

Grand Parkway Segment D

Project Development Plan

May 2010

Prepared by:
Fort Bend County Toll Road Authority

GRAND PARKWAY SEGMENT D: PHASE I IMPROVEMENTS EXECUTIVE SUMMARY

PROJECT DESCRIPTION: Grand Parkway, Segment D

Part 1: From FM 1093/Westpark Tollway ("Westpark") to the Katy Freeway ("I-10"), 5 miles, this part is complete in its current configuration and will remain a free road.

Part 2: From Westpark to the Southwest Freeway ("US 59"), approximately 12 miles

- Phase I includes the construction of 8 discrete overpass projects (eliminating 11 at-grade crossings) at:
 1. West Riverpark
 2. New Territory
 3. Sandhill/US 90A/FM 1464 (3 crossings)
 4. West Airport
 5. Harlem
 6. Mason/Morton (2 crossings)
 7. Bellaire
 8. Westpark Tollway/FM 1093
 9. Peek Road (design only)
- All traffic would be able to use the existing roadway without paying a toll.
- The overpasses will be tolled via all electronic system.
- Future phases of Segment D include additional direct connectors, mainlane roadway additions and an overpass at the future intersection with Peek Road.

TOLL ROAD REQUIREMENT: Segment D is currently a TxDOT facility. Prior to the 2007 legislative session, TxDOT planned to develop the entire Grand Parkway as a toll facility under a comprehensive development agreement with a private company. SB 792 gives the local toll entities in the region the "local option" to develop the Grand Parkway, however, it still must be developed as a toll road facility. The counties in the region, including Fort Bend County (the "County"), exercised their option to develop the Grand Parkway as a local project. Under Senate Bill 792, if the County doesn't begin development of Segment D by September 7, 2011, TxDOT then has the option to develop it as a toll road. Under current law, Segment D may not be developed as a non-tolled road.

CONSTRUCTION COSTS: In May 2010, Brown & Gay Engineers, Inc. ("B&G") and LJA Engineering & Surveying, Inc. ("LJA") estimated the Phase I construction costs to be \$143.3 million. See Attachment A.

FINANCING/DEVELOPMENT ENTITY: Segment D should be developed and financed by a separate local government corporation, in order to comply with current law and the agreements in place with TxDOT regarding the Grand Parkway. This separate LGC should have the same Board as the Fort Bend County Toll Road Authority (which is also an LGC).

FINANCING: In April 2010, Wilbur Smith Associates ("WSA") updated their traffic and revenue projections for the Grand Parkway based on the Phase I schematic. Based upon the cost estimates and revenue projections, First Southwest Company provided cash flow projections, which reflect the Grand Parkway Phase I remains in a positive cumulative cash position based on toll revenues only and no county tax revenues. Under this plan, the LGC will issue approximately \$162 million of bonds to be paid from toll revenues. Prior to issuance of these bonds, the LGC should commission an investment grade traffic and revenue study. If that study confirms that Phase I is toll viable, the County should pledge its taxes on the bonds as a form of credit enhancement. Such a pledge would significantly reduce the borrowing costs for Phase I compared to a revenue only pledge.

GRAND PARKWAY SEGMENT D
Phase I
Development Plan

I. BACKGROUND

A. PROJECT OVERVIEW

The existing stretch of Grand Parkway from I-10 to US 59 (Segment D) is unique in that it is the only part of the Grand Parkway that has been built with the exception of a small portion on the far east side. Segment D was built as a collaborative effort that included the County, TxDOT, and major landowners: the large landowners dedicated the right-of-way and contributed \$360,000 per mile for engineering; the County contributed approximately \$4 million to pay for engineering and to purchase right-of-way from the small landowners who would not receive a material benefit to their remaining property; and TxDOT built and maintains the roadway.

The portion of Segment D from Westpark to I-10, 5 miles, is complete in its current configuration and will remain a free road.

TxDOT currently expects to build two direct connectors from the Grand Parkway to I-10. The first direct connector will be from westbound I-10 to southbound Grand Parkway and the second will be from northbound Grand Parkway to eastbound I-10. TxDOT took bids for the direct connectors in April and expects to break ground on the project in June. The project is expected to be completed within 18 months.

The portion of Segment D from US 59 to Westpark, 12.4 miles, was only partially constructed and ultimately needs overpasses and portions of main lanes in some areas, as well as numerous direct connectors to other major roadways.

