

Pricing Book

Senior Lien Toll Road Revenue Bonds, Series 2014

Fort Bend County, Texas

November 18, 2014

Fort Bend County, Texas



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Table of Contents

Historical Interest Rate Graph.....	A
Final Numbers.....	B
Rating Reports.....	C

Bond Buyer Revenue Index

20 Year History

Weekly Actual as of 11/13/2014



This graph depicts historical interest rates and their respective relationships. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, the supply and demand of short term securities, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of changes in such factors individually or in any combination could materially affect the relationships and effective interest rates. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the short term market or no market may exist at all.

SOURCES AND USES OF FUNDS

Fort Bend County, Texas
 Senior Lien Toll Road Revenue Bonds, Series 2014
 REVISED FINAL NUMBERS

Dated Date 12/09/2014
 Delivery Date 12/09/2014

Sources:

Bond Proceeds:	
Par Amount	45,000,000.00
Net Premium	3,322,674.10
	48,322,674.10

Other Sources of Funds:	
Cash Contribution to Reserve Fund	2,874,543.76
	51,197,217.86

Uses:

Project Fund Deposits:	
Deposit to Project Fund	47,789,701.82

Other Fund Deposits:	
Debt Service Reserve Fund	2,874,543.76

Delivery Date Expenses:	
Cost of Issuance	278,449.28
Underwriter's Discount	254,523.00
	532,972.28
	51,197,217.86

BOND PRICING

Fort Bend County, Texas
Senior Lien Toll Road Revenue Bonds, Series 2014
REVISED FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Takedown
Serial Bonds:										
	03/01/2016	900,000.00	2.000%	0.470%	101.870				16,830.00	2.500
	03/01/2017	920,000.00	2.000%	0.770%	102.711				24,941.20	2.500
	03/01/2018	945,000.00	3.000%	1.120%	105.942				56,151.90	3.750
	03/01/2019	970,000.00	3.000%	1.450%	106.332				61,420.40	3.750
	03/01/2020	1,005,000.00	4.000%	1.790%	110.980				110,349.00	3.750
	03/01/2021	1,050,000.00	4.000%	2.110%	110.973				115,216.50	5.000
	03/01/2022	1,095,000.00	5.000%	2.400%	117.154				187,836.30	5.000
	03/01/2023	1,150,000.00	5.000%	2.620%	117.508				201,342.00	5.000
	03/01/2024	1,210,000.00	5.000%	2.790%	117.866				216,178.60	5.000
	03/01/2025	1,275,000.00	5.000%	2.900%	116.891 C	3.063%	03/01/2024	100.000	215,360.25	5.000
	03/01/2026	1,340,000.00	5.000%	3.010%	115.925 C	3.291%	03/01/2024	100.000	213,395.00	5.000
	03/01/2027	1,405,000.00	5.000%	3.110%	115.055 C	3.477%	03/01/2024	100.000	211,522.75	5.000
	03/01/2028	1,480,000.00	5.000%	3.200%	114.279 C	3.631%	03/01/2024	100.000	211,329.20	5.000
	03/01/2029	1,555,000.00	5.000%	3.270%	113.679 C	3.750%	03/01/2024	100.000	212,708.45	5.000
	03/01/2030	1,635,000.00	5.000%	3.340%	113.084 C	3.855%	03/01/2024	100.000	213,923.40	5.000
	03/01/2031	1,720,000.00	5.000%	3.390%	112.661 C	3.936%	03/01/2024	100.000	217,769.20	5.000
	03/01/2032	1,805,000.00	5.000%	3.440%	112.239 C	4.009%	03/01/2024	100.000	220,913.95	5.000
	03/01/2033	1,900,000.00	5.000%	3.490%	111.820 C	4.074%	03/01/2024	100.000	224,580.00	5.000
	03/01/2034	1,995,000.00	5.000%	3.530%	111.486 C	4.128%	03/01/2024	100.000	229,145.70	5.000
		<u>25,355,000.00</u>							<u>3,160,913.80</u>	
Term Bonds due 2036:										
	03/01/2035	2,100,000.00	5.000%	3.620%	110.738 C	4.228%	03/01/2024	100.000	225,498.00	5.000
	03/01/2036	2,205,000.00	5.000%	3.620%	110.738 C	4.228%	03/01/2024	100.000	236,772.90	5.000
		<u>4,305,000.00</u>							<u>462,270.90</u>	
Term Bonds due 2042:										
	03/01/2037	2,310,000.00	4.000%	4.120%	98.041				(45,252.90)	5.000
	03/01/2038	2,400,000.00	4.000%	4.120%	98.041				(47,016.00)	5.000
	03/01/2039	2,500,000.00	4.000%	4.120%	98.041				(48,975.00)	5.000
	03/01/2040	2,600,000.00	4.000%	4.120%	98.041				(50,934.00)	5.000
	03/01/2041	2,710,000.00	4.000%	4.120%	98.041				(53,088.90)	5.000
	03/01/2042	2,820,000.00	4.000%	4.120%	98.041				(55,243.80)	5.000
		<u>15,340,000.00</u>							<u>(300,510.60)</u>	
		<u>45,000,000.00</u>							<u>3,322,674.10</u>	

