000	5.00	3.160†	8F3
2038	5,320,000	3.50	98.750	8G1

\$164,680,000 Term Bonds

\$23,715,000 5.00% Subseries 2017B-1 Term Bond due November 15, 2042, Yield: 3.240%†
CUSIP Number* 59259N 8N6

\$36,960,000 5.00% Subseries 2017B-1 Term Bond due November 15, 2047, Yield: 3.300%†
CUSIP Number* 59259N 8J5

\$45,280,000 4.00% Subseries 2017B-1 Term Bond due November 15, 2052, Yield: 3.830%†
CUSIP Number* 59259N 8L0

\$1,000,000 5.00% Subseries 2017B-1 Term Bond due November 15, 2052, Yield: 3.430%†
CUSIP Number* 59259N 8K2

\$57,725,000 5.25% Subseries 2017B-1 Term Bond due November 15, 2057, Yield: 3.470%†
CUSIP Number* 59259N 8M8

The Subseries 2017B-1 Bonds are subject to optional and mandatory redemption as described under the caption “DESCRIPTION OF SERIES 2017B BONDS – Redemption Prior to Maturity” in **Part I**. The following summarizes the optional redemption provisions: the Subseries 2017B-1 Bonds maturing on and after November 15, 2028 are subject to redemption prior to maturity on any date on and after November 15, 2027, at the option of MTA, in whole or in part at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

* CUSIP numbers have been assigned by an organization not affiliated with MTA and are included solely for the convenience of the holders of the Subseries 2017B-1 Bonds. MTA is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Subseries 2017B-1 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Subseries 2017B-1 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Subseries 2017B-1 Bonds.

† Priced at the stated yield to the November 15, 2027 optional redemption date at a redemption price of 100%.

\$371,040,000
Dedicated Tax Fund Refunding Green Bonds, Subseries 2017B-2
(Climate Bond Certified)

\$371,040,000 Serial Bonds

<u>Maturity</u> <u>(November 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP Number*</u> <u>(59259N)</u>
2022	\$ 3,955,000	5.000%	1.49%	6V0
2023	17,815,000	5.000	1.69	6W8
2024	18,650,000	5.000	1.89	6X6
2025	19,635,000	5.000	2.08	6Y4
2026	20,675,000	5.000	2.27	6Z1
2027	21,655,000	5.000	2.41	7A5
2028	19,720,000	5.000	2.54 [†]	7B3
2031	17,785,000	5.000	2.83 [†]	7C1
2032	18,675,000	4.000	3.15 [†]	7D9
2033	30,000,000	3.125	3.32	7F4
2033	50,000,000	4.000	3.27 [†]	7H0
2033	45,285,000	5.000	2.97 [†]	7E7
2033	40,000,000	5.250	2.87 [†]	7G2
2034	20,000,000	4.000	3.34 [†]	7K3
2034	27,190,000	5.000	3.04 [†]	7J6

The Subseries 2017B-2 Bonds are subject to optional redemption as described under the caption “DESCRIPTION OF SERIES 2017B BONDS – Redemption Prior to Maturity” in **Part I**. The following summarizes the optional redemption provisions: the Subseries 2017B-2 Bonds maturing on and after November 15, 2028 are subject to redemption prior to maturity on any date on and after November 15, 2027, at the option of MTA, in whole or in part at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

* CUSIP numbers have been assigned by an organization not affiliated with MTA and are included solely for the convenience of the holders of the Subseries 2017B-2 Bonds. MTA is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Subseries 2017B-2 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Subseries 2017B-2 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Subseries 2017B-2 Bonds.

[†] Priced at the stated yield to the November 15, 2027 optional redemption date at a redemption price of 100%.

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SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Series 2017B Bonds. The information in this official statement, including the materials filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA and to the Dedicated Tax Fund Bonds (the Bonds). Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Series 2017B Bonds being offered.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.						
Bonds Being Offered.....	Dedicated Tax Fund Green Bonds, Series 2017B (Climate Bond Certified) (the Series 2017B Bonds), consisting of the Dedicated Tax Fund Green Bonds, Subseries 2017B-1 (the Subseries 2017B-1 Bonds) and the Dedicated Tax Fund Refunding Green Bonds, Subseries 2017B-2 (the Subseries 2017B-2 Bonds).						
Purpose of Issue.....	<p>The Subseries 2017B-1 Bonds are being issued to retire certain Dedicated Tax Fund Bond Anticipation Notes, which were issued by MTA to provide interim financing of transit and commuter projects.</p> <p>The Subseries 2017B-2 Bonds are being issued to refund certain outstanding Dedicated Tax Fund Bonds, further described in Attachment 4 to this official statement.</p> <p>See “APPLICATION OF PROCEEDS AND PLAN OF REFUNDING” in Part I.</p> <p>MTA has designated the Series 2017B Bonds as “Climate Bond Certified” in accordance with the Climate Bonds Standard of the Climate Bonds Initiative. See “APPLICATION OF PROCEEDS AND PLAN OF REFUNDING” in Part I.</p>						
Maturities and Rates.....	The Series 2017B Bonds mature on the dates and bear interest at the rates shown on the inside cover pages.						
Denominations	\$5,000 and integral multiples of \$5,000.						
Interest Payment Dates.....	Interest on the Series 2017B Bonds shall be paid on May 15 and November 15, commencing November 15, 2017.						
Redemption	See “DESCRIPTION OF SERIES 2017B BONDS – Redemption Prior to Maturity” in Part I .						
Sources of Payment and Security	MTA’s pledged State taxes, as described in Part II .						
Registration of the Series 2017B Bonds.....	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.						
Trustee.....	The Bank of New York Mellon, New York, New York.						
Co-Bond Counsel	Nixon Peabody LLP, New York, New York and D. Seaton and Associates, P.A., P.C., New York, New York.						
Special Disclosure Counsel	Hawkins Delafield & Wood LLP, New York, New York.						
Tax Status.....	See “TAX MATTERS” in Part III .						
Ratings.....	<table border="0" style="width: 100%;"> <tr> <td style="text-align: left;"><u>Rating Agency</u></td> <td style="text-align: right;"><u>Rating</u></td> </tr> <tr> <td>Fitch:</td> <td style="text-align: right;">AA</td> </tr> <tr> <td>S&P:</td> <td style="text-align: right;">AA</td> </tr> </table> <p>See “RATINGS” in Part III.</p>	<u>Rating Agency</u>	<u>Rating</u>	Fitch:	AA	S&P:	AA
<u>Rating Agency</u>	<u>Rating</u>						
Fitch:	AA						
S&P:	AA						
Co-Financial Advisors.....	Public Resources Advisory Group, Inc., New York, New York, and Rockfleet Financial Services, Inc., New York, New York.						
Underwriters.....	See cover page.						
Counsel to the Underwriters.....	Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., New York, New York.						
Verification Agent.....	Samuel Klein and Company, Certified Public Accountants.						

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- ***No Unauthorized Offer.*** This official statement is not an offer to sell, or the solicitation of an offer to buy, the Series 2017B Bonds in any jurisdiction where that would be unlawful. MTA has not authorized any dealer, salesperson or any other person to give any information or make any representation in connection with the offering of the Series 2017B Bonds, except as set forth in this official statement. No other information or representations should be relied upon.
 - ***No Contract or Investment Advice.*** This official statement is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this official statement and the Series 2017B Bonds being offered, and anything else related to this bond issue.
 - ***Information Subject to Change.*** Information and expressions of opinion are subject to change without notice, and it should not be inferred that there have been no changes since the date of this document. Neither the delivery of, nor any sale made under, this official statement shall under any circumstances create any implication that there has been no change in MTA's affairs or in any other matters described herein since the date of this official statement.
 - ***Forward-Looking Statements.*** Many statements contained in this official statement, including the appendices and the documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on MTA's beliefs, as well as assumptions made by, and information currently available to, the management and staff of MTA as of the date of this official statement. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "plan," "forecast," "goal," "budget" or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this official statement. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the forward-looking statements contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the forward-looking statements set forth in this official statement, which is solely the product of MTA and its other affiliates and subsidiaries as of the date of this official statement, and the independent auditors assume no responsibility for its content.
 - ***Projections.*** The projections set forth in this official statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of MTA's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of MTA. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this official statement are cautioned not to place undue reliance on the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this official statement, which official statement is solely the product of MTA and its other affiliates and subsidiaries, and the independent auditors assume no responsibility for its content. These forward-looking statements speak only as of the date of this official statement.
 - ***Independent Auditor.*** Deloitte & Touche LLP, MTA's independent auditor, has not reviewed, commented on or approved, and is not associated with, this official statement. The last completed audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2015 and 2014, is a matter of public record. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in this official statement, since the date of such review report and has not been asked to consent to the inclusion, or incorporation by reference, of either its audit or review report in this official statement.

- ***Climate Bonds Initiative.*** The certification of the Series 2017B Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bonds Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Series 2017B Bonds or any projects financed by the Series 2017B Bonds, including but not limited to this official statement or MTA.

The certification of the Series 2017B Bonds as Climate Bonds by the Climate Bonds Initiative is not a recommendation to any person to purchase, hold or sell the Series 2017B Bonds and such certification does not address the market price or suitability of the Series 2017B Bonds for a particular investor. The certification also does not address the merits of the decision by MTA or any third party to participate in this transaction and does not express, and should not be deemed to be an expression of, an opinion as to MTA or any aspect of any projects financed by the Series 2017B Bonds (including but not limited to the financial viability of any projects financed by the Series 2017B Bonds) other than with respect to compliance with the Climate Bonds Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any projects financed by the Series 2017B Bonds or of MTA. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any projects financed by the Series 2017B Bonds. The certification may only be used in connection with the Series 2017B Bonds, including as provided in this official statement, and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due on the Series 2017B Bonds. In the event MTA does not comply with Climate Bonds Initiative's required procedures for Climate Bonds, Climate Bonds Initiative, in its sole and absolute discretion, may withdraw its Climate Bond certification of the Series 2017B Bonds at any time, and there can be no assurance that such certification may not be withdrawn.