Currently, Segment D carries as many as 25,000 vehicles per day at some locations.

B. SENATE BILL 792

Senate Bill 792 (Acts 2007, 80th Legislature, Reg. Session) (the "Act") provided seven counties, including Fort Bend County, the right to develop Grand Parkway, subject to certain limitations discussed below. Since 2007, Fort Bend, Harris, Montgomery, Liberty, Chambers, Galveston and Brazoria Counties (the "Counties") have been engaged in the process set forth in the Act for the development of the Grand Parkway:

- TxDOT, HGAC and the Counties developed and approved the Terms and Conditions for the development of the Grand Parkway as a tolled facility. The Terms and Conditions for the Grand Parkway describe the ultimate configuration of each

segment of the Grand Parkway, establish the initial toll rate as the average per mile toll rate in Harris County, and establish a toll rate escalation methodology that is based on the policy adopted by Harris County.

- TxDOT and the Counties agreed to waive the Market Valuation required by the Act, effective March 25, 2009 (the "Waiver Agreement"). Collectively, the Act, the Terms & Conditions, and the Waiver Agreement are referred to as "SB 792."
- On September 7, 2009, the County exercised its right to develop the portion of the Grand Parkway within the County. **If the County fails to enter into a contract to develop the Grand Parkway by September 7, 2011, TxDOT will have the option to develop the project.** It is expected that TxDOT would enter into a Comprehensive Development Agreement ("CDA") with a private party or consortium to develop the Grand Parkway, and the County will have no control over the design, construction, phasing or toll rates for Segment D.

II. PHASE I COST ESTIMATES

Phase I cost estimates were provided by B&G and LJA, who estimate the design and construction costs of Phase I to be \$143.3 million for the 8 overpass projects. Phase I includes design and construction of overpasses at West Riverpark, New Territory, Sandhill, US 90A, FM 1464, West Airport, Harlem, Mason, Morton, Bellaire, Westpark Tollway. Phase I also includes the design only for a future Peek Road overpass. The cost estimates are provided in **Attachment A**.

III. OPERATIONS AND MAINTENANCE

Operating and maintenance costs are estimated at approximately \$1.53 million annually for upkeep of the roadway, bridges, sweeping, grass cutting, payment of the utilities, and additional law enforcement. Additionally, the plan of finance assumes an all-electronic toll system operated by contract with HCTRA.

In addition to operating and maintenance of the overpasses, the existing Segment D pavement will need to be maintained and ultimately replaced over time as part of the overall project development.

IV. FINANCING/DEVELOPMENT ENTITY

Segment D should be developed by an entity separate and distinct from the County or the Fort Bend County Toll Road Authority. Fort Bend County Commissioners Court should create a new local government corporation (LGC) whose sole project is the Grand Parkway (the Fort Bend Grand Parkway Toll Road Authority or "FBGPTRA"). The LGC should have the same Board of Directors members as the current Fort Bend County Toll Road Authority. This structure would be similar to how Commissioners Court also serves as the Board for the Drainage District, and would minimize administrative costs.

The reason for using the separate LGC is to comply with SB 792, which requires the Grand Parkway to be a "stand alone" system. A separate LGC ensures complete separation of project development and revenues and expenditures necessary to comply with the requirement. This structure also allows the County to more easily transfer the Project to another entity (such as a regional entity by participating counties) in the future, should the need arise.

V. FINANCIAL FEASIBILITY

A. CONSTRUCTION FINANCING

Phase I will be financed with bonds issued by FBGPTRA and payable from toll revenues of the Grand Parkway. For the initial development of their toll road systems, both Harris and Fort Bend Counties held bond elections to allow them to issue bonds supported by property taxes in combination with revenues bonds. Historically, such a county tax pledge was necessary to market the bonds for a startup toll road system.

The preliminary cash flow projections reflect that Phase I remains in a positive cumulative cash position without a County tax pledge. However, the County should pledge its property tax to support the Phase I bonds in order to provide credit enhancement to lower the overall financing costs. For purposes of this report, First Southwest Company developed a preliminary financial model using the WSA updated traffic and revenue numbers and assuming a total project cost of \$143.3 million. The financial model considered two options for the LGC to issue bonds:

1. \$161,915,000 in Toll Revenue and Contract Revenue Bonds (County tax supported);
2. \$186,060,000 in Revenue Only Bonds.

