

THE CITY OF NEW YORK

DECLARATION OF NEED

and

PROPOSED TRANSITIONAL CAPITAL PLAN

I, Michael R. Bloomberg, Mayor of the City of New York (the "City"), a municipal corporation of the State of New York, acting pursuant to Section 2799-ff of the Public Authorities Law, added by Chapter 16 of the Laws of 1997 (the "Act"), and relying upon information provided to me by Mark Page, Director of Management and Budget of the City of New York, HEREBY DETERMINE AND CERTIFY as follows:

1. The New York City Transitional Finance Authority (the "Authority") has reached its statutory limit on bond issuances for City capital purposes. However, a Capital Financing Need exists in the amount of \$2.04 billion, \$2.28 billion, \$2.49 billion and \$2.412 billion in fiscal years 2005 through 2008, respectively, which represent the amount of Authority bonds that would be issued in each of such years¹. The City is, however, seeking legislation to increase the debt-incurring capacity of the Authority, which would allow it to finance the Capital Financing Need.

2. A Transitional Capital Plan, as contemplated by the Act, is hereby proposed as follows:

Pursuant to the Act, this Transitional Capital Plan and the Financing Agreement entered into between the City and the Authority, the Authority is requested

1. These figures include bond anticipation notes ("BANs") of the Authority but exclude bonds that defease BANs and bonds and notes issued to pay costs related to or arising from the attack on the World Trade Center on September 11, 2001.

to finance, in whole or in part, the capital projects designated "CN" (indicating projects that are not exempt from the limitation on indebtedness imposed by Article VIII, Section 4 of the New York State Constitution) in the City's Capital Budget as in effect from time to time. In no event shall the amount of such financing during fiscal years 2005 through 2008 exceed the amount of the Capital Financing Need for such period, as it may be amended from time to time by an amended Declaration of Need.

3. This certification, request and plan is hereby submitted to the Authority, the Comptroller, the Speaker of the Council, the Governor and the State Comptroller, the chair and ranking minority member of the Senate Finance Committee, the Chair and Ranking Minority Member of the Assembly Ways and Means Committee, and the State Financial Control Board for the City. In addition, (a) the Office of Management and Budget shall publish, on behalf of the Mayor, notice of the plan and the availability of digests thereof in at least one newspaper of general circulation within the City, which notice shall also state that a public hearing will be held to consider the plan at the Office of Management and Budget at 10:00 a.m. on September 9, 2004; (b) the Director or a Deputy Director of the Office of Management and Budget, as my designee, shall conduct such public hearing; (c) any person shall have the opportunity to present written comments on the plan to me through such the City's Office of Management and Budget within 30 days after the date of the public hearing; and (d) after due consideration of such testimony and comments, if any, I shall affirm, modify or withdraw the plan.

4. The plan shall take effect as and when affirmed or modified. The statement of intention in paragraph 1 hereof is effective immediately, subject to

modification in accordance with the plan.

IN WITNESS WHEREOF, I have set my hand this 4th day of August, 2004.

A handwritten signature in black ink, appearing to read "Michael R. Bloomberg", written over a horizontal line.

Michael R. Bloomberg
Mayor of The City of New York

Declaration of Need and Proposed Transitional Capital Plan

Please note that the date of the public hearing, to be held pursuant to the Declaration of Need and Proposed Transitional Capital Plan, has been changed. The new date of the meeting, to be held at the Office of Management and Budget, is September 24, 2004 at 10:00 a.m.