- ***No Guarantee of Information by Underwriters.*** The Underwriters have provided the following sentences for inclusion in this official statement: The Underwriters have reviewed the information in this official statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The Underwriters do not make any representation or warranty, express or implied, as to
 - the accuracy or completeness of information they have neither supplied nor verified,
 - the validity of the Series 2017B Bonds, or
 - the tax-exempt status of the interest on the Series 2017B Bonds.
- ***Overallotment and Stabilization.*** The Underwriters may over allot or effect transactions that stabilize or maintain the market price of the Series 2017B Bonds at a level above that which might otherwise prevail in the open market. The Underwriters are not obligated to do this and are free to discontinue it at any time.
- ***Website Addresses.*** References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this official statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

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- Attachment 2** – Continuing Disclosure Under SEC Rule 15c2-12
- Attachment 3** – Form of Approving Opinions of Co-Bond Counsel
- Attachment 4** – Refunded Bonds

Information Included by Specific Cross-reference. The following portions of MTA’s 2017 Combined Continuing Disclosure Filings, dated April 28, 2017, filed with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this official statement, along with material that updates this official statement and that is either filed with EMMA or, in the case of official statements or remarketing circulars, filed with the MSRB prior to the delivery date of the Series 2017B Bonds, together with any supplements or amendments thereto:

- **Part I** – MTA Annual Disclosure Statement (the **MTA Annual Disclosure Statement** or **ADS**)
- **Appendix B** – Unaudited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2016 and 2015

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

- Summary of Certain Provisions of the DTF Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions

For convenience, copies of most of these documents can be found on the MTA website (www.mta.info) under the caption “MTA Info–Financial Information–Budget and Financial Statements” in the case of the Unaudited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2016 and 2015, and “MTA Info–Financial Information–Investor Information” in the case of the remaining documents. No statement on MTA’s website is included by specific cross-reference herein. See “FURTHER INFORMATION” in **Part III**. Definitions of certain terms used in the summaries may differ from terms used in this official statement, such as the use herein of the popular names of the MTA affiliates and subsidiaries.

MTA filed its 2017 Combined Continuing Disclosure Filings with EMMA on April 28, 2017, including, in compliance with Rule 15c2-12, its unaudited Consolidated Financial Statements for the years ended December 31, 2016 and 2015. The Audited Consolidated Financial Statements for the years ended December 31, 2016 and 2015 are expected to be filed with EMMA promptly upon receipt.

Deloitte & Touche LLP, independent certified public accountants, has not reviewed, commented on or approved, and is not associated with, this official statement. The last completed audit report of Deloitte & Touche LLP relating to MTA’s consolidated financial statements for the years ended December 31, 2015 and 2014, is a matter of public record. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in, or incorporated by specific cross-reference in, this official statement, since the date of such review report and has not been asked to consent to the inclusion, or incorporation by reference, of its report on the audited financial statements, or its review report, as the case may be, in this official statement.

INTRODUCTION

MTA, MTA Bridges and Tunnels and Other Related Entities

The Metropolitan Transportation Authority (MTA) was created by special New York State (the State) legislation in 1965, as a public benefit corporation, which means that it is a corporate entity separate and apart from the State, without any power of taxation – frequently called a “public authority.” MTA is governed by board members appointed by the Governor, with the advice and consent of the State Senate.

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

Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels), another affiliate of MTA, is a public benefit corporation empowered to construct and operate toll bridges and tunnels and other public facilities in the City. MTA Bridges and Tunnels issues debt obligations to finance the capital costs of its facilities and the Transit and Commuter Systems. MTA Bridges and Tunnels’ surplus amounts are used to fund certain transit and commuter operations and capital projects.

The board members of MTA serve as the board members of MTA’s affiliates and subsidiaries, which, together with MTA, are referred to herein as the Related Entities. MTA and the other Related Entities are described in detail in **Part I** – MTA Annual Disclosure Statement to MTA’s 2017 Combined Continuing Disclosure Filings (the **MTA Annual Disclosure Statement** or **ADS**), which is included by specific cross-reference in this official statement.

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

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

Capitalized terms used herein and not otherwise defined have the meanings provided in the **ADS** or the DTF Resolution.

Information Provided in the MTA Annual Disclosure Statement

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

Where to Find Information

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

- This **Introduction** provides a general description of MTA, MTA Bridges and Tunnels and the other Related Entities.
- **Part I** provides specific information about the Series 2017B Bonds.
- **Part II** describes the sources of payment and security for all Dedicated Tax Fund Bonds, including the Series 2017B Bonds.
- **Part III** provides miscellaneous information relating to the Series 2017B Bonds.
- **Attachment 1** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Series 2017B Bonds.
- **Attachment 2** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2017B Bonds.
- **Attachment 3** is the form of opinions of Co-Bond Counsel in connection with the issuance of the Series 2017B Bonds.
- **Attachment 4** sets forth a list of the bonds of MTA to be refunded.
- **Information Included by Specific Cross-reference** in this official statement and identified under the caption "Information Included by Specific Cross-reference" following the Table of Contents may be obtained, as described below, from the MSRB and from MTA.

Information from the MSRB through EMMA. MTA files annual and other information with EMMA. Such information can be accessed at <http://emma.msrb.org/>.

Information Included by Specific Cross-reference. The information listed under the caption "Information Included by Specific Cross-reference" following the Table of Contents, as filed with the MSRB through EMMA to date, is "included by specific cross-reference" in this official statement. This means that important information is disclosed by referring to those documents and that the specified portions of those documents are considered to be part of this official statement. **This official statement, which includes the specified portions of those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Series 2017B Bonds.**

Information Available at No Cost. Information filed with the MSRB through EMMA is also available, at no cost, on MTA's website or by contacting MTA, Attn.: Finance Department, at the address on page (i). For important information about MTA's website, see "FURTHER INFORMATION" in **Part III**.

Dedicated Tax Fund Debt Issuance

In addition to the issuance of the Series 2017B Bonds, MTA expects to remarket approximately \$82,575,000 Dedicated Tax Fund Variable Rate Refunding Bonds, Subseries 2008A-2a on or about May 25, 2017.

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PART I. SERIES 2017B BONDS

Part I of this official statement, together with the Summary of Terms, provides specific information about the Series 2017B Bonds.

APPLICATION OF PROCEEDS AND PLAN OF REFUNDING

MTA anticipates that the net proceeds of the Subseries 2017B-1 Bonds (the principal amount thereof, plus a net original issue premium of \$45,055,390.90, and less certain financing, legal and miscellaneous expenses of \$4,280,390.90) in the total amount of \$350,000,000, together with certain other funds of MTA, will be used to retire certain outstanding Dedicated Tax Fund Bond Anticipation Notes, which were issued to provide interim financing of transit and commuter capital projects.

MTA anticipates that the net proceeds of the Subseries 2017B-2 Bonds (the principal amount thereof, plus a net original issue premium of \$57,335,380.90, and less certain financing, legal and miscellaneous expenses of \$1,940,531.43) in the total amount of \$426,434,849.47, together with certain other funds of MTA in the amount of \$107,083.40, will be used to refund certain outstanding obligations of MTA (the Refunded Bonds) in the aggregate principal amount of \$386,895,000.00, as further described in **Attachment 4** to this official statement.

MTA anticipates that a portion of the net proceeds of the Subseries 2017B-2 Bonds, together with other funds, will be used to acquire direct obligations of, or obligations guaranteed by, the United States of America (the Government Obligations), the principal of and interest on which, when due, will provide, together with any moneys that may be deposited by MTA with The Bank of New York Mellon, acting as the Trustee, moneys sufficient to pay the redemption price of such Refunded Bonds, and the interest to become due on such Refunded Bonds, on and prior to their redemption date. The Government Obligations and such other moneys, if any, will be deposited with the Trustee upon the issuance and delivery of the Subseries 2017B-2 Bonds and will be held in trust for the payment of the redemption price of and interest on such Refunded Bonds. Upon making such deposit with the Trustee and the issuance of certain irrevocable instructions to the Trustee pursuant to the DTF Resolution, the Refunded Bonds will be deemed to have been paid and will no longer be outstanding under the DTF Resolution.

Climate Bond Certified

The information set forth under this caption “Climate Bond Certified” concerning (1) the Climate Bonds Initiative (the Climate Bonds Initiative) and the process for obtaining Climate Bond Certification (the Climate Bond Certification), and (2) Sustainalytics (Sustainalytics) in its role as a verifier with respect to the Climate Bond Certification, all as more fully described below, has been extracted from materials provided by the Climate Bonds Initiative and Sustainalytics, respectively, for such purposes, and none of such information is guaranteed as to accuracy or completeness or is to be construed as a representation by MTA or the Underwriters. Additional information relating to the Climate Bonds Initiative, the Climate Bonds Standard, the Certification Process and the process for obtaining Climate Bond Certification can be found at www.climatebonds.net. This website is included for reference only and the information contained therein is not incorporated by reference in this official statement.

The terms “Climate Bond Certified” and “green bonds” are neither defined in, nor related to the DTF Resolution, and their use herein is for identification purposes only and is not intended to provide or imply that a holder of the Series 2017B Bonds is entitled to any additional security other than as provided in the DTF Resolution. MTA has no continuing legal obligation to maintain the Climate Bond Certification of the Series 2017B Bonds.

Introduction. MTA has requested, and the Climate Bonds Standard Board has approved, the Series 2017B Bonds as “Climate Bond Certified”, based on the Climate Bonds Standard Verification Letter provided by Sustainalytics. Sustainalytics’ factual findings assessed that \$11.3 billion, which has been expended as of the date of the verification on eligible projects included in MTA’s 2010-2014 transit and commuter capital program, conform to the Climate Bonds - Low Carbon Transport Standard. MTA expects to issue additional

green bonds from time to time for approved transit and commuter capital program projects reviewed and approved by the Climate Bonds Standard Board.

The Climate Bonds Initiative and Climate Bond Certification. MTA has applied to the Climate Bonds Initiative under the Climate Bonds Standard & Certification Scheme (the Certification Process), for designation of the Series 2017B Bonds as “Climate Bond Certified.” The Certification Process is a voluntary verification initiative which allows MTA to demonstrate to the investor market, the users of the MTA’s transit and commuter systems and other stakeholders that the Series 2017B Bonds meet international standards for climate integrity, management of proceeds and transparency. The Certification Process provides a scientific framework for determining which projects and assets are consistent with a low carbon and climate resilient economy and, therefore, eligible for inclusion in a Certified Climate Bond. The requirements of the Certification Process relating to the Series 2017B Bonds are separated into pre-issuance and post-issuance requirements.

The pre-issuance requirements are designed to ensure that MTA has established appropriate internal processes and controls prior to issuance of the Series 2017B Bonds, and that these internal processes and controls are sufficient to enable conformance with the Certification Process after the Series 2017B Bonds have been issued and bond proceeds are being expended.

The post-issuance requirements require annual certification of compliance.

DESCRIPTION OF SERIES 2017B BONDS

General

Interest Payments. The Series 2017B Bonds will bear interest at the rates and mature in the amounts and on the dates shown on the inside cover pages of this official statement. Interest on the Series 2017B Bonds will be paid on each May 15 and November 15, commencing November 15, 2017, calculated based on a 360-day year comprised of twelve 30-day months.