See **Attachment B**. Both financing options are based on the same \$143.3 million for construction. Revenue only bonds are not recommended because revenue only bonds: (1) require an additional \$24 million for a debt service reserve fund and additional capitalized interest; (2) result in a higher interest rate on the bonds; and (3) impose restrictions on the County's ability to issue future bonds to finance the next phase of Segment D due to the limited revenue stream available to service the bonds and meet additional bonds test covenants. This pledge of the County's limited general tax authority does not require an election as was necessary to make the unlimited tax pledge on the prior toll road bonds.

The difference in the annual debt service cost between Option 1 and Option 2 is approximately \$2.8 million per year.

Although the preliminary cash flow reflects that County tax revenues would not be necessary to support the Phase I bonds, based on the preliminary traffic and revenue study, revenues would need to approach 85% of the projected amounts in the first five years,

reducing over the next several years to approximately 53% of the projected amounts in later years in order for the County to still not be required to levy any taxes. Revenues would need to be approximately \$20 million annually to pay operation and maintenance and debt service over the long term. If actual revenues are insufficient and the County is required to levy taxes to make up the shortfall, the financing structure would allow for reimbursement of those tax dollars from future Grand Parkway revenues.

B. SHORT-TERM FINANCING OPTIONS

The estimated design engineering, geotechnical and surveying costs for Phase I is \$13.2 million. The County should authorize the FBCTRA to loan the FBGPTRA the funds necessary for initial design activities from its Toll Revenue Fund. These funds would be repaid with interest at the time permanent financing for Phase I is completed. Such a loan eliminates the transaction costs to provide short-term financing for Phase I.

C. INVESTMENT GRADE FEASIBILITY STUDY

We recommend that FBGPTRA engage WSA to conduct an investment grade feasibility study for Phase I. This study would be necessary before making a decision to issue permanent financing, including whether and to what extent a County tax pledge would be utilized to reduce borrowing costs on the bonds.

D. USE OF FUTURE SURPLUS REVENUES

While the financial models included in this report show that Phase I produces surplus revenues, it would be incorrect to conclude that the Grand Parkway in Fort Bend County as a whole will produce surplus revenues in the short or even near-term.

The financial model for this report relates solely to Phase I and does not evaluate the financial feasibility of completing Segment D in its ultimate configuration. The completion of Segment D requires additional main lane pavement (and rehab of existing roadway), two direct connectors to Westpark Tollway, and the future Peek Road overpass. The cost to complete Segment D is estimated to be an additional \$84.2 million in 2010 dollars.

The financial model also does not evaluate the financial feasibility to develop Segment C. Segment C does not have the required environmental clearance to proceed with any evaluation. Under SB792, TxDOT is responsible for obtaining the necessary environmental clearance for Segment C. Until that clearance is secured, the County cannot develop Segment C and any evaluation of Segment C would be impossible to do at this time.

Therefore, if in the distant future Phase I is producing surplus revenues, those revenues should be expended first on the completion of Segment D. Surplus revenue could then be used on Segment C, but only when that segment of road has environmental clearance and is both necessary and feasible.

If the Grand Parkway project in Fort Bend County is generating excess revenues prior to the need for or ability to construct additional improvements in Fort Bend County, Grand Parkway revenues could be used to fund segments in other counties through an interlocal agreement, potentially with a repayment obligation when feasible.

VI. CONCLUSIONS

FBTRA recommends to the Fort Bend County Commissioners Court that it proceed with the development of Phase I and take the following actions:

1. Approve the development plan for Phase I outlined above.
2. Create the Fort Bend Grand Parkway Toll Road Authority, with the same Board of Directors as the Fort Bend County Toll Road Authority.
3. Authorize FBGPTRA to engage WSA to provide an investment grade study, including toll rate sensitivity analysis.
4. Approve a funding agreement between the County and the FBGPTRA to provide the funds needed to proceed with the investment grade study for Phase I from the Toll Road Fund, subject to reimbursement at the time the FBGPTRA sells bonds, with interest.
5. Authorize the FBGPTRA to engage the designated engineers, administer the services agreements, and coordinate the development of Phase I.