Dated Date	12/09/2014	
Delivery Date	12/09/2014	
First Coupon	03/01/2015	
Par Amount	45,000,000.00	
Premium	3,322,674.10	
Production	48,322,674.10	107.383720%
Underwriter's Discount	(254,523.00)	(0.565607%)
Purchase Price	48,068,151.10	106.818114%
Accrued Interest		
Net Proceeds	48,068,151.10	

BOND DEBT SERVICE

Fort Bend County, Texas
Senior Lien Toll Road Revenue Bonds, Series 2014
REVISED FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2015			451,717.50	451,717.50	
09/01/2015			991,575.00	991,575.00	1,443,292.50
03/01/2016	900,000.00	2.000%	991,575.00	1,891,575.00	
09/01/2016			982,575.00	982,575.00	2,874,150.00
03/01/2017	920,000.00	2.000%	982,575.00	1,902,575.00	
09/01/2017			973,375.00	973,375.00	2,875,950.00
03/01/2018	945,000.00	3.000%	973,375.00	1,918,375.00	
09/01/2018			959,200.00	959,200.00	2,877,575.00
03/01/2019	970,000.00	3.000%	959,200.00	1,929,200.00	
09/01/2019			944,650.00	944,650.00	2,873,850.00
03/01/2020	1,005,000.00	4.000%	944,650.00	1,949,650.00	
09/01/2020			924,550.00	924,550.00	2,874,200.00
03/01/2021	1,050,000.00	4.000%	924,550.00	1,974,550.00	
09/01/2021			903,550.00	903,550.00	2,878,100.00
03/01/2022	1,095,000.00	5.000%	903,550.00	1,998,550.00	
09/01/2022			876,175.00	876,175.00	2,874,725.00
03/01/2023	1,150,000.00	5.000%	876,175.00	2,026,175.00	
09/01/2023			847,425.00	847,425.00	2,873,600.00
03/01/2024	1,210,000.00	5.000%	847,425.00	2,057,425.00	
09/01/2024			817,175.00	817,175.00	2,874,600.00
03/01/2025	1,275,000.00	5.000%	817,175.00	2,092,175.00	
09/01/2025			785,300.00	785,300.00	2,877,475.00
03/01/2026	1,340,000.00	5.000%	785,300.00	2,125,300.00	
09/01/2026			751,800.00	751,800.00	2,877,100.00
03/01/2027	1,405,000.00	5.000%	751,800.00	2,156,800.00	
09/01/2027			716,675.00	716,675.00	2,873,475.00
03/01/2028	1,480,000.00	5.000%	716,675.00	2,196,675.00	
09/01/2028			679,675.00	679,675.00	2,876,350.00
03/01/2029	1,555,000.00	5.000%	679,675.00	2,234,675.00	
09/01/2029			640,800.00	640,800.00	2,875,475.00
03/01/2030	1,635,000.00	5.000%	640,800.00	2,275,800.00	
09/01/2030			599,925.00	599,925.00	2,875,725.00
03/01/2031	1,720,000.00	5.000%	599,925.00	2,319,925.00	
09/01/2031			556,925.00	556,925.00	2,876,850.00
03/01/2032	1,805,000.00	5.000%	556,925.00	2,361,925.00	
09/01/2032			511,800.00	511,800.00	2,873,725.00
03/01/2033	1,900,000.00	5.000%	511,800.00	2,411,800.00	
09/01/2033			464,300.00	464,300.00	2,876,100.00
03/01/2034	1,995,000.00	5.000%	464,300.00	2,459,300.00	
09/01/2034			414,425.00	414,425.00	2,873,725.00
03/01/2035	2,100,000.00	5.000%	414,425.00	2,514,425.00	
09/01/2035			361,925.00	361,925.00	2,876,350.00
03/01/2036	2,205,000.00	5.000%	361,925.00	2,566,925.00	
09/01/2036			306,800.00	306,800.00	2,873,725.00
03/01/2037	2,310,000.00	4.000%	306,800.00	2,616,800.00	
09/01/2037			260,600.00	260,600.00	2,877,400.00
03/01/2038	2,400,000.00	4.000%	260,600.00	2,660,600.00	
09/01/2038			212,600.00	212,600.00	2,873,200.00
03/01/2039	2,500,000.00	4.000%	212,600.00	2,712,600.00	
09/01/2039			162,600.00	162,600.00	2,875,200.00
03/01/2040	2,600,000.00	4.000%	162,600.00	2,762,600.00	
09/01/2040			110,600.00	110,600.00	2,873,200.00
03/01/2041	2,710,000.00	4.000%	110,600.00	2,820,600.00	
09/01/2041			56,400.00	56,400.00	2,877,000.00
03/01/2042	2,820,000.00	4.000%	56,400.00	2,876,400.00	
	45,900,000.00		34,078,517.50	79,078,517.50	79,078,517.50

