§ 553-c. Additional powers and provisions in relation to railroad and rapid transit projects. 1. The authority shall have the power to finance all or any part of the costs of railroad and rapid transit costs enumerated in paragraphs m, n, o and p of subdivision nine of section five hundred fifty-three of this article through the issuance of its negotiable bonds, notes or other obligations in the manner provided in section five hundred sixty-one of this chapter subject only to the following limitations:

(a) The aggregate principal amount of such bonds, notes or other obligations shall not exceed three hundred million dollars ($300,000,000) excluding (i) bonds issued to fund any reasonably required debt service reserve fund, and (ii) bonds, notes or other obligations issued to refund or otherwise repay bonds, notes or other obligations theretofore issued for any of the purposes set forth in this subdivision, and

(b) Bonds issued for such purposes may be issued as a single issue or in series from time to time provided that (i) such issue or each such series shall be scheduled to mature over a term of not less than twenty and not more than thirty years, (ii) the aggregate amount of principal and interest or principal installments and interest payable in each year during which such principal payments or installments are made or provided for shall not exceed twenty-six million dollars, and (1) with respect to such issue, or (2) with respect to each such series or the aggregate of all such series, as the authority shall elect, be as nearly equal as practicable.

2. Moneys expended pursuant to subdivision one of this section shall be utilized insofar as practical to: (a) purchase at least one hundred twenty-four new subway cars for the New York city transit authority, (b) rehabilitate at least two hundred eighty existing subway cars for the New York city transit authority, (c) acquire at least fifteen new diesel self-propelled railroad passenger cars for the metropolitan transportation authority commuter service area and (d) provide a passenger car lay-up yard and other facilities for the Long Island Rail Road in Manhattan. The authority shall either apply for or make reasonable effort to secure federal assistance in support of each of the programs herein authorized and to the extent such federal assistance is

forthcoming and/or other cost savings are realized with respect to any such program shall have the power to expand the size of that or any of the foregoing programs.