ATTACHMENT A

PRELIMINARY COST ESTIMATES
Fort Bend Grand Parkway Toll Road
Segment D
(revised May 11, 2010)

INITIAL CONSTRUCTION

Construction Estimate			
Westpark Tollway / FM 1093		\$	13,159,296.04
Bellaire Boulevard		\$	9,223,296.83
Morton Road & Mason Road		\$	17,871,650.17
Harlem Road		\$	10,609,448.60
W. Airport Road		\$	9,461,670.60
US 90 & FM 1464		\$	20,114,271.98
New Territory Boulevard		\$	9,590,049.37
W. Riverpark Drive		\$	10,269,116.55
Tolling Fiber Network		\$	1,273,100.00
Incident Management Cameras		\$	718,057.50
	Construction Subtotal	\$	102,289,957.64
	Contingency 20%	\$	20,457,991.53
	Construction Total	\$	122,747,949.17
Design Engineering and Management (includes Peek Road)	10%	\$	13,246,159.30
Construction Management & Inspection	6%	\$	7,364,876.95
TOTAL		\$	143,358,985.41

Construction costs based on TxDOT 12 month rolling average and HCTRA bid prices

FUTURE CONSTRUCTION

Direct Connector (SH 99 Northbound to Westpark Eastbound)

Construction Estimate			
		\$	11,495,719.40
	Contingency 20%	\$	2,299,143.88
	Construction Total	\$	13,794,863.28
Design Engineering and Management	10%	\$	1,149,571.94
Construction Management & Inspection	6%	\$	689,743.16
TOTAL		\$	15,634,178.38

Direct Connector (Westpark Westbound to SH 99 Southbound)

Construction Estimate			
		\$	19,367,902.34
	Contingency 20%	\$	3,873,580.47
	Construction Total	\$	23,241,482.80
Design Engineering and Management	10%	\$	1,936,790.23
Construction Management & Inspection	6%	\$	1,162,074.14
TOTAL		\$	26,340,347.18

PRELIMINARY COST ESTIMATES
Fort Bend Grand Parkway Toll Road
Segment D
(revised May 11, 2010)

Future Peek Road Overpass

Construction Estimate			\$	9,713,643.83
	Contingency	20%	\$	1,942,728.77
	Construction Total		\$	11,656,372.60
Construction Management & Inspection		6%	\$	582,818.63
TOTAL			\$	12,239,191.23

Two Non-tolled Northbound Lanes (from north of FM 1464 to south of W Airport)

Construction Estimate			\$	10,068,280.86
	Contingency	20%	\$	2,013,656.17
	Construction Total		\$	12,081,937.03
Design Engineering and Management		10%	\$	1,006,828.09
Construction Management & Inspection		6%	\$	604,096.85
TOTAL			\$	13,692,861.97

Repairs / Concrete Overlay of Existing Pavement

Construction Estimate			\$	11,261,250.00
	Contingency	20%	\$	2,252,250.00
	Construction Total		\$	13,513,500.00
Design Engineering and Management		10%	\$	1,126,125.00
Construction Management & Inspection		6%	\$	675,675.00
TOTAL			\$	15,315,300.00

Dynamic Message Signs

Construction Estimate			\$	686,482.00
	Contingency	20%	\$	137,296.40
	Construction Total		\$	823,778.40
Design Engineering and Management		10%	\$	68,648.20
Construction Management & Inspection		6%	\$	41,188.92
TOTAL			\$	933,615.52

TOTAL FUTURE CONSTRUCTION \$ 84,155,494.28

Construction costs are based on TxDOT 12 month rolling average and HCTRA bid prices
No inflation costs included

ATTACHMENT B

SUMMARY OF ASSUMPTIONS FOR ATTACHED SCENARIOS
Grand Parkway - Projected Cash Flow and Debt Service Coverage
Fort Bend County Toll Road Authority

- (1) SCENARIO 1 assumes tax-backed bond financing of "Initial Costs" only of Segment D.
- (2) SCENARIO 2 assumes revenue-backed bond financing of "Initial Costs" only of Segment D.
- (3) "Initial Costs" are \$143,358,985.41 per the Preliminary Cost Estimates (March 2010) provided by Brown & Gay Engineers Inc. and LJA Engineering & Surveying, Inc.
- (4) Projected revenues and expenses provided by Wilbur Smith & Associates. Assumes no growth in revenues after year 2030.

