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MTA to Sell \$25 Billion of Congestion-Fee Bonds in Record Budget.

- **City congestion pricing would pay bulk of \$52 billion budget**
- **Billions could help fix regional transit crisis, officials say**

New York's Metropolitan Transportation Authority board unanimously approved its largest five-year capital spending plan ever Wednesday, with almost half of it financed through [congestion pricing fees](#) on motorists entering midtown Manhattan.

The \$51.5 billion spending plan for 2020 through 2024 is 70% larger than the current capital budget and relies on \$25 billion of municipal bonds that will be financed by charging congestion pricing fees to enter Manhattan's central business core. When the state legislature and Governor Andrew Cuomo enacted the law in June, they expected \$1 billion a year in revenue from such fees to pay debt service on about \$15 billion of borrowing. The additional \$10 billion of debt will need to be paid for with higher fees, lower interest rates, or both.

"Much of those funds we'll receive from the Central Business District Tolling or other revenues are lock-boxed for capital projects," said MTA Chairman Patrick Foye at a board meeting Wednesday, where he promised changes to reduce construction and labor costs. "Without new funding resources for operations or cost cuts, we will continue to face significant financial constraints with forecasted deficits in future years."

The steep spending increase would pay for long-term fixes for a regional transit system that officials acknowledge has been underfunded for decades. City subways have been operating with an obsolete signal system developed in the 1930s that needs to be replaced. New subways, buses and commuter train cars are on the shopping list, and repairs include new railroad track and maintenance in the city's underground tunnels. New York City Transit President Andrew Byford, who runs the subway and bus system, has estimated that his system alone needs as much as \$30 billion over the next decade.

The agency is also engaged in multi-billion dollar, multi-year projects that have experienced cost overruns, including planned extension of Long Island Rail Road service to Manhattan's east side through Grand Central Terminal. That project, originally scheduled for completion in 2009, is now due to open in late 2023. Another project to extend a Second Avenue subway line north to Harlem's 125th Street from 96th Street still lacks about \$3 billion in sought federal funds.

New York Mayor Bill de Blasio, who has balked at increasing the city's subsidy to the agency's operations and construction costs, said he would back increasing the city's share of agency spending, which amounts to \$3 billion in city tax revenue, up from \$2.66 billion in the current plan. Yet, he warned that city money should not be counted upon in the event the MTA fails to implement congestion pricing on time. The legislature also committed \$3 billion in state tax revenue to the plan, in the state budget it approved in June.

The program to require motorist fees upon entering Manhattan south of 60th Street faces a Dec. 31,

2020 deadline for plans to be drafted. A panel responsible for setting prices and policies has yet to be appointed by the MTA's Triborough Bridge and Tunnel Authority.

The mayor also said the board should have postponed a vote on the capital plan until a forensic audit was completed "to ensure accuracy in MTA forecasts, projections and capital plans."

The agency's capital plan "requires a full review that yields guarantees on the MTA's cost estimates, the agency's ability to execute a plan of this size, and its ability to reform the way it delivers large projects to prevent delays and cost overruns," de Blasio said in a letter to Foye Wednesday. "It is equally important that we respect the city's budget process, the key stakeholders involved in its formulation and adoption, and the need to evaluate how a contribution of this size would compete against other pressing city capital needs."

Foye responded to de Blasio's letter without addressing de Blasio's concerns, emphasizing the mayor's support for the agency's goals. "We look forward to continuing the conversation with the city in the weeks ahead," Foye said during Wednesday's board meeting. "We're continuing to focus on our operating budget deficits and to find ways to reduce costs and balance the budget as statutorily required each year as we work toward the November financial plan."

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