Book-Entry-Only System. The Series 2017B Bonds will be registered in the name of The Depository Trust Company, New York, New York, or its nominee (together, DTC) which will act as securities depository for the Series 2017B Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof (Authorized Denominations). So long as DTC is the registered owner of the Series 2017B Bonds, all payments on the Series 2017B Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – “Book-Entry-Only System.”

Record Date. The Record Date for the payment of principal of, interest on and Sinking Fund Installments with respect to the Series 2017B Bonds shall be the May 1 or November 1 immediately preceding such payment date.

Transfers and Exchanges. So long as DTC is the securities depository for the Series 2017B Bonds, it will be the sole registered owner of the Series 2017B Bonds, and transfers of ownership interests in the Series 2017B Bonds will occur through the DTC Book-Entry-Only System.

Trustee and Paying Agent. The Bank of New York Mellon, New York, New York is Trustee and Paying Agent with respect to the Series 2017B Bonds.

Redemption Prior to Maturity

Mandatory Sinking Fund Redemption. The Subseries 2017B-1 term bonds shown below are subject to mandatory sinking fund redemption, in part (in accordance with procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper), on any November 15 on and after the first sinking fund installment date shown below at the principal amount thereof plus accrued interest up to but not including the date of redemption thereof, from mandatory Sinking

Fund Installments that are required to be made in amounts sufficient to redeem on November 15 of each year the principal amount of such Series 2017B-1 Bonds shown below:

Subseries 2017B-1 2042 5.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2039	\$5,500,000
	2040	5,775,000
	2041	6,070,000
final maturity	2042	6,370,000
average life – 24.056 years		

Subseries 2017B-1 2047 5.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2043	\$6,690,000
	2044	7,020,000
	2045	7,375,000
	2046	7,745,000
final maturity	2047	8,130,000
average life – 28.592 years		

Subseries 2017B-1 2052 4.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2048	\$8,340,000
	2049	8,685,000
	2050	9,040,000
	2051	9,415,000
final maturity	2052	9,800,000
average life – 33.575 years		

Subseries 2017B-1 2052 5.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2048	\$200,000
	2049	200,000
	2050	200,000
	2051	200,000
final maturity	2052	200,000
average life – 33.494 years		

Subseries 2017B-1 2057 5.25% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2053	\$10,395,000
	2054	10,940,000
	2055	11,515,000
	2056	12,120,000
final maturity	2057	12,755,000
average life – 38.597 years		

Credit Toward Mandatory Sinking Fund Redemption. MTA may take credit toward mandatory Sinking Fund Installment requirements as follows, and, if taken, thereafter reduce the amount of term Series 2017B Bonds otherwise subject to mandatory Sinking Fund Installments on the date for which credit is taken:

- If MTA directs the Trustee to purchase term Series 2017B Bonds with money in the Debt Service Fund (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of bonds purchased will be made against the next Sinking Fund Installment due.
- If MTA purchases or redeems term Series 2017B Bonds with other available moneys, then the principal amount of those bonds will be credited against future Sinking Fund Installment requirements in any order, and in any annual amount, that MTA may direct.

Optional Redemption. The Series 2017B Bonds maturing on and after November 15, 2028, are subject to redemption prior to maturity on any date on and after November 15, 2027, at the option of MTA, in whole or in part (in accordance with procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper) at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

State and City Redemption. Pursuant to the MTA Act, the State, upon providing sufficient funds, may require MTA to redeem the Series 2017B Bonds prior to maturity, as a whole, on any interest payment date not less than twenty years after the date of issue of the Series 2017B Bonds, at 105% of their face value and accrued interest or at such lower redemption price provided for the Series 2017B Bonds 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 2017B Bonds as a whole, but only in accordance with the terms upon which the Series 2017B Bonds are otherwise redeemable.

Redemption Notices. So long as DTC is the securities depository for the Series 2017B Bonds, the Trustee must mail redemption notices to DTC at least 30 days before the redemption date. If the Series 2017B Bonds are not held in book-entry-only form, then the Trustee must mail redemption notices directly to Owners within the same time frame. A redemption of the Series 2017B Bonds is valid and effective even if DTC's procedures for notice should fail. Beneficial owners should consider arranging to receive redemption notices or other communications to DTC affecting them, including notice of interest payments through DTC participants. Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. **Please note that all redemptions are final – even if beneficial owners did not receive their notice, and even if that notice had a defect.**

Redemption Process. If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2017B Bonds called for redemption will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the affected Series 2017B Bonds, and any other conditions included in such notice have been satisfied, then on the redemption

date the Series 2017B Bonds called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Series 2017B Bonds, and an owner's only right will be to receive payment of the redemption price upon surrender of those Series 2017B Bonds.

Debt Service on the Dedicated Tax Fund Bonds

Table 1 on the next page sets forth, on a cash basis, for each fiscal year ending December 31, (i) the debt service on the outstanding Dedicated Tax Fund Bonds, (ii) the debt service on the Series 2017B Bonds, and (iii) the aggregate debt service on all Dedicated Tax Fund Bonds to be outstanding after the issuance of the Series 2017B Bonds.

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Table 1
MTA Dedicated Tax Fund Bonds
Aggregate Debt Service
(in thousands) ⁽¹⁾

Year Ending December 31	Debt Service on Outstanding Bonds ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Debt Service on the Series 2017B Bonds			Aggregate Debt Service ⁽⁶⁾
		Principal	Interest	Total	
2017	\$ 257,177	\$ -	\$ 15,913	\$ 15,913	\$ 283,090
2018	392,311	500	32,184	32,684	424,995
2019	392,316	515	32,164	32,679	424,995
2020	392,318	530	32,144	32,674	424,991
2021	392,315	555	32,123	32,678	424,992
2022	387,279	5,615	32,100	37,715	424,995
2023	373,618	19,540	31,836	51,376	424,994
2024	373,675	20,445	30,876	51,321	424,997
2025	373,627	21,495	29,872	51,367	424,994
2026	372,858	23,320	28,816	52,136	424,994
2027	361,643	35,695	27,650	63,345	424,988
2028	372,743	26,385	25,865	52,250	424,993
2029	388,290	12,160	24,546	36,706	424,996
2030	393,320	7,735	23,938	31,673	424,993
2031	378,074	23,370	23,551	46,921	424,996
2032	375,844	26,765	22,383	49,148	424,992
2033	231,609	172,155	21,231	193,386	424,995
2034	216,762	69,660	13,586	83,246	300,008
2035	255,766	33,940	10,303	44,243	300,009
2036	358,101	4,825	8,606	13,431	371,532
2037	380,902	5,060	8,365	13,425	394,327
2038	362,560	5,320	8,112	13,432	375,992
2039	344,226	5,500	7,926	13,426	357,651
2040	60,790	5,775	7,651	13,426	74,216
2041	24,739	6,070	7,362	13,432	38,171
2042	24,741	6,370	7,058	13,428	38,169
2043	24,740	6,690	6,740	13,430	38,170
2044	24,737	7,020	6,405	13,425	38,163
2045	24,742	7,375	6,054	13,429	38,171
2046	24,737	7,745	5,686	13,431	38,167
2047	24,739	8,130	5,298	13,428	38,167
2048	8,027	8,540	4,892	13,432	21,459
2049	8,023	8,885	4,548	13,433	21,456
2050	8,027	9,240	4,191	13,431	21,457
2051	8,026	9,615	3,819	13,434	21,460
2052	8,022	10,000	3,433	13,433	21,454
2053	8,023	10,395	3,031	13,426	21,448
2054	8,023	10,940	2,485	13,425	21,447
2055	8,026	11,515	1,910	13,425	21,451
2056	8,022	12,120	1,306	13,426	21,448
2057	-	12,755	670	13,425	13,425
Total	\$8,443,515	\$680,265	\$606,628	\$1,286,893	\$9,730,408

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ Includes the following assumptions for debt service: variable rate bonds at an assumed rate of 4.0%; variable rate bonds swapped to fixed at the applicable fixed rate on the swap; floating rate notes at an assumed rate of 4.0% plus the current fixed spread; floating rate notes swapped to fixed at the applicable fixed rate on the swap plus the current fixed spread.

⁽³⁾ Excludes debt service on all outstanding Dedicated Tax Fund Bond Anticipation Notes.

⁽⁴⁾ Debt service has not been reduced to reflect expected receipt of Build America Bond interest subsidies relating to certain Outstanding Bonds; such subsidies do not constitute pledged revenues under the DTF Resolution.

⁽⁵⁾ Excludes debt service on the Refunded Bonds.

⁽⁶⁾ Figures reflect amounts outstanding as of the date of delivery of the Series 2017B Bonds.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this official statement describes the sources of payment and security for all Dedicated Tax Fund Bonds, including the Series 2017B Bonds.

SOURCES OF PAYMENT

Under State law, MTA receives money from certain dedicated taxes and fees described in this section. This money is deposited into MTA's Dedicated Tax Fund and is pledged by MTA for the payment of its Dedicated Tax Fund Bonds.

Revenues from Dedicated Taxes

MTA Revenues from Petroleum Business Tax (PBT), Motor Fuel Tax and Motor Vehicle Fees (MTTF Receipts). In 1991, as part of a program to address the need for continued capital investment in the State's transportation infrastructure, the State Legislature established a State fund, called the Dedicated Tax Funds Pool, from which money is apportioned by statutory allocation under current State Tax Law to a State fund, called the Dedicated Mass Transportation Trust Fund (MTTF). Currently, portions of the following taxes and fees are deposited into the Dedicated Tax Funds Pool, of which 34% is allocated to the MTTF for the benefit of MTA:

- A business privilege tax imposed on petroleum businesses operating in the State (the PBT), consisting of:
 - a basic tax that varies based on product type,
 - a supplemental tax on gasoline and highway diesel, and
 - a petroleum business carrier tax.

Currently, 80.3% of net PBT receipts from the basic tax and all of the supplemental tax and the carrier tax are required by current law to be deposited in the Dedicated Tax Funds Pool.

- Motor fuel taxes on gasoline (50%) and diesel fuel (100%).
- Certain motor vehicle fees administered by the State Department of Motor Vehicles, including both registration and non-registration fees.

Thirty-four percent (34%) of the Dedicated Tax Funds Pool is currently deposited in the MTTF for MTA's benefit. Subject to appropriation by the State Legislature, money in the MTTF is required by law to be transferred to the MTA Dedicated Tax Fund held by MTA. Amounts transferred from the MTTF account to the MTA's Dedicated Tax Fund constitute "MTTF Receipts."

MTA anticipates that the amount and timing of MTTF Receipts will be sufficient to make required principal and interest payments on the Dedicated Tax Fund Bonds, including the Series 2017B Bonds.