* See accompanying footnotes for additional assumptions.

Grand Parkway - Projected Cash Flow and Debt Service Coverage

Fort Bend County Toll Road Authority \$161,915,000 Tax-Backed Toll Road Bonds, Series 2010

Calendar Year	Projected Revenues ⁽¹⁾	Less: Annual Transaction Expense ⁽¹⁾	Less: Annual Maintenance & Operating Expense ⁽¹⁾	Revenues Available for Debt Service	Net Debt Service ⁽²⁾	Net Debt Service Coverage Ratio	Projected Net Revenue After Debt Service and Expenses
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	8,386,000	(1,707,700)	(500,000)	6,178,300	1,140,151	5.42	5,038,149
2014	12,299,000	(2,471,000)	(750,000)	9,078,000	8,095,750	1.12	982,250
2015	15,688,000	(3,109,700)	(1,250,000)	11,328,300	8,095,750	1.40	3,232,550
2016	17,307,000	(3,384,600)	(1,500,000)	12,422,400	8,095,750	1.53	4,326,650
2017	14,284,000	(2,816,700)	(1,530,000)	9,937,300	8,095,750	1.23	1,841,550
2018	15,787,000	(3,055,400)	(1,560,600)	11,171,000	8,095,750	1.38	3,075,250
2019	17,448,000	(3,314,300)	(1,591,812)	12,541,888	8,095,750	1.55	4,446,138
2020	19,283,000	(3,595,200)	(1,623,648)	14,064,152	8,095,750	1.74	5,968,402
2021	21,312,000	(3,896,200)	(1,656,121)	15,759,679	8,095,750	1.95	7,663,929
2022	22,404,000	(4,021,000)	(1,689,244)	16,693,756	8,095,750	2.06	8,598,006
2023	23,552,000	(4,149,700)	(1,723,029)	17,679,271	8,095,750	2.18	9,583,521
2024	24,758,000	(4,282,600)	(1,757,489)	18,717,911	8,129,875	2.30	10,588,036
2025	26,027,000	(4,419,700)	(1,792,639)	19,814,661	8,605,875	2.30	11,208,786
2026	27,360,000	(4,561,200)	(1,828,492)	20,970,308	9,111,000	2.30	11,859,308
2027	29,441,000	(4,561,200)	(1,828,492)	23,051,308	10,013,000	2.30	13,038,308
2028	31,679,000	(4,561,200)	(1,828,492)	25,289,308	10,983,000	2.30	14,306,308
2029	34,088,000	(4,561,200)	(1,828,492)	27,698,308	12,029,625	2.30	15,668,683
2030	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,155,875	2.30	17,134,433
2031	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,160,125	2.30	17,130,183
2032	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,159,125	2.30	17,131,183
2033	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,157,250	2.30	17,133,058
2034	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,158,625	2.30	17,131,683
2035	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,157,375	2.30	17,132,933
2036	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,157,625	2.30	17,132,683
2037	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,158,375	2.30	17,131,933
2038	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,158,625	2.30	17,131,683
2039	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,157,375	2.30	17,132,933
2040	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,158,500	2.30	17,131,808
2041	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,155,875	2.30	17,134,433
2042	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,158,250	2.30	17,132,058
2043	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,159,250	2.30	17,131,058
2044	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,157,625	2.30	17,132,683
2045	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,157,000	2.30	17,133,308
2046	36,680,000	(4,561,200)	(1,828,492)	30,290,308	13,155,875	2.30	17,134,433

(1) Source: Wilbur Smith & Associates.

(2) Based on a project fund deposit of \$143,358,985, as estimated by Brown & Gay Engineers Inc. and LJA Engineering & Surveying, Inc. Assumes an interest rate on the Bonds of 5.00%. Net of capitalized interest.

This is a projection of cash flow based on assumptions, current market conditions, and a flow of funds that allows for the accumulation of reserves. These cash flows will change based on market conditions at the time of the sale of the bonds, actual revenues and investment income, and actual construction costs and timing. There are usually differences in estimated and actual revenues because events and circumstances frequently do not occur as expected. Such differences may be material.

