

So It Goes.....

.....False Promises – AFTER – they got their money

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M.T.A. Postpones Subway and Bus Service Upgrades

Planned M.T.A. service improvements, which would have included expanded hours on the B subway line, have been put on hold because of declining revenues. (Photo: Ángel Franco/The New York Times)

By William Neuman

Subway and bus riders are about to feel the impact of the slowing real estate market and Wall Street turbulence. The Metropolitan Transportation Authority has postponed a \$30 million package of service improvements that it had promised to riders as a way to sweeten the pill of a fare increase, which went into effect at the beginning of this month.

The postponed service upgrades included plans to add more frequent service on the G line in Brooklyn and Queens, extending B and W service on weeknights to 11 p.m. from the current 9:30 p.m., and shaving one or two minutes from waiting times for evening service on the 1, 4 and 6 lines. The M.T.A. had also said it would create a new bus line, the M13, from the Lower East Side to East Midtown, and would extend the B71 and B77 buses from Brooklyn via the Brooklyn-Battery Tunnel into Manhattan, where they would go to South Ferry.

Officials said the upgrades could still be approved in June if the authority's finances recovered.

They had previously warned that the beefed-up service would only be approved if the authority produced healthy financial results in the first three months of the year.

But the authority revealed today that the money it receives from taxes on real estate transactions had fallen significantly in February and March.

Gary J. Dellaverson, the chief financial officer of the authority, called the economic outlook "gloomy" and used words like "frightening" and "dramatic" to describe the fall in real estate-related revenues.

So far this year, the authority has taken in \$306 million from a variety of taxes on real estate sales and mortgages, \$21 million below forecasts. About 15 percent of the authority's budget is financed by such taxes.

Mr. Dellaverson also said the authority was concerned about hard times on Wall Street, because layoffs there could have a significant impact on the number of people riding subways, buses and commuter trains, which could depress fare revenues.