A more detailed description of the MTTF Receipts is set forth in the ADS (included herein by specific cross-reference) under the caption "DEDICATED TAX FUND BONDS" under the following headings:

- MTTF Receipts — Dedicated Petroleum Business Tax,
- MTTF Receipts — Motor Fuel Tax, and
- MTTF Receipts — Motor Vehicle Fees.

MTA Revenues from Special Tax Supported Operating Subsidies (MMTOA Receipts). Like other U.S. mass transit systems, the Transit System and Commuter System have historically operated at a deficit and

have been dependent upon substantial amounts of general operating subsidies from the State, as well as the City. Over time, the ongoing needs of the State's mass transportation systems led the State to supplement the general operating subsidies with additional operating subsidies supported by special State taxes.

Starting in 1980, in response to anticipated operating deficits of the State's mass transportation systems, the State Legislature enacted a series of taxes, portions of the proceeds of which have been and are to be deposited in a special State Fund — the Mass Transportation Operating Assistance Fund — to fund the operations of mass transportation systems. The Metropolitan Mass Transportation Operating Assistance Account, or MMTOA Account, was established in that State Fund to support operating expenses of transportation systems in the MCTD, including the MTA New York City Transit, MaBSTOA and the commuter railroads operated by MTA's subsidiaries, MTA Long Island Rail Road and MTA Metro-North Railroad. After payment of Section 18-b general operating assistance to the various transportation systems, MTA receives 85.4% of the moneys deposited in the MMTOA Account, with the remaining 14.6% available to other transportation properties within the MCTD, such as MTA Bus, which currently operates the routes formerly operated by the City private franchise bus lines.

Since the creation of the MMTOA Account, MTA has requested and received in each year significant payments from that account in order to meet operating expenses of the transit and commuter systems. It is expected that payments from the MMTOA Account will continue to be essential to the operations of the transit and commuter systems. Although a variety of taxes have been used to fund the special tax supported operating subsidies, the taxes levied for this purpose, which MTA refers to collectively as the "MMTOA Taxes," currently include:

- MMTOA PBT. The products that are subject to the tax, the tax rates, and the transactions excluded from the tax are identical to those of the basic PBT dedicated to the Dedicated Tax Funds Pool and the MTTF account in that Pool. Pursuant to State law, 10.835% of the PBT Basic Tax collections is deposited in the MMTOA Account.
- District Sales Tax. The District Sales Tax consists of a 0.375% sales and compensating use tax imposed on sales and uses of certain tangible personal property and services applicable only within the MCTD.
- Franchise Taxes. Also deposited in the MMTOA Account is a legislatively-allocated portion of the following three taxes imposed on certain transportation and transmission companies (such as trucking, telegraph and local telephone companies and mobile communication services):
 - an annual franchise tax based on the amount of the taxpayer's issued capital stock,
 - an annual franchise tax on the taxpayer's gross earnings from all sources calculated to have been generated statewide pursuant to statutory formulae, and
 - an additional excise tax on the sale of mobile communication services effective May 1, 2015.
- Franchise Surcharges. The Franchise Surcharges are imposed on the portion of the franchise and other taxes of certain corporations, insurance, transportation and transmission companies attributable (according to various complex formulae) to business activity carried on within the MCTD. In accordance with the State Tax Law, the tax revenue generated under these provisions, after the deduction of administrative costs, is to be deposited to the MMTOA Account, as taxes are received.

MTA receives the equivalent of four quarters of MMTOA Receipts each year, with the first quarter of each succeeding calendar year's receipts advanced into the fourth quarter of the preceding year. This results in little or no MMTOA Receipts being received during the first quarter of each calendar year; MTA is required to make other provisions to provide for cash liquidity during this period.

A more detailed description of the MMTOA Taxes is set forth in the **ADS** (included herein by specific cross-reference) under the caption “DEDICATED TAX FUND BONDS — MMTOA Account — Special Tax Supported Operating Subsidies.”

Five Year Summary of MTTF Receipts and MMTOA Receipts. **Table 2** sets forth a five year summary (based on the State’s fiscal year ending March 31) of the following:

- actual collections by the State of receipts for each of the sources of revenues that, subject to appropriation and allocation among MTA and other non-MTA transportation agencies, could become receipts of the MTA Dedicated Tax Fund,
- amount of MTTF Receipts and MMTOA Receipts, and
- debt service coverage ratio based upon MTTF Receipts, and MTTF Receipts plus MMTOA Receipts.

The information in the following **Table 2** relating to MTTF Receipts and MMTOA Receipts was provided by the New York State Division of the Budget and the remaining information was provided by MTA.

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Table 2
Summary of MTTF Receipts and MMTOA Receipts⁽¹⁾
State Fiscal Year ending March 31 (\$ millions)

	<u>Actual</u> <u>2014</u>	<u>Actual</u> <u>2015</u>	<u>Actual</u> <u>2016</u>	<u>Actual</u> <u>2017</u>	<u>Projection</u> <u>2018⁽⁸⁾</u>
Dedicated Taxes (\$ millions)					
MTTF⁽¹⁾					
PBT ⁽²⁾	\$ 345.9	\$ 347.4	\$ 337.3	\$ 336.9	\$ 320.4
Motor Fuel Tax	90.7	92.7	96.5	100.5	97.5
Motor Vehicle Fees	181.6	120.4 ⁽⁷⁾	127.4 ⁽⁷⁾	128.7 ⁽⁷⁾	128.6 ⁽⁷⁾
Total Available	<u>\$ 618.2</u>	<u>\$ 560.5</u>	<u>\$ 561.2</u>	<u>\$ 566.1</u>	<u>\$ 546.5</u>
MMTOA⁽¹⁾					
PBT ⁽²⁾	\$ 75.5	\$ 75.1	\$ 72.6	\$ 73.1	\$ 68.7
District Sales Tax	801.7	854.2	874.2	903.0	943.0
Franchise Taxes ⁽³⁾	36.5	25.7	39.4	41.4	38.5
Franchise Surcharges	989.9	1,032.0	1,039.7	1,017.1	1,155.5
Total Available	<u>\$1,903.6</u>	<u>\$ 1,987.0</u>	<u>\$ 2,025.9</u>	<u>\$ 2,034.6</u>	<u>\$ 2,205.7</u>
Disbursements					
MTTF⁽⁴⁾	\$ 606.9	\$ 629.8 ⁽⁷⁾	\$ 604.8 ⁽⁷⁾	\$ 616.4 ⁽⁷⁾	\$ 607.6 ⁽⁷⁾
MMTOA⁽⁵⁾	<u>\$1,518.2</u>	<u>\$ 1,563.9</u>	<u>\$ 1,563.9</u>	<u>\$1,668.0</u>	<u>\$ 1,668.0</u>
Total Disbursed	<u>\$2,125.1</u>	<u>\$ 2,193.7</u>	<u>\$ 2,168.7</u>	<u>\$2,284.4</u>	<u>\$ 2,275.6</u>
Debt Service⁽⁶⁾	\$ 356.1	\$ 344.6	\$ 341.7	\$ 365.1	\$ 394.9
Debt Service Coverage Ratio – MTTF Receipts Only	1.70x	1.83x	1.77x	1.69x	1.54x
Debt Service Coverage Ratio – MTTF and MMTOA Receipts	5.97x	6.37x	6.35x	6.26x	5.76x

- (1) As used in this Table, MTTF Receipts and MMTOA Receipts have the meaning given such terms in the DTF Resolution.
- (2) Effective December 1, 2017, all receipts from aviation fuel will be directed to an aviation purpose account, from which no revenue is directed to MTTF or MMTOA. The impact in State fiscal year 2017-2018 is projected to result in a reduction of \$1.0 million for MTTF and \$0.4 million for MMTOA.
- (3) Effective State fiscal year 2012-2013, the distribution to the MMTOA Account was changed from 80% to 54% of the taxes collected from Franchise Taxes. The remaining 26% is distributed to the Public Transportation Systems Operating Assistance PTOA Account. This distribution is in effect through March 31, 2018.
- (4) Represents the amount in the MTTF that was, subject to appropriation, paid to MTA by deposit into the MTA Dedicated Tax Fund, thereby becoming MTTF Receipts. The amount of MTTF Receipts in any State fiscal year may be greater than the amount collected for deposit into the MTTF due to, among other things, investment earnings or surplus amounts retained in the MTTF that were not paid out in prior years.
- (5) Represents the amount in the MMTOA Account that was, subject to appropriation, paid to MTA by deposit into the MTA Dedicated Tax Fund, thereby becoming MMTOA Receipts. The difference between Total Available MMTOA Taxes and MMTOA Receipts generally represents the amount appropriated for operating expenses of the various non-MTA systems in the MCTD, as well as the amounts appropriated to MTA and other transportation agencies, primarily in accordance with the Section 18-b Program as described in the ADS under the caption “REVENUES OF THE RELATED ENTITIES – State and Local General Operating Subsidies” in Part 2.
- (6) Net of \$26.0 million of Build America Bond interest credit payments in each State fiscal year from 2013-2014 through 2017-2018.
- (7) Pursuant to legislation enacted in 2014, beginning with State fiscal year 2014-2015 and each year thereafter, a portion of the Fiscal Year 2013-2014 Motor Vehicle General Fund transfer of \$169.4 million has been replaced with a direct transfer of \$62.7 million from the State General Fund to the Dedicated Mass Transportation Trust Fund. \$57.7 million of such amount flows to the MTA Dedicated Tax Fund as MTTF Receipts; the remainder flows to other transportation systems.
- (8) The State fiscal year 2017-2018 projection is based on the 2017-2018 Executive Budget Financial Plan Updated for Governor’s Amendments and Forecast Revisions.

Factors Affecting Revenues from Dedicated Taxes

Legislative Changes. The requirement that the State pay MTA Dedicated Tax Fund Revenues to the MTA Dedicated Tax Fund is subject to and dependent upon annual appropriations being made by the State Legislature for such purpose and the availability of moneys to fund such appropriations. The State Legislature is not obligated to make appropriations to fund the MTA Dedicated Tax Fund, and there can be no assurance that the State Legislature will make any such appropriation. The State is not restricted in its right to amend, repeal, modify or otherwise alter statutes imposing or relating to the MTA Dedicated Tax Fund Revenues or the taxes or appropriations that are the source of such Revenues.

In connection with the financing of future capital programs, MTA may propose legislation affecting components of the taxes currently securing the Dedicated Tax Fund Bonds.

Litigation. Aspects relating to the imposition and collection of the Dedicated Taxes have from time to time been and may continue to be the subject of administrative claims and litigation by taxpayers.