Fort Bend County, Texas
Unlimited Tax Toll Road Bonds, Series 2010
Grand Parkway Project

Sources:

Uses:

Project Fund Deposits:	
Initial Costs	143,358,985.41
Other Fund Deposits:	
Capitalized Interest	16,191,500.00
Delivery Date Expenses:	
Cost of Issuance	1,147,660.00
Underwriter's Discount	<u>1,214,362.50</u>
	2,362,022.50
Other Uses of Funds:	
Contingency	2,492.09
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	161,915,000.00

NET DEBT SERVICE

Fort Bend County, Texas
Unlimited Tax Toll Road Bonds, Series 2010
Grand Parkway Project

Period Ending	Principal	Interest	Total Debt Service	General Fund	Capitalized Interest	Net Debt Service
09/30/2011	-	-	-	(26,985.83)	26,985.83	-
09/30/2012	-	9,445,041.67	9,445,041.67	(134,929.17)	9,579,970.84	-
09/30/2013	-	8,095,750.00	8,095,750.00	161,915.00	6,793,683.54	1,140,151.46
09/30/2014	-	8,095,750.00	8,095,750.00	-	-	8,095,750.00
09/30/2015	-	8,095,750.00	8,095,750.00	-	-	8,095,750.00
09/30/2016	-	8,095,750.00	8,095,750.00	-	-	8,095,750.00
09/30/2017	-	8,095,750.00	8,095,750.00	-	-	8,095,750.00
09/30/2018	-	8,095,750.00	8,095,750.00	-	-	8,095,750.00
09/30/2019	-	8,095,750.00	8,095,750.00	-	-	8,095,750.00
09/30/2020	-	8,095,750.00	8,095,750.00	-	-	8,095,750.00
09/30/2021	-	8,095,750.00	8,095,750.00	-	-	8,095,750.00
09/30/2022	-	8,095,750.00	8,095,750.00	-	-	8,095,750.00
09/30/2023	-	8,095,750.00	8,095,750.00	-	-	8,095,750.00
09/30/2024	35,000.00	8,094,875.00	8,129,875.00	-	-	8,129,875.00
09/30/2025	525,000.00	8,080,875.00	8,605,875.00	-	-	8,605,875.00
09/30/2026	1,070,000.00	8,041,000.00	9,111,000.00	-	-	9,111,000.00
09/30/2027	2,050,000.00	7,963,000.00	10,013,000.00	-	-	10,013,000.00
09/30/2028	3,150,000.00	7,833,000.00	10,983,000.00	-	-	10,983,000.00
09/30/2029	4,385,000.00	7,644,625.00	12,029,625.00	-	-	12,029,625.00
09/30/2030	5,765,000.00	7,390,875.00	13,155,875.00	-	-	13,155,875.00
09/30/2031	6,065,000.00	7,095,125.00	13,160,125.00	-	-	13,160,125.00
09/30/2032	6,375,000.00	6,784,125.00	13,159,125.00	-	-	13,159,125.00
09/30/2033	6,700,000.00	6,457,250.00	13,157,250.00	-	-	13,157,250.00
09/30/2034	7,045,000.00	6,113,625.00	13,158,625.00	-	-	13,158,625.00
09/30/2035	7,405,000.00	5,752,375.00	13,157,375.00	-	-	13,157,375.00
09/30/2036	7,785,000.00	5,372,625.00	13,157,625.00	-	-	13,157,625.00
09/30/2037	8,185,000.00	4,973,375.00	13,158,375.00	-	-	13,158,375.00
09/30/2038	8,605,000.00	4,553,625.00	13,158,625.00	-	-	13,158,625.00
09/30/2039	9,045,000.00	4,112,375.00	13,157,375.00	-	-	13,157,375.00
09/30/2040	9,510,000.00	3,648,500.00	13,158,500.00	-	-	13,158,500.00
09/30/2041	9,995,000.00	3,160,875.00	13,155,875.00	-	-	13,155,875.00
09/30/2042	10,510,000.00	2,648,250.00	13,158,250.00	-	-	13,158,250.00
09/30/2043	11,050,000.00	2,109,250.00	13,159,250.00	-	-	13,159,250.00
09/30/2044	11,615,000.00	1,542,625.00	13,157,625.00	-	-	13,157,625.00
09/30/2045	12,210,000.00	947,000.00	13,157,000.00	-	-	13,157,000.00
09/30/2046	12,835,000.00	320,875.00	13,155,875.00	-	-	13,155,875.00
	161,915,000.00	219,138,416.67	381,053,416.67	0.00	16,400,640.21	364,652,776.46