BOND SUMMARY STATISTICS

Fort Bend County, Texas
Senior Lien Toll Road Revenue Bonds, Series 2014
REVISED FINAL NUMBERS

Dated Date	12/09/2014
Delivery Date	12/09/2014
First Coupon	03/01/2015
Last Maturity	03/01/2042
Arbitrage Yield	3.643010%
True Interest Cost (TIC)	3.900283%
Net Interest Cost (NIC)	4.054146%
All-In TIC	3.950897%
Average Coupon	4.455261%
Average Life (years)	16.998
Weighted Average Maturity (years)	16.679
Duration of Issue (years)	11.718
Par Amount	45,000,000.00
Bond Proceeds	48,322,674.10
Total Interest	34,078,517.50
Net Interest	31,010,366.40
Total Debt Service	79,078,517.50
Maximum Annual Debt Service	2,878,100.00
Average Annual Debt Service	2,904,332.41
Underwriter's Fees (per \$1000)	
Average Takedown	4.817778
Other Fee	0.838289
Total Underwriter's Discount	5.656067
Bid Price	106.818114

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Serial Bonds	25,355,000.00	112.467	4.879%	11.615	9.042	18,789.90
Term Bonds due 2036	4,305,000.00	110.738	5.000%	20.740	13.545	3,573.15
Term Bonds due 2042	15,340,000.00	98.041	4.000%	24.844	15.846	24,544.00
	45,000,000.00			16.998		46,907.05

	TIC	All-In TIC	Arbitrage Yield
Par Value	45,000,000.00	45,000,000.00	45,000,000.00
+ Accrued Interest			
+ Premium (Discount)	3,322,674.10	3,322,674.10	3,322,674.10
- Underwriter's Discount	(254,523.00)	(254,523.00)	
- Cost of Issuance Expense		(278,449.28)	
- Other Amounts			
Target Value	48,068,151.10	47,789,701.82	48,322,674.10
Target Date	12/09/2014	12/09/2014	12/09/2014
Yield	3.900283%	3.950897%	3.643010%

MOODY'S

INVESTORS SERVICE

New Issue: **Moody's assigns A2 rating to Fort Bend County Toll Road Authority's (TX) Senior Toll Revenue Bonds, Series 2014; Outlook stable**

Global Credit Research - 05 Nov 2014

Authority has \$75.775 million of rated debt outstanding

FORT BEND (COUNTY OF) TX
Toll Facilities
TX

Moody's Rating

ISSUE	RATING
Senior Lien Toll Road Revenue Bonds, Series 2014	A2
Sale Amount \$45,000,000	
Expected Sale Date 11/17/14	
Rating Description Revenue: Government Enterprise	

Moody's Outlook STA

Opinion

NEW YORK, November 05, 2014 --Moody's Investors Service has assigned an A2 rating to Fort Bend County's \$45 million Series 2014 Senior Lien Toll Road Revenue Bonds. We maintain the A2 rating on approximately \$30.775 million of outstanding parity senior lien debt. The outlook is stable.

SUMMARY RATING RATIONALE

The A2 rating is based on the sound financial metrics of the authority; strong commuter usage of the two toll roads in a sizable and growing metropolitan Houston region; and the county's ability to transfer surplus funds from the authority for major roadway projects in the county, including non-toll road projects, which Moody's views as a credit weakness. The stable outlook is based on the county's ability to meet above-median financial metrics, including debt service coverage ratios (DSCRs) at or above currently forecasted levels, while adding additional debt for near-term capital improvements.