Economic Conditions. Many of the Dedicated Taxes are dependent upon economic and demographic conditions in the State and in the MCTD, and therefore there can be no assurance that historical data with respect to collections of the Dedicated Taxes will be indicative of future receipts.

Government Assistance. The level of government assistance to MTA through Dedicated Taxes may be affected by several different factors including:

- The State Legislature may not bind or obligate itself to appropriate revenues during a future legislative session, and appropriations approved during a particular legislative session generally have no force or effect after the close of the State fiscal year for which the appropriations are made. However, in the case of the PBT that is deposited as a portion of the MTTFF Receipts, the State Legislature has expressed its intent in the State Finance Law to enact for each State fiscal year an appropriation for the current and the next year. See the heading “SECURITY – Appropriation by the State Legislature” below.
- The State is not bound or obligated to continue to pay operating subsidies to the transit or commuter systems or to continue to impose any of the taxes currently funding those subsidies.

Information Relating to the State. Information relating to the State, including the Annual Information Statement of the State, as amended or supplemented, is not a part of this official statement. Such information is on file with the MSRB through EMMA with which the State was required to file, and the State has committed to update that information to the holders of its general obligation bonds in the manner specified in SEC Rule 15c2-12. Prospective purchasers of MTA’s Dedicated Tax Fund Bonds wishing to obtain that information may refer to those filings regarding currently available information about the State. The State has not obligated itself to provide continuing disclosure in connection with the offering of MTA’s Dedicated Tax Fund Bonds. MTA makes no representations about State information or its continued availability.

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SECURITY

The Dedicated Tax Fund Bonds, including the Series 2017B Bonds, are MTA's special obligations payable as to principal, redemption premium, if any, and interest solely from the security, sources of payment and funds specified in the DTF Resolution. Payment of principal of or interest on the Dedicated Tax Fund Bonds may not be accelerated in the event of a default.

The Dedicated Tax Fund Bonds are secured primarily by the sources of payment described under the caption "SOURCES OF PAYMENT", and are not secured by

- the general fund or other funds and revenues of the State, or
- the other funds and revenues of MTA or any of its affiliates or subsidiaries.

The Dedicated Tax Fund Bonds are not a debt of the State or the City, or any other local governmental unit. MTA has no taxing power.

Summaries of certain provisions of the DTF Resolution and the Standard Resolution Provisions have been filed with EMMA and are available on MTA's website.

Pledge Effected by the DTF Resolution

Trust Estate. The DTF Resolution provides that there are pledged to the payment of principal and redemption premium of, interest on, and sinking fund installments for, the Dedicated Tax Fund Bonds and Parity Debt, in accordance with their terms and the provisions of the DTF Resolution, subject only to the provisions permitting the application of that money for the purposes and on the terms and conditions permitted in the DTF Resolution, the following, referred to as the "Trust Estate":

- the proceeds of the sale of the Dedicated Tax Fund Bonds, until those proceeds are paid out for an authorized purpose,
- the Pledged Amounts Account in the MTA Dedicated Tax Fund (which includes MTTF Receipts and MMTOA Receipts), any money on deposit in that Account and any money received and held by MTA and required to be deposited in that Account, and
- all funds, accounts and subaccounts established by the DTF Resolution (except funds, accounts and subaccounts established pursuant to Supplemental Resolution, and excluded by such Supplemental Resolution from the Trust Estate as security for all Dedicated Tax Fund Bonds, in connection with Variable Interest Rate Obligations, Put Obligations, Parity Debt, Subordinated Indebtedness or Subordinated Contract Obligations), including the investments, if any, thereof.

The DTF Resolution provides that the Trust Estate is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the DTF Resolution, and all corporate action on the part of MTA to that end has been duly and validly taken.

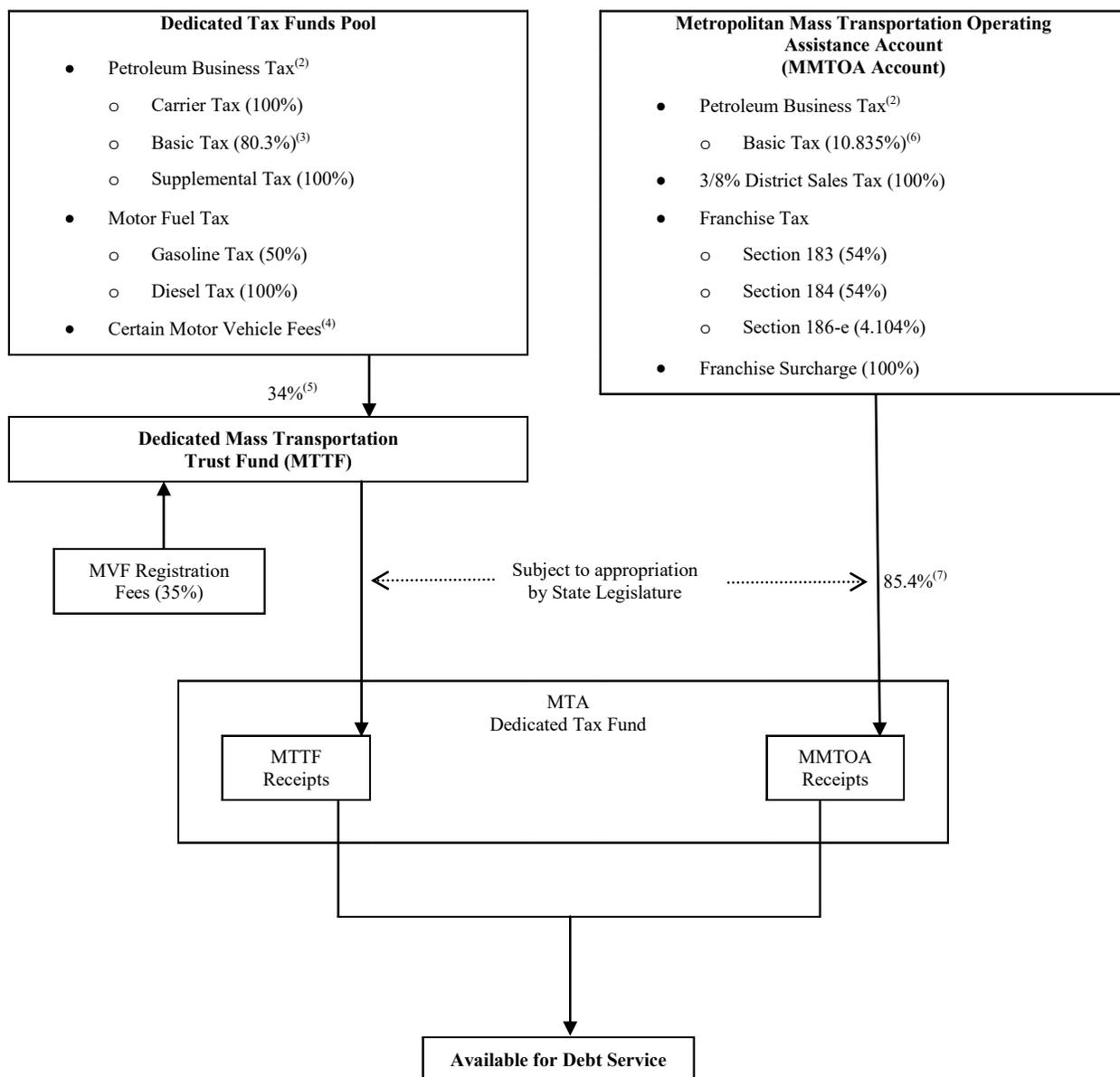
Flow of Funds

The DTF Resolution establishes a Proceeds Fund held by MTA and a Debt Service Fund held by the Trustee. See "SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION" included herein by specific cross-reference for a description of the provisions of the DTF Resolution governing the deposits to and withdrawals from the Funds and Accounts. Amounts held by MTA or the Trustee in any of such Funds shall be held in trust separate and apart from all other funds and applied solely for the purposes specified in the DTF Resolution or any Supplemental Resolution thereto.

The following two charts summarize (i) the flow of taxes into the MTA Dedicated Tax Fund, and (ii) the flow of MTA Dedicated Tax Fund Revenues through the MTA Dedicated Tax Fund and the Funds and Accounts established under the DTF Resolution.

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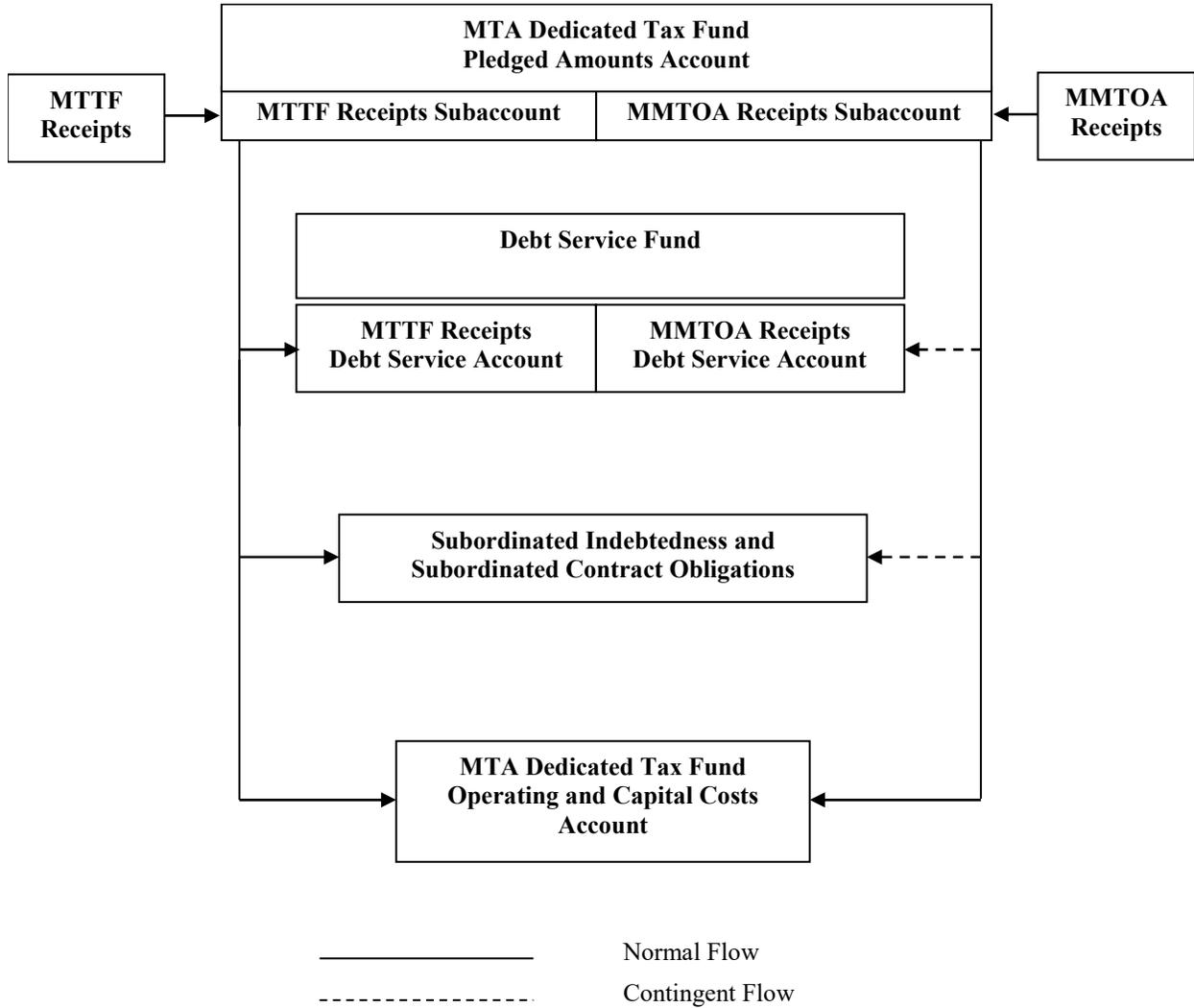
MTA DEDICATED TAX FUND BONDS SOURCES OF REVENUE
(Through March 31, 2018)⁽¹⁾