Grand Parkway - Projected Cash Flow and Debt Service Coverage

Fort Bend County Toll Road Authority \$186,060,000 Toll Road Revenue Bonds, Series 2010

Calendar Year	Projected Revenues ⁽¹⁾	Less: Annual Transaction Expense ⁽¹⁾	Less: Annual Maintenance & Operating Expense ⁽¹⁾	Revenues Available for Debt Service	Net Debt Service ⁽²⁾	Net Debt Service Coverage Ratio	Projected Net Revenue After Debt Service and Expenses
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	8,386,000	(1,707,700)	(500,000)	6,178,300	1,187,996	5.20	4,990,304
2014	12,299,000	(2,471,000)	(750,000)	9,078,000	10,986,272	0.83	(1,908,272)
2015	15,688,000	(3,109,700)	(1,250,000)	11,328,300	10,986,272	1.03	342,028
2016	17,307,000	(3,384,600)	(1,500,000)	12,422,400	10,986,272	1.13	1,436,128
2017	14,284,000	(2,816,700)	(1,530,000)	9,937,300	10,986,272	0.90	(1,048,972)
2018	15,787,000	(3,055,400)	(1,560,600)	11,171,000	10,986,272	1.02	184,728
2019	17,448,000	(3,314,300)	(1,591,812)	12,541,888	10,986,272	1.14	1,555,616
2020	19,283,000	(3,595,200)	(1,623,648)	14,064,152	10,986,272	1.28	3,077,880
2021	21,312,000	(3,896,200)	(1,656,121)	15,759,679	10,986,272	1.43	4,773,407
2022	22,404,000	(4,021,000)	(1,689,244)	16,693,756	10,986,272	1.52	5,707,484
2023	23,552,000	(4,149,700)	(1,723,029)	17,679,271	10,986,272	1.61	6,692,999
2024	24,758,000	(4,282,600)	(1,757,489)	18,717,911	10,986,272	1.70	7,731,639
2025	26,027,000	(4,419,700)	(1,792,639)	19,814,661	10,986,272	1.80	8,828,389
2026	27,360,000	(4,561,200)	(1,828,492)	20,970,308	10,986,272	1.91	9,984,036
2027	29,441,000	(4,783,100)	(1,865,061)	22,792,839	11,034,772	2.07	11,758,067
2028	31,679,000	(5,015,800)	(1,902,363)	24,760,837	12,001,772	2.06	12,759,065
2029	34,088,000	(5,259,800)	(1,940,410)	26,887,790	13,044,572	2.06	13,843,218
2030	36,680,000	(5,515,700)	(1,979,218)	29,185,082	14,174,172	2.06	15,010,910
2031	36,680,000	(5,784,000)	(2,018,803)	28,877,197	15,395,522	1.88	13,481,675
2032	36,680,000	(5,947,100)	(2,059,179)	28,673,721	16,441,072	1.74	12,232,649
2033	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,553,872	1.62	10,910,966
2034	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,550,922	1.62	10,913,916
2035	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,552,822	1.62	10,912,016
2036	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,552,622	1.62	10,912,216
2037	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,553,372	1.62	10,911,466
2038	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,552,972	1.62	10,911,866
2039	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,554,172	1.62	10,910,666
2040	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,554,572	1.62	10,910,266
2041	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,551,772	1.62	10,913,066
2042	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,553,072	1.62	10,911,766
2043	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,555,472	1.62	10,909,366
2044	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,551,122	1.62	10,913,716
2045	36,680,000	(6,114,800)	(2,100,362)	28,464,838	17,551,872	1.62	10,912,966
2046	36,680,000	(6,114,800)	(2,100,362)	28,464,838	(90,014)	-	28,554,852

(1) Source: Wilbur Smith & Associates.

(2) Based on a project fund deposit of \$143,358,985, as estimated by Brown & Gay Engineers Inc. and LJA Engineering & Surveying, Inc. Assumes an interest rate on the Bonds of 6.00%.

This is a projection of cash flow based on assumptions, current market conditions, and a flow of funds that allows for the accumulation of reserves. These cash flows will change based on market conditions at the time of the sale of the bonds, actual revenues and investment income, and actual construction costs and timing. There are usually differences in estimated and actual revenues because events and circumstances frequently do not occur as expected. Such differences may be material.