USE OF PROCEEDS: The bond proceeds will be used for construction of the Highway 6 overpass for the Fort Bend Parkway, for right of way acquisition for Westpark Tollway, and for toll system conversion.

LEGAL SECURITY: The bonds are secured by a first lien on gross revenues on authority managed roads. Debt service reserve fund (DSRF) is cash funded at 100% of maximum annual debt service and the rate covenant is gross revenues of at least 1.25 times annual senior lien debt service.

INTEREST RATE DERIVATIVES: None.

STRENGTHS

* Strong DSCR for senior lien bonds above 3.0 times on a net revenue basis in stress scenario

*Toll policy includes automatic annual adjustment factor determined by greater of 2% or CPI for the Houston MSA

* Growing service area in affluent suburban region of the Houston MSA, with direct access to Houston's central business district and outer ring highway

CHALLENGES

- * Small system of two limited access highways serving a limited area of county
- * Surplus revenues may be used at anytime for major county street and highway projects
- * Lack of a long-term capital plan for a growing system

What Could Change the Rating- UP

Significant growth in traffic and revenues that increase DSCRs and liquidity could exert positive rating pressure.

What Could Change the Rating - DOWN

Significant traffic diversion onto competing free roadways, construction costs overruns or speculative system expansions that increase debt levels without corresponding traffic increases, or significant reduction in liquidity levels due to surplus fund transfers could place downward pressure on the rating.

DETAILED CREDIT DISCUSSION

The authority's two toll roads, Fort Bend Parkway and Westpark Tollway, help facilitate travel between Fort Bend County (Aa1/NOO) and the Harris County (Aaa/Stable) and the city of Houston (Aa2/Stable) area via direct connection to the Harris County Toll Road Authority's (Aa3/Positive) system at the county line. Fort Bend County abuts Harris County on the southwest side of the Houston MSA, and as the Houston MSA has continued to grow, Fort Bend has been home to a series of successful planned communities that have led to a population increase of 65% between 2000 and 2010. Traditionally, many county residents have commuted to Harris County and Houston, though economic development within Fort Bend County has increased the amount of intracounty trips. Fort Bend County is one of the fastest growing counties in Texas and in the U.S.

Transactions on the two county toll roads have begun to stabilize after uneven traffic growth subsequent to their start-up in 2004 and 2005. Although transactions were flat in FY 2013, growth of 9.5% is projected for FY 2014. Revenue growth has been more steady, with a five-year (FYs 2009 - 2013) CAGR of 7%, and FY 2014 projected growth of 11.7%. For FY 2015, both transactions and revenues are projected to grow 8%. Automatic toll increases were implemented in October 2011, with an annual adjustment factor determined by greater of 2% or Houston MSA CPI, which should contribute to continued revenue reliability in the future.

Including the current issue, management's base case no-growth scenario projects senior lien DSCR on a bond ordinance basis to be a strong 7.92 times and 4.70 times for FYs 2015 and 2016, respectively. Management's base scenario senior lien DSCR on Moody's net revenue basis would be 6.69 times and 3.97 times for 2015 and 2016, respectively. Future bond issuance plans include approximately \$55 million senior lien bonds in 2016 for construction of Westpark Tollway Phase I (from Grand Parkway/SH 99 to FM 1463/FM 359) and approximately \$33 million senior lien bonds in 2019 for construction of Westpark Tollway Phase II (from FM 1463/FM 359 to James Lane in the City of Fulshear). Outstanding subordinate lien unlimited tax toll road bonds (Aa1, NOO based on the county's rating), which the authority issued during the start up phase of the roads, total \$121 million. While secured by the county's unlimited tax pledge and net toll revenues, the subordinate lien bonds are paid only from net toll revenues.

Legal provisions are weak and include an open loop flow of funds, whereby all surplus moneys remain with the county and may be used for any lawful county transportation project. At FY 2013 year end, the authority had \$48 million of unrestricted reserves, which is equivalent to 5,149 days cash on hand, significantly above the 859 days FY 2013 median for the A rating category, though we note that all of the toll road operations are outsourced. For FY 2014 year end, the authority projects \$54.7 million of unrestricted reserves or 5,394 days. The authority does anticipate utilizing a portion of reserves starting in 2016 for capital projects, which could potentially reduce the reserves to approximately \$18 million or 1,900 days, still significantly above the 2013 sector median of 952. Moody's does note that the continued policy of reserving \$10 million for subordinate bond debt service provides a good portion of this ample liquidity, and that deviations from this policy or increased transfer of surplus funds to non-revenue generating projects could place negative pressure on the rating.