Notes

- (1) Parenthetical amounts and percentages, as well as flow of fund percentages, indicate the amount or percent of that tax or fund to be deposited for the year ending March 31, 2018 in the respective fund or account. The allocations shown may be changed at any time by the Legislature.
- (2) Effective December 1, 2017, all receipts from aviation fuel will be directed to an aviation purpose account, from which no revenue is directed to MTTF or MMTOA. Currently, aviation fuel receipts are part of the Basic Tax. The impact in State fiscal year 2017-2018 is projected to result in a reduction of \$1.0 million for MTTF and \$0.4 million for MMTOA.
- (3) In addition, the first \$7.5 million of the Basic Tax is appropriated to the Dedicated Tax Funds Pool prior to any percentage split of the Dedicated Tax Funds Pool.
- (4) Beginning with the State fiscal year 2014-2015, and each year thereafter, a portion of the State fiscal year 2013-2014 Motor Vehicle General Fund transfer of \$169.4 million has been replaced with a direct transfer of \$62.7 million from the State General Fund to the MTTF; \$57.7 million of such amount flows to the MTA Dedicated Tax Fund as MTTF Receipts as defined in the DTF Resolution.
- (5) Percentage of Dedicated Tax Funds Pool.
- (6) The remaining 8.865% share of the Basic Tax is deposited in an account for certain upstate transportation entities.
- (7) Percentage based upon appropriations for State fiscal year 2017-2018.

MTA DEDICATED TAX FUND BONDS – RESOLUTION FLOW OF FUNDS



All amounts on deposit in the Pledged Amounts Account – MTF Receipts Subaccount are paid out before any amounts on deposit in the Pledged Amounts Account – MMTOA Receipts Subaccount are paid out.

Amounts paid out from any fund or account for an authorized purpose (excluding transfers to any other pledged fund or account) are free and clear of the lien and pledge created by the DTF Resolution.

Debt Service Fund

Pursuant to the DTF Resolution, the Trustee holds the Debt Service Fund, consisting of the MTTF Receipts Debt Service Account and the MMTOA Receipts Debt Service Account. Moneys in the Debt Service Fund are applied by the Trustee to the payment of Debt Service on the Dedicated Tax Fund Bonds in the manner, and from the accounts and subaccounts, more fully described under “SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION — Debt Service Fund” included herein by specific cross-reference.

MTA is required to make monthly deposits to the appropriate account of the Debt Service Fund of interest (1/5th of the next semiannual payment) and principal (1/10th of the next annual payment), first from MTTF Receipts and then, to the extent of any deficiency, from MMTOA Receipts.

Covenants

Additional Bonds. The DTF Resolution permits MTA to issue additional Bonds from time to time to pay or provide for the payment of Capital Costs and to refund Outstanding Bonds.

Under the DTF Resolution, MTA may issue one or more Series of Bonds for the payment of Capital Costs, provided, in addition to satisfying certain other requirements, MTA delivers a certificate that evidences MTA’s compliance with the additional bonds test set forth in the DTF Resolution.

Such certificate must set forth:

- (A) for any 12 consecutive calendar months ended not more than six months prior to the date of such certificate: (i) MTTF Receipts, (ii) MMTOA Receipts, and (iii) investment income received during such period on amounts on deposit in the Pledged Amounts Account, the MTTF Receipts Subaccount, the MMTOA Receipts Subaccount and the Debt Service Fund; and
- (B) the greatest amount for the then current or any future Debt Service Year of the sum of (a) Calculated Debt Service on all Outstanding Obligations, including the proposed Capital Cost Obligations and any proposed Refunding Obligations being treated as Capital Cost Obligations, but excluding any Obligations or Parity Debt to be refunded with the proceeds of such Refunding Obligations, plus (b) additional amounts, if any, payable with respect to Parity Debt;

and then state:

- (x) that the sum of the MTTF Receipts and investment income (other than investment income on the MMTOA Receipts Subaccount) set forth in clause (A) above is not less than 1.35 times the amount set forth in accordance with clause (B) above and
- (y) that the sum of the MTTF Receipts, MMTOA Receipts and investment income set forth in clause (A) above is not less than 2.5 times the amount set forth in clause (B) above.

See “SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION—Special Provisions for Capital Cost Obligations” included herein by specific cross-reference for a description of further provisions which apply to the additional bonds test if the percentage of available existing taxes deposited into the MTA Dedicated Tax Fund is increased or additional taxes are added to the amounts so deposited.

For a discussion of the requirements relating to the issuance of Refunding Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION—Special Provisions for Refunding Obligations” included herein by specific cross-reference.

Parity Debt

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

Appropriation by the State Legislature

The State Constitution provides that the State may not expend money without an appropriation, except for the payment of debt service on general obligation bonds or notes issued by the State. An appropriation is an authorization approved by the State Legislature to expend money. The State Constitution requires all appropriations of State funds, including funds in the MTTF and MMTOA Accounts, to be approved by the State Legislature at least every two years. In addition, the State Finance Law provides, except as described below, that appropriations shall cease to have force and effect, except as to liabilities incurred thereunder, at the close of the State Fiscal Year for which they were enacted and that to the extent of liabilities incurred thereunder, such appropriations shall lapse on the succeeding June 30th or September 15th, depending upon the nature of the appropriation. The State Legislature may not be bound in advance to make any appropriation, and there can be no assurances that the State Legislature will appropriate the necessary funds as anticipated. MTA expects that the State Legislature will make appropriations from amounts on deposit in the MTTF and MMTOA Accounts in order to make payments when due. Until such time as payments pursuant to such appropriation are made in full, revenues in the MTTF shall not be paid over to any entity other than MTA.

The State Legislature has expressed its intent in the State Finance Law to enact for each State Fiscal Year in the future in an annual budget bill an appropriation from the MTTF (with respect to the PBT portion only) to the MTA Dedicated Tax Fund for the then current State Fiscal Year and an appropriation of the amounts projected by the Director of the Budget to be deposited in the MTA Dedicated Tax Fund from the MTTF (with respect to the PBT portion only) for the next succeeding State Fiscal Year. In any State Fiscal Year, if the Governor does not submit or if the State Legislature does not enact a current year appropriation from the MTTF (with respect to the PBT portion) to the MTA Dedicated Tax Fund, or such appropriation has been delayed, MTA is required to notify the State of amounts required to be disbursed from the appropriation made during the preceding State Fiscal Year for payment in the current State Fiscal Year. The State Comptroller may not make any payments from the MTTF to the MTA Dedicated Tax Fund from such prior year appropriation prior to May 1st of the current State Fiscal Year.

The adopted State budget for State Fiscal Year 2017-2018 included two appropriations from the MTTF to the MTA Dedicated Tax Fund. One such appropriation is for the State Fiscal Year that ends March 31, 2018 and the other such appropriation is for the succeeding State Fiscal Year that ends March 31, 2019. MTA has periodically availed itself of the latter appropriation to meet operating costs in response to delays in the adoption of the State budget in such years.

A budgetary imbalance in the present or any future State Fiscal Year could affect the ability and willingness of the State Legislature to appropriate and the availability of moneys to make the payments from the MTTF and the MMTOA Accounts. However, MTA believes that if the State Legislature does not make appropriations as contemplated, it would have a serious impact on the ability of the State and its public benefit corporations to raise funds in the public credit markets.

Agreement of the State

The MTA Act prohibits MTA from filing a voluntary petition in bankruptcy under Chapter 9 of the Federal Bankruptcy Code or such successor chapters or sections as may from time to time be in effect and the State has pledged that so long as any notes, bonds or lease obligations of the MTA are outstanding, it will not

limit or alter the denial of authority to MTA to so file. Chapter 9 does not provide authority for creditors to file involuntary bankruptcy proceedings against MTA or other Related Entities.

Under the MTA Act, the State pledges to and agrees with the holders of any notes, bonds or lease obligations issued or incurred by MTA, including the Series 2017B Bonds, that the State will not limit or alter the rights vested in MTA to fulfill the terms of any agreements made by MTA with the holders of its notes, bonds and lease obligations, including the Series 2017B Bonds, or in any way impair the rights and remedies of such holders. Notwithstanding the foregoing, in accordance with State law, nothing in the DTF Resolution shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the MTA Dedicated Tax Fund Revenues or the taxes or appropriations which are the source of such Revenues. No default under the DTF Resolution would occur solely as a result of the State exercising its right to amend, repeal, modify or otherwise alter such taxes or appropriations.

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PART III. OTHER INFORMATION ABOUT THE SERIES 2017B BONDS

Part III of this official statement provides miscellaneous additional information relating to the Series 2017B Bonds.

TAX MATTERS

General

Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C. are Co-Bond Counsel for the Series 2017B Bonds. Each Co-Bond Counsel is of the opinion that, under existing law, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, interest on the Series 2017B Bonds is:

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

Each Co-Bond Counsel is also of the opinion that, under existing law, interest on the Series 2017B Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See **Attachment 3** to this official statement for the form of the opinions that Co-Bond Counsel each expect to deliver when the Series 2017B Bonds are delivered.

