



900 Chapel Street, Suite 1400
New Haven, Connecticut 06510
tel: 203 865-2191
fax: 203 624-0484

May 9, 2012

Fort Bend Grand Parkway Toll Road Authority
c/o Mr. Bill Jameson
WJ Interests, LLC
2333 Town Center Drive, Suite 100
Sugar Land, TX 77478

Subject: Proposal: Grand Parkway Segment D Financing – T&R Support 2012

Dear Mr. Jameson:

Following communications with yourself and discussions with the County's Financial Advisor, First Southwest, we were requested to provide you with a proposal for traffic and revenue (T&R) services to support Fort Bend Grand Parkway Toll Road Authority (FBGPTRA) in its financing of Segment D of the future Grand Parkway (the project).

In June 2011 CDM Smith, formerly Wilbur Smith Associates, completed a Comprehensive (a.k.a. Investment Grade) T&R Study for the project. This proposal outlines the scope and fee associated with an update to that study to confirm the validity of the assumptions and inputs used and the potential impacts of any changes to those assumptions and impacts that have come to light since the original T&R study. CDM Smith would provide a Bring Down Letter to document the review. We would also provide edits to the original study report as necessary for inclusion in bond documents and provide any traffic engineer certifications as needed for the bond offering. The CDM Smith team would continue to remain available to provide additional support to the FBGPTRA financing team if needed as *an additional service*.

As discussed, it is important to note that it has come to our attention that the toll rates assumed for the other segments (E-G) of the Grand Parkway are now likely to be different than those originally assumed in the 2011 T&R study. We recommend that sensitivity testing be performed to determine if this would have any material impact on the T&R potential of Segment D.

During this period we will also document the toll sensitivity analysis in a brief addendum report. This was part of the original scope/budget and no further fees are requested for this.





Fort Bend Grand Parkway Toll Road Authority

May 9, 2012

Page 2

Scope

Following discussions with your Financial Advisor, First Southwest, we were requested to provide you with a proposal to do the following tasks within about a one month timescale:

- Review the validity of the traffic, tolling and economic assumptions used in the 2011 Comprehensive T&R Study;
- Test the impact of different toll rate assumptions on Segments E-G on Segment D revenues;
- Provide a 'bring down letter' confirming the study assumptions remain valid or otherwise;
- Provide any edits to the original T&R report following the review by FAs, bond counsel etc, as necessary for inclusion in the bond offering;
- Provide Traffic Engineering Certifications, as required; and
- **Optional task** (beyond the one month): Provide support for financing team meetings, bond document review, investor and rating agency meetings etc.

Schedule and Fee

We are prepared to commence this study immediately on notice-to-proceed (NTP). Study results would be developed and summarized in a brief letter report to be delivered within four weeks of NTP.

Based on the outlined work scope above and as shown in Exhibit A, the fee to conduct the scope of work described above, excluding the optional task, is estimated to be \$31,800. No trip costs are assumed in this fee estimate; in the event a trip or formal presentation is required, the study fee would need to be revised to reflect those costs. We recommend a total budget of \$45,000 is appropriate for contingency to include Optional Task 4.

Very truly yours,

Scott A. Allaire
Vice President
CDM Smith Inc.

cc: Jonathan Pagan



Fort Bend Grand Parkway Toll Road Authority
 May 9, 2012

Page 3

Exhibit A

FBGPTRA Grand Parkway Segment D - T&R Support for Project Financing 2012

<u>Personnel Category</u>	<u>Task</u>				<u>Total Hours</u>	<u>Average Rate</u>	<u>Salary Cost</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>			
Vice President (or above)	8	4	4	0	16	\$106.00	\$1,696
Planner 9	16	8	16	0	40	\$93.00	\$3,720
Planner 8	4	16	4	0	24	\$76.00	\$1,824
Planner 6	0	0	0	0	0	\$55.00	\$0
Planner 5	0	0	0	0	0	\$39.00	\$0
Planner 4	4	32	0	0	36	\$37.00	\$1,332
Designer	0	0	16	0	16	\$35.00	\$560
Support Staff	0	0	8	0	8	\$30.00	\$240
Total Hours	32	60	48	0	140		
Total Salary	\$2,788	\$3,568	\$3,016	\$0			\$9,372
Overhead (172% of Salary)	\$4,795	\$6,137	\$5,188	\$0			\$16,120
Profit (11% of Salary and Overhead)	\$834	\$1,068	\$902	\$0			\$2,804
Subtotal	\$8,418	\$10,773	\$9,106	\$0			\$28,296
<u>Direct Expenses</u>							
Travel	\$0	\$0	\$0	\$0			\$0
Subsistence	\$0	\$0	\$0	\$0			\$0
Reproduction	\$0	\$0	\$400	\$0			\$400
Postage and Express	\$0	\$0	\$54	\$0			\$54
Telephone and Fax	\$0	\$0	\$0	\$0			\$0
Economic Data	\$650	\$0	\$0	\$0			\$650
Traffic Counts	\$0	\$0	\$0	\$0			\$0
CDS Economic Sub	\$2,400	\$0	\$0	\$0			\$2,400
Total Direct Expenses	\$3,050	\$0	\$454	\$0			\$3,504
Total Cost	\$11,468	\$10,773	\$9,560	\$0			\$31,800

Note: Does not include estimates for optional Task 4

Work Tasks

- Task 1: Review Study Inputs and Assumptions
- Task 2: Modeling & Sensitivity Tests
- Task 3: Documentation - Bring Down Letter, Main Report Edits, Certifications
- Task 4: [Optional] Additional Support

CDM Smith

May 9, 2012