KEY INDICATORS

Type of System: Start-up multi-asset suburban toll road

FY 2013:

Transaction Growth: 0.2%

Transaction 5-year CAGR: 0.0%

Revenue growth: 15.0%

Revenue 5-year CAGR: 7.4%

Days Cash on Hand: 5,149

Senior Lien DSCR, bond ordinance basis, FY 2015 projected: 7.92 times

Senior Lien DSCR, Moody's net revenue basis, FY 2015 projected: 6.69 times

DEBT OUTSTANDING

Senior Lien Toll Road Revenue Bonds: \$75.775 million (A2/Stable)

Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds: \$120.805 million (Aa1/NOO)

METHODOLOGY SCORECARD FACTORS:

Factor 1a - Asset Type: Baa

Factor 1b - Operating History: Baa

Factor 1c - Competition: A

Factor 1d - Service Area Characteristics: A

Factor 2a - Annual Traffic: Baa

Factor 2b - Traffic Profile: Aaa

Factor 2c - Five-Year Traffic CAGR: Baa

Factor 2d - Ability and Willingness to Increase Toll Rates: Aa

Factor 3a - Net Revenue DSCR: A

Factor 3b - Debt/Operating Revenue: Baa

Factor 4a - Capital Needs: A

Factor 4b - Limitations to Growth: A

Notching Factors:

-0.5 notch for open loop flow of funds

+1.0 for Days Cash on Hand

Scorecard Outcome: A2

ISSUER CONTACT

Ed Sturdivant

County Auditor

281-341-3769

RATING METHODOLOGY

The principal methodology used in this rating was Government Owned Toll Roads published in October 2012. Please see the Credit Policy page on www.moody.com for a copy of this methodology.

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**FITCH RATES FORT BEND COUNTY, TX'S SERIES 2014
SR. LIEN TOLL ROAD REVS 'A+'; OUTLOOK STABLE**

Fitch Ratings-Chicago-06 November 2014: Fitch Ratings has assigned an 'A+' rating to Fort Bend County, Texas' approximately \$45 million series 2014 senior lien toll road revenue bonds issued on behalf of the Fort Bend County Toll Road Authority (FBCTRA). In addition, Fitch has affirmed its 'A+' rating on approximately \$30.8 million in outstanding parity senior lien toll revenue bonds issued by the county on behalf of the authority. The Rating Outlook is Stable.

RATING RATIONALE

The rating reflects continued strong and growing traffic and revenue performance on the authority's two toll road system, while also taking into account the limited catchment area that it serves that exposes it to adverse fluctuations in a narrow segment of the Houston, TX economy. It also reflects the authority's successful recent expense containment, which is also expected to support robust coverage through the medium term. Anticipated issuance of approximately \$130 million in senior lien bonds (including the series 2014 bonds) over the next five years is embedded in the rating. The system's low senior leverage (currently negative, but expected to grow to around 4.5x) and strong liquidity with nearly 4,000 days cash on hand (DCOH) provide further rating stability.

KEY RATING DRIVERS

Revenue Risk: Volume - Midrange

DEVELOPING NETWORK WITH LIMITED OPERATING HISTORY: The system's two toll roads opened in 2004 and 2005 and have experienced some volatility in recent years as a result of the recession and toll increases. Still, traffic growth across the system has remained positive over the past five years, exhibiting a compounded annual growth rate (CAGR) of greater than 4% for the period, including the project B expansion. The traffic base is nearly 100% commuter oriented and the facilities are on the western edge of the strong and growing Houston MSA. The Westpark Tollway and Fort Bend Parkway both provide direct access to the Sam Houston Tollway loop around Houston; however, there is some level of competition from alternative routes.

Revenue Risk: Price - Stronger

DEMONSTRATED RATE-MAKING FLEXIBILITY: Since fiscal 2012 the authority has followed a toll policy providing for automatic annual increases the greater of 2% or CPI-U. The average toll rate remains on the moderate side at \$0.22 per mile and all-electronic tolling makes implementing rate increases easier.