The Series 2017B Bonds

The Internal Revenue Code of 1986 imposes requirements on the Series 2017B Bonds that MTA must continue to meet after the Series 2017B Bonds are issued. These requirements generally involve the way that Series 2017B Bond proceeds must be invested and ultimately used and the way that assets financed and refinanced with proceeds of the Series 2017B Bonds must be used. If MTA does not meet these requirements, it is possible that an Owner may have to include interest on the Series 2017B Bonds in its federal gross income on a retroactive basis to the date of issue. MTA has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code of 1986.

An Owner who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2017B Bonds. This is possible if an Owner is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Series 2017B Bonds.

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

Co-Bond Counsel are not responsible for updating their respective opinions in the future. It is possible that future events could change the tax treatment of the interest on the Series 2017B Bonds or affect the market price of the Series 2017B Bonds. See also "Miscellaneous" below under this heading.

Co-Bond Counsel express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2017B Bonds, or under State, local or foreign tax law.

Original Issue Discount

Each maturity of the Series 2017B Bonds will have “original issue discount” if the price first paid by purchasers thereof for a substantial amount of such Series 2017B Bonds is less than the principal amount of these Series 2017B Bonds. Original issue discount on these Series 2017B Bonds as it accrues is excluded from an Owner’s federal gross income under the Internal Revenue Code of 1986 to the same extent and subject to the same considerations discussed above as interest paid on the Series 2017B Bonds. In addition, original issue discount on these Series 2017B Bonds as it accrues is exempt from personal income taxes of the State and its political subdivisions, including the City. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues an Owner’s tax basis in these Series 2017B Bonds will be increased. If an Owner owns one of these Series 2017B Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Bond Premium

If an Owner purchases a Series 2017B Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Series 2017B Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized an Owner’s tax basis in that Series 2017B Bond will be reduced. The Owner of a Series 2017B Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Series 2017B Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Series 2017B Bond with bond premium, even though the Series 2017B Bond is sold for an amount less than or equal to the Owner’s original cost. If an Owner owns any Series 2017B Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, such as the Series 2017B Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the interest recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Internal Revenue Code of 1986. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing a Series 2017B Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2017B Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Legislative or administrative actions and court decisions, at either the federal or state level, may cause interest on the Series 2017B Bonds to be subject, directly or indirectly, in whole or in part, to federal, state or local income taxation, and thus have an adverse impact on the value or marketability of the Series 2017B Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal

or state income taxes (including replacement with another type of tax), repeal of the exclusion or exemption of the interest on the Series 2017B Bonds from gross income for federal or state income tax purposes, or otherwise. For example, presidential budget proposals in recent years have proposed legislation that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Internal Revenue Code of 1986 (including the Series 2017B Bonds) for taxpayers whose income exceeds certain thresholds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2017B Bonds may occur. Prospective purchasers of the Series 2017B Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2017B Bonds. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2017B Bonds may affect the tax status of interest on the Series 2017B Bonds.

Prospective purchasers of the Series 2017B Bonds should consult their own tax advisors regarding the foregoing matters.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations was independently verified by Samuel Klein and Company, Certified Public Accountants (the Verification Agent). These computations indicate (i) the sufficiency of the receipts from the Government Obligations together with an initial cash deposit, to pay at early redemption or at the maturity date, the principal of and interest on the Refunded Bonds, and (ii) the yields to be considered in determining that the Subseries 2017B-2 Bonds are not “arbitrage bonds” under Section 148 of the Internal Revenue Code. The Verification Agent relied upon assumptions and information supplied by the financial advisor on behalf of MTA and has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the debt service requirements of the Refunded Bonds will be satisfied as described in its report.

LEGALITY FOR INVESTMENT

The MTA Act provides that the Series 2017B Bonds are securities in which the following investors may properly and legally invest funds, including capital in their control or belonging to them:

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

Certain of those investors, however, may be subject to separate restrictions that limit or prevent their investment in the Series 2017B Bonds.

LITIGATION

There is no pending litigation concerning the Series 2017B Bonds.

MTA is the defendant in numerous claims and actions, as are its affiliates and subsidiaries, including MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bus and MTA Bridges and Tunnels. Certain of these claims and actions, either individually or in the

aggregate, are potentially material to MTA, its affiliates or subsidiaries. MTA does not believe that any of these claims or actions would affect the application of the sources of payment for the Series 2017B Bonds. A summary of certain of these potentially material claims and actions is set forth in Part 6 of the ADS under the caption "LITIGATION," as that filing may be amended or supplemented to date.

FINANCIAL ADVISOR

Public Resources Advisory Group, Inc. and Rockfleet Financial Services, Inc. are MTA's Co-Financial Advisors for the Series 2017B Bonds. The Co-Financial Advisors have provided MTA advice on the plan of financing and reviewed the pricing of the Series 2017B Bonds. The Co-Financial Advisors have not independently verified the information contained in this official statement and do not assume responsibility for the accuracy, completeness or fairness of such information.

UNDERWRITING

The Underwriters for the Series 2017B Bonds, acting through Samuel A. Ramirez & Co., Inc., as Representative, have agreed, subject to certain conditions, to purchase from MTA the Series 2017B Bonds described on the inside cover pages of this official statement at an aggregate purchase price of \$779,478,008.80, reflecting a net original issue premium of \$102,390,771.80 and an Underwriters' discount of \$3,177,763.00 and to reoffer such Series 2017B Bonds at the public offering prices or yields set forth on the inside cover pages.

The Series 2017B Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2017B Bonds into investment trusts) at prices lower or yields higher than such public offering prices or yields and prices or yields may be changed, from time to time, by the Underwriters.

The Underwriters' obligations to purchase the Series 2017B Bonds are subject to certain conditions precedent, and they will be obligated to purchase all such Series 2017B Bonds if any Series 2017B Bonds are purchased.

Two Underwriters, PNC Capital Markets LLC and The Williams Capital Group, L.P., have entered into a joint-underwriting arrangement. Such joint-underwriting arrangement provides for sharing of Underwriters' discount in connection with orders for the Series 2017B Bonds.

In addition, certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by MTA as Underwriters) for the distribution of the Series 2017B Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

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

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of MTA. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent

research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RATINGS

The Summary of Terms identifies the ratings of the credit rating agencies that are assigned to the Series 2017B Bonds. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks or other statements given with respect thereto from each identified agency may be obtained as follows:

Fitch Ratings
33 Whitehall Street
New York, New York 10004
(212) 908-0500

S&P Global Ratings
55 Water Street
New York, New York 10041
(212) 438-2000

MTA has furnished information to each rating agency rating the Series 2017B Bonds, including information not included in this official statement, about MTA and the Series 2017B Bonds. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There can be no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by a rating agency if, in the judgment of that rating agency, circumstances warrant the revision or withdrawal. Those circumstances may include, among other things, changes in or unavailability of information relating to MTA or the Series 2017B Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2017B Bonds.

LEGAL MATTERS

All legal proceedings in connection with the issuance of the bonds being offered are subject to the approval of the nationally-recognized Co-Bond Counsel firms identified on page (i) and in the Summary of Terms. The form of the opinions of Co-Bond Counsel is **Attachment 3** to this official statement.

The Underwriters have appointed Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. as counsel to the Underwriters in connection with the underwriting of the Series 2017B Bonds, which firm will pass upon certain legal matters.

Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, special disclosure counsel to MTA.

Certain legal matters regarding MTA will be passed upon by its Acting General Counsel.

CONTINUING DISCLOSURE

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

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

- principal and interest payment delinquencies;

- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2017B Bonds or other material events affecting the tax status of the Series 2017B Bonds;
- modifications to the rights of security holders, if material;
- bond calls, if material, and tender offers;
- defeasances;
- release, substitution, or sale of property securing repayment of the Series 2017B Bonds, if material;
- rating changes;
- bankruptcy, insolvency, receivership or similar event;
- consummation of a merger, consolidation or acquisition involving an obligated person or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- appointment of a successor or additional trustee or the change in name of a trustee, if material.

Additional Continuing Disclosure Requirements

Consistent with the requirements of the Climate Bonds Standard and Certification Process, MTA, as described above under “APPLICATION OF PROCEEDS AND PLAN OF REFUNDING – Climate Bond Certified”, will add the following requirements to its continuing disclosure filing obligation with respect to the Series 2017B Bonds:

- within one year of the issuance of the Series 2017B Bonds, and annually thereafter until the maturity or prior redemption of the Series 2017B Bonds, MTA will file a post-issuance compliance certificate as required by the Certification Process;
- in a timely manner not in excess of 10 business days after the occurrence of the event:
 - any event of material non-conformance with the Certification Process and the action MTA is taking or expecting to take to bring the projects and/or assets into conformance; and
 - any revocation of the Climate Bond Certification by the Climate Bonds Initiative.

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

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

FURTHER INFORMATION

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

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

METROPOLITAN TRANSPORTATION AUTHORITY

By: /s/ Patrick J. McCoy
Patrick J. McCoy
Director, Finance

ATTACHMENT 1
BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Series 2017B Bonds. The Series 2017B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2017B Bond will be issued for each maturity of the Series 2017B Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Series 2017B Bonds exceeds \$500 million, one Bond of such maturity will be issued with respect to each \$500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

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

3. Purchases of Series 2017B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017B Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017B Bond (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2017B Bonds, except in the event that use of the book-entry-only system for the Series 2017B Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2017B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2017B Bond documents. For example, Beneficial Owners of the Series 2017B Bonds may wish to ascertain that the nominee holding the Series 2017B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2017B Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017B Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to MTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2017B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and principal and interest payments on the Series 2017B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from MTA or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or MTA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of MTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2017B Bonds at any time by giving reasonable notice to MTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2017B Bonds are required to be printed and delivered.

10. MTA may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Series 2017B Bonds will be printed and delivered.

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

ATTACHMENT 2
CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (Rule 15c2-12), MTA and the Trustee will enter into a written agreement (the Disclosure Agreement) for the benefit of holders of the Series 2017B Bonds to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to MTA by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 2017 (the “Annual Information”), and to provide notices of the occurrence of certain enumerated events. The Annual Information will be filed by or on behalf of MTA with the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board (the “MSRB”). Notices of enumerated events will be filed by or on behalf of MTA with EMMA. The nature of the information to be provided in the Annual Information and the notices of material events is set forth below.

Pursuant to Rule 15c2-12, MTA will undertake for the benefit of holders of the Series 2017B Bonds to provide or cause to be provided either directly or through the Trustee, audited combined financial statements of MTA by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2017, when and if such audited financial statements become available and, if such audited financial statements of MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA for such fiscal year.