SOURCES AND USES OF FUNDS

Fort Bend County Toll Road Authority
Toll Road Revenue Bonds, Series 2010
Grand Parkway Project

Dated Date 07/01/2011
Delivery Date 07/01/2011

Sources:

Bond Proceeds:	
Par Amount	186,060,000.00
	<hr/>
	186,060,000.00

Uses:

Project Fund Deposits:	
Initial Costs	143,358,985.41
Other Fund Deposits:	
Debt Service Reserve Fund	17,732,800.00
Capitalized Interest	<hr/>
	22,327,200.00
	40,060,000.00
Delivery Date Expenses:	
Cost of Issuance	1,244,240.00
Underwriter's Discount	<hr/>
	1,395,450.00
	2,639,690.00
Other Uses of Funds:	
Contingency	1,324.59
	<hr/>
	186,060,000.00

NET DEBT SERVICE

**Fort Bend County Toll Road Authority
Toll Road Revenue Bonds, Series 2010
Grand Parkway Project**

Period Ending	Principal	Interest	Total Debt Service	General Fund	Debt Service Reserve Fund	Capitalized Interest	Net Debt Service
09/30/2011	-	-	-	(66,766.67)	29,554.67	37,212.00	-
09/30/2012	-	13,024,200.00	13,024,200.00	(363,388.00)	177,328.00	13,210,260.00	-
09/30/2013	-	11,163,600.00	11,163,600.00	430,154.67	177,328.00	9,368,121.00	1,187,996.33
09/30/2014	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2015	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2016	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2017	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2018	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2019	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2020	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2021	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2022	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2023	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2024	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2025	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2026	-	11,163,600.00	11,163,600.00	-	177,328.00	-	10,986,272.00
09/30/2027	50,000.00	11,162,100.00	11,212,100.00	-	177,328.00	-	11,034,772.00
09/30/2028	1,050,000.00	11,129,100.00	12,179,100.00	-	177,328.00	-	12,001,772.00
09/30/2029	2,190,000.00	11,031,900.00	13,221,900.00	-	177,328.00	-	13,044,572.00
09/30/2030	3,490,000.00	10,861,500.00	14,351,500.00	-	177,328.00	-	14,174,172.00
09/30/2031	4,965,000.00	10,607,850.00	15,572,850.00	-	177,328.00	-	15,395,522.00
09/30/2032	6,350,000.00	10,268,400.00	16,618,400.00	-	177,328.00	-	16,441,072.00
09/30/2033	7,890,000.00	9,841,200.00	17,731,200.00	-	177,328.00	-	17,553,872.00
09/30/2034	8,375,000.00	9,353,250.00	17,728,250.00	-	177,328.00	-	17,550,922.00
09/30/2035	8,895,000.00	8,835,150.00	17,730,150.00	-	177,328.00	-	17,552,822.00
09/30/2036	9,445,000.00	8,284,950.00	17,729,950.00	-	177,328.00	-	17,552,622.00
09/30/2037	10,030,000.00	7,700,700.00	17,730,700.00	-	177,328.00	-	17,553,372.00
09/30/2038	10,650,000.00	7,080,300.00	17,730,300.00	-	177,328.00	-	17,552,972.00
09/30/2039	11,310,000.00	6,421,500.00	17,731,500.00	-	177,328.00	-	17,554,172.00
09/30/2040	12,010,000.00	5,721,900.00	17,731,900.00	-	177,328.00	-	17,554,572.00
09/30/2041	12,750,000.00	4,979,100.00	17,729,100.00	-	177,328.00	-	17,551,772.00
09/30/2042	13,540,000.00	4,190,400.00	17,730,400.00	-	177,328.00	-	17,553,072.00
09/30/2043	14,380,000.00	3,352,800.00	17,732,800.00	-	177,328.00	-	17,555,472.00
09/30/2044	15,265,000.00	2,463,450.00	17,728,450.00	-	177,328.00	-	17,551,122.00
09/30/2045	16,210,000.00	1,519,200.00	17,729,200.00	-	177,328.00	-	17,551,872.00
09/30/2046	17,215,000.00	516,450.00	17,731,450.00	-	17,821,464.00	-	(90,014.00)
	186,060,000.00	314,635,800.00	500,695,800.00	0.00	23,880,170.67	22,615,593.00	454,200,036.33