Infrastructure Development/Renewal - Stronger

MANAGEABLE NEAR-TERM CAPITAL PROGRAM: The two system roadways comprise only 60 lane miles with minimal maintenance needed given the relatively young age of the assets. Following the series 2014 issuance for the SH-6 connector, additional parity senior lien bond issuances for the proposed Westpark extension projects are anticipated in fiscal 2016 and 2019; however, there should be sufficient flexibility to shift the timing of future projects to coincide with an adequate cash flow-generation profile. Fitch views there to be minimal completion risk associated with these projects given the relatively small and routine nature of the construction and the authority's favorable history of scheduled delivery and budget.

Debt Structure - Stronger

CONSERVATIVE DEBT STRUCTURE: Outstanding senior lien debt is fixed-rate with conservative amortization. A cash-funded debt service reserve fund equal to maximum annual debt service (MADS) provides additional credit support.

Financial Metrics

MODERATE LEVERAGE, STRONG COVERAGE, AND COUNTY SUPPORT: FBCTRA continued to maintain liquidity in excess of senior lien debt for fiscal 2014. Projected senior leverage (including the series 2014 bonds and two contemplated additional issuances) is forecast to grow to a still moderate 4.4x on a net debt-to-CFADS basis by 2019. Total leverage, including subordinate debt backed by Fort Bend County's general obligation pledge (rated 'AA+' by Fitch), is higher at an estimated 5.2x for fiscal 2014 and forecast to grow to 8.4x with the additional issuances. Assuming all projected senior bonds are issued, Fitch's rating case results in senior debt service coverage ratio (DSCR) - calculated on a net basis - remaining at or above 2.1x through the medium-term.

Peer Group

Closest Fitch-rated small expressway network peers include Richmond Metropolitan Authority (RMA)('A'/Stable Outlook) and Texas Turnpike Authority (TTA)('BBB+'/'Stable Outlook). FBCTRA is a smaller system, generating fewer transactions and lower revenues, but demonstrating greater pricing power and more robust coverage levels than RMA and much lower leverage and a stronger debt structure than TTA, largely explaining its rating relative to these peers.

RATING SENSITIVITIES

Negative:

- Additional leverage used to fund future projects that materially dilutes projected coverage ratios;
- Increased operating expenses or delays in implementing adequate toll adjustments that materially affect the financial profile;
- Material underperformance of new system segments.

Positive:

Given the system's small size and limited catchment area coupled with its current capital program, upward migration is not likely at this time.

TRANSACTION SUMMARY

The authority is issuing \$45 million of new money bonds, the proceeds of which will be used primarily to finance the construction of an interchange between the Fort Bend Parkway and State Highway 6. The remainder will be used to purchase right-of-way for the Westpark expansion and to upgrade the authority's toll collection facilities, allowing it to collect its own tolls. In addition, cash on hand will be used to cash-fund the debt service reserve fund. The bonds are fixed-rate with a final maturity of fiscal 2042 and are expected to price the week of Nov. 17, 2014.

Traffic and revenue across the system continue to show strong growth with fiscal year-to-date (FYTD) traffic up 7.2% through 11 months (ending August) and corresponding FYTD toll revenues up a 7.3%. Annualized toll revenues appear in-line with Fitch's base case, yet annualized expenses (using 10 months FYTD through July) indicate annual expenses well below Fitch's base case assumption for the year. The result is a senior DSCR that should remain above 15x for fiscal 2014.

As a result, Fitch's view on the credit remains unchanged from its April review. Factoring in the series 2014 bonds and two additional future issuances, senior DSCR in Fitch's rating case is projected to remain high at 2.1x or greater on a net revenue basis and total net coverage, including the subordinate lien, is projected never to drop below 1.1x.

SECURITY

The bonds are secured by a senior lien on the revenues derived from the ownership and operation of the toll road system and certain funds under the indenture. In addition, as long as there are any senior or subordinate bonds outstanding the system benefits from an O&M tax pledge. Only the authority's subordinated obligations have the additional security of the county's unlimited general obligation tax pledge.

See also 'Fitch Affirms Fort Bend County, TX's \$30.8MM Senior Lien Toll Road Revs; Outlook Stable', dated April 7, 2014, available on the Fitch website, for additional information.

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Additional information is available at 'www.fitchratings.com'.

Applicable Criteria & Related Research:

--'Rating Criteria for Infrastructure and Project Finance', dated July 12, 2012;

--'Rating Criteria for Toll Roads, Bridges, and Tunnels', dated Aug. 20, 2014.

Applicable Criteria and Related Research:

Rating Criteria for Infrastructure and Project Finance

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=682867

Rating Criteria for Toll Roads, Bridges and Tunnels

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=758708

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