The required Annual Information shall consist of at least the following:

1. description of the transit and commuter systems operated by the MTA and its affiliates and subsidiaries and their operations,
2. information regarding the transit and commuter capital programs, including information of the type included in MTA Annual Disclosure Statement (the ADS) under the caption “FINANCIAL PLANS AND CAPITAL PROGRAMS,”
3. presentation of changes to indebtedness issued by MTA under the DTF Resolution, as well as information concerning changes to MTA’s debt service requirements on such indebtedness payable from DTF Revenues,
4. financial information and operating data of the type included in the ADS under the caption “DEDICATED TAX FUND BONDS” which shall include information relating to the following:
 - a. description of how the State allocates taxes to the MTA Dedicated Tax Fund;
 - b. description of the material taxes allocated to the MTA Dedicated Tax Fund, currently the petroleum business tax, the motor fuel tax on gasoline and diesel fuel, certain motor vehicle fees, including both registration and non-registration fees, the District Sales Tax, the Franchise Taxes, and the Franchise Surcharge, together with a description of the tax rate, the tax base and the composition and collection of such taxes by the State (unless the taxes constituting the sources of revenue have been materially changed or modified, in which case similar information about such new or modified taxes will be provided); and
 - c. for the material taxes then constituting a source of revenue for the MTA Dedicated Tax Fund, an historical summary of such revenue, if available, together with an explanation of the factors affecting collection levels, for a period of at least the five most recent completed fiscal years then available,

5. information concerning the amounts, sources, material changes in and material factors affecting DTF Revenues and debt service incurred under the DTF Resolution,
6. material litigation related to any of the foregoing, and
7. such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, MTA.

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

MTA will undertake, for the benefit of holders of the Series 2017B Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed under the caption "CONTINUING DISCLOSURE" in this official statement with respect to the Series 2017B Bonds, and
2. to EMMA, in a timely manner, notice of a failure to provide any Annual Information required by such undertaking or any required audited financial statements of MTA.

Consistent with the requirements of the Climate Bonds Standard and Certification Process, MTA will cause to be provided to EMMA:

1. within one year of the issuance of the Series 2017B Bonds, and annually thereafter until the maturity or prior redemption of the Series 2017B Bonds, MTA will file a post-issuance compliance certificate as required by the Certification Process;
2. in a timely manner not in excess of 10 business days after the occurrence of the event:
 - a. any event of material non-conformance with the Certification Process and the action MTA is taking or expecting to take to bring the projects and/or assets into conformance; and
 - b. any revocation of the Climate Bond Certification by the Climate Bonds Initiative.

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Series 2017B Bonds (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Series 2017B Bonds) may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against such party and any of its officers, agents and employees, and may compel such party or any of its officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach under the undertaking is an action to compel specific performance, and no person

or entity, including any holder of the Series 2017B Bonds, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought only by the Trustee or the holders of 25 percent in aggregate principal amount of the Series 2017B Bonds at the time outstanding which are affected thereby. MTA and the Trustee reserve the right, but shall not be obligated to, enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the DTF Resolution nor give right to the Trustee or any Holder to exercise any remedies under the DTF Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where MTA's undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. MTA does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Series 2017B Bonds have been paid in full or legally defeased pursuant to the DTF Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA.

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**ATTACHMENT 3
FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL**

Upon delivery of the Series 2017B Bonds in definitive form, each of Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel to MTA, proposes to render its final approving opinion in substantially the following form:

[Date of Delivery]

Metropolitan Transportation Authority
New York, New York

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority (“MTA”) and other proofs submitted to us relative to the issuance of \$680,265,000 aggregate principal amount of Metropolitan Transportation Authority Dedicated Tax Fund Green Bonds, Series 2017B (Climate Bond Certified), consisting of \$309,225,000 aggregate principal amount of Dedicated Tax Fund Green Bonds, Subseries 2017B-1 (the “Subseries 2017B-1 Bonds”) and \$371,040,000 aggregate principal amount of Dedicated Tax Fund Refunding Green Bonds, Subseries 2017B-2 (the “Subseries 2017B-2 Bonds” and, collectively with the Subseries 2017B-1 Bonds, the “Series 2017B Bonds”).

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

The Series 2017B Bonds are issued under and pursuant to the Constitution and statutes of the State of New York (the “State”), including the Metropolitan Transportation Authority Act, being 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 to the date of this opinion letter (herein called the “Issuer Act”), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled “Dedicated Tax Fund Obligation Resolution,” as supplemented by the Multiple Series 2016 Dedicated Tax Fund Bond Supplemental Resolution, adopted on December 16, 2015 and the Multiple Series Dedicated Tax Fund Refunding Bond Supplemental Resolution, adopted on December 14, 2016 (collectively, the “Resolution”). The Series 2017B Bonds are dated, mature, are payable, are subject to redemption and bear interest all as provided in the Resolution.

A portion of the proceeds of the Subseries 2017B-2 Bonds is being used to refund certain of the Outstanding Obligations of MTA issued pursuant to the Resolution. Such bonds are as described in the hereinafter defined Escrow Agreement as being refunded with proceeds of the Subseries 2017B-2 Bonds (the “Refunded Bonds”). A portion of the proceeds of the Subseries 2017B-2 Bonds, together with any other amounts made available by MTA (the “Defeasance Deposit”), has been used to purchase direct obligations of, or obligations guaranteed by, the United States of America in an aggregate amount sufficient, together with any amounts held uninvested, to pay when due the principal or applicable redemption price and interest due and to become due on said Refunded Bonds (the “Defeasance Requirement”). Such Defeasance Deposit is being held in trust under the escrow agreement, dated May 17, 2017 (the “Escrow Agreement”), by and between MTA and The Bank of New York Mellon, as escrow agent thereunder and as Trustee under the Resolution. MTA has given the Trustee, in form satisfactory to it, irrevocable instructions to give notice in accordance with the Resolution of the redemption of the Refunded Bonds and the deposit of the Defeasance Deposit. Samuel Klein and Company, Certified Public Accountants, have prepared a report stating that they have reviewed the

accuracy of the mathematical computations of the adequacy of the Defeasance Deposit, as invested, to pay in full the Defeasance Requirement when due. We have undertaken no independent verification of the adequacy of the Defeasance Deposit.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2017B Bonds in order that interest on the Series 2017B Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of MTA, dated the date hereof (the “Arbitrage and Use of Proceeds Certificate”), in which MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2017B Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2017B Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates MTA to take certain actions necessary to cause interest on the Series 2017B Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code could cause interest on the Series 2017B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2017B Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion of interest on the Series 2017B Bonds from gross income for federal income tax purposes under Section 103 of the Code and compliance by MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2017B Bonds as executed and, in our opinion, the form of said Series 2017B Bond and its execution are regular and proper.

We are of the opinion that:

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

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

3. The Series 2017B Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2017B Bonds are not debts of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2017B Bonds.

4. MTA, the holders of the Series 2017B Bonds, or the holders of any evidence of indebtedness of MTA 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 financial 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.

5. The Series 2017B Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes and court decisions (i) interest on the Series 2017B Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2017B Bonds is not treated as a specific preference item in calculating the federal alternative minimum tax imposed on individuals and corporations under the Code; however, we note that interest is included in the adjusted current earnings of certain corporations for purposes of calculating the federal corporate alternative minimum tax.

7. Under existing statutes, interest on the Series 2017B Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

8. The Escrow Agreement has been duly authorized, executed and delivered by MTA and, assuming the due authorization, execution and delivery by the Trustee, the Escrow Agreement is a valid and binding obligation of MTA, enforceable in accordance with its terms. The Refunded Bonds have been paid within the meaning and with the effect expressed in the Resolution, and the covenants, agreements and other obligations of MTA to the holders of the Refunded Bonds have been discharged and satisfied.

The opinions expressed in paragraphs 2, 3 and 8 above are subject to applicable bankruptcy, insolvency, receivership, reorganization, arrangements, fraudulent conveyances, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2017B Bonds. We express no opinion regarding the federal, state, local or foreign tax consequences of any action hereafter taken or not taken in reliance upon an opinion of other counsel with respect to the Series 2017B Bonds.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2017B Bonds. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2017B Bonds and express no opinion with respect thereto.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not

specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any future actions, facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any reason whatsoever.

Very truly yours,

ATTACHMENT 4

REFUNDED BONDS

The following table provides information regarding the Refunded Bonds. The Outstanding Bonds shown below are being refunded. The refunding is contingent upon the delivery of the Subseries 2017B-2 Bonds.

Series	Dated Date*	Refunded Par Amount	Remaining Outstanding Par Amount	Final Maturity	Interest Rate	Redemption Date	Redemption Price	CUSIP Number (59259N)†
2009B	04/30/2009	\$256,425,000	\$0	11/15/2034	5.000%	11/15/2019	100%	ZG1
2004B-1	04/26/2011	2,045,000	0	11/15/2022	4.000	11/15/2021	100	E41
2004B-1	04/26/2011	9,480,000	0	11/15/2023	5.000	11/15/2021	100	E58
2004B-1	04/26/2011	9,945,000	0	11/15/2024	5.000	11/15/2021	100	E66
2004B-1	04/26/2011	4,215,000	0	11/15/2025	4.500	11/15/2021	100	E74
2004B-1	04/26/2011	6,250,000	0	11/15/2025	5.000	11/15/2021	100	F73
2004B-1	04/26/2011	10,995,000	0	11/15/2026	5.000	11/15/2021	100	E82
2004B-1	04/26/2011	11,530,000	0	11/15/2027	5.000	11/15/2021	100	E90
2004B-1	04/26/2011	6,575,000	0	11/15/2028	4.750	11/15/2021	100	F24
2004B-1	04/26/2011	4,000,000	0	11/15/2028	5.125	11/15/2021	100	F81
2004B-4	04/27/2011	2,990,000	0	11/15/2022	4.000	11/15/2021	100	G72
2004B-4	04/27/2011	9,415,000	0	11/15/2023	5.000	11/15/2021	100	G80
2004B-4	04/27/2011	9,845,000	0	11/15/2024	5.000	11/15/2021	100	G98
2004B-4	04/27/2011	10,360,000	0	11/15/2025	5.000	11/15/2021	100	H22
2004B-4	04/27/2011	10,910,000	0	11/15/2026	5.000	11/15/2021	100	H30
2004B-4	04/27/2011	11,415,000	0	11/15/2027	5.000	11/15/2021	100	H48
2004B-4	04/27/2011	10,500,000	0	11/15/2028	5.125	11/15/2021	100	H55

Refunded Bonds will be credited against the mandatory redemption dates and refunded par amounts set forth below:

\$256,425,000 5.00% Series 2009B Term Bonds Due November 15, 2034
CUSIP Number: 59259NZG1†

<u>November 15</u>	<u>Refunded Par Amount</u>
2031	\$ 19,210,000
2032	20,175,000
2033	167,040,000
2034	50,000,000

* The Dated Date for the Subseries 2004B-1 Bonds and the Subseries 2004B-4 Bonds are their respective remarketing dates.

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

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