



GRAND PARKWAY SYSTEM

Annual Continuing Disclosure Report

For the Fiscal Year Ended August 31, 2017

Filed by February 28, 2018

Filed by Grand Parkway Transportation Corporation
Pursuant to Continuing Disclosure Undertakings
For Compliance with SEC Rule 15c2-12

**Grand Parkway System
Annual Continuing Disclosure Report
For the Fiscal Year Ended August 31, 2017**

Filed by Grand Parkway Transportation Corporation

**Relating to Each Outstanding Issue of the Grand Parkway Transportation Corporation
With CUSIP Prefix 38611T**

The financial information and operating data contained in this report (this "Annual Report") with respect to the Grand Parkway Transportation Corporation (the "Corporation" or "GPTC") and the Grand Parkway System (also referred to as the "System") is being provided in accordance with the contractual continuing disclosure undertakings (collectively, the "Undertaking") of the Corporation described in the various official statements (collectively, the "Official Statements") for the Corporation's outstanding municipal debt issues (each an "Issue"). Pursuant to the rules of the Municipal Securities Rulemaking Board (the "MSRB"), the participating underwriters for each Issue were required to file a copy of the Official Statement for each Issue with the MSRB, copies of which are available on the MSRB's Electronic Municipal Market Access system ("EMMA") website. All documents referenced in this Annual Report as having been filed on EMMA may be accessed at the Corporation's EMMA home page by clicking [here](#). The Official Statements should not be considered to speak as of any date other than the respective date indicated in each such document. Capitalized terms used in this Annual Report and not otherwise defined herein shall have the meanings given in the Official Statements.

Information the Corporation has agreed to provide pursuant to the Undertaking may be reported in full text herein or may be incorporated by reference to certain other publicly available documents. This Annual Report contains information prescribed by the Undertaking, and the Corporation does not make any representation or warranty concerning the usefulness of such information to a decision to invest in, hold, or sell bonds, notes or other obligations payable, in whole or in part, from the sources pledged to the payment of the Issues. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Annual Report.

The financial information and operating data to be provided annually as described under the heading "Continuing Disclosure of Information – The Corporation - Annual Reports" in the Official Statements are as specified below. Certain information contained in this Annual Report, including the information herein under the section entitled "Supplemental Information – Proposed Segments H and I", is not required to be provided by the Undertaking and should not be construed as obligating the Corporation to provide such additional information in its future continuing disclosure filings.

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I. Annual Financial Information and Operating Data Update Required by the Undertaking

A. Toll Equity Loan Agreement – MAAA, TELA-Supported Debt Service & Jr. Operating Expenses

The following table sets out the Maximum Available Annual Amount ("MAAA"), Annual TELA-Supported Debt Service and TELA Supported Junior Operating Expenses in each year through the final maturity of the TELA Bonds, as of August 31, 2017.

(In Thousands)

FYE Aug 31	TELA Supported Debt Service		Estimated TELA Supported Junior Operating Expenses ¹		Annual TELA Supported Debt Service and Estimated TELA Supported Junior Operating Expenses		TELA MAAA ²		TELA MAAA / Annual TELA Supported Debt Service and Estimated TELA Supported Junior Operating Expenses	
	A		B		C = A + B		D		E = D / C	
2018	\$	78,934	\$	36,429	\$	115,363	\$	298,340		258.6
2019		78,934		29,717		108,651		279,325		257.1
2020		78,934		32,701		111,634		283,343		253.8
2021		78,934		35,721		114,654		293,234		255.8
2022		78,934		38,635		117,569		291,662		248.1
2023		78,934		41,920		120,853		122,062		101.0
2024		175,671		45,353		221,024		223,234		101.0
2025		104,848		48,973		153,821		154,975		100.8
2026		104,848		52,400		157,248		158,429		100.8
2027		104,848		54,974		159,822		161,022		100.8
2028		104,848		58,028		162,876		164,099		100.8
2029		104,848		61,354		166,202		167,450		100.8
2030		106,886		64,522		171,408		172,695		100.8
2031		111,641		67,908		179,549		180,897		100.8
2032		116,124		71,600		187,724		189,134		100.8
2033		120,865		75,372		196,237		197,710		100.8
2034		125,646		79,538		205,184		206,725		100.8
2035		130,682		84,023		214,706		216,318		100.8
2036		135,861		88,747		224,608		226,294		100.8
2037		140,952		92,867		233,819		235,574		100.8
2038		145,061		97,531		242,592		244,414		100.8
2039		148,210		102,254		250,465		252,345		100.8
2040		150,326		107,153		257,479		259,412		100.8
2041		151,500		111,274		262,773		264,746		100.8
2042		151,491		116,029		267,519		269,528		100.8
2043		118,998		121,142		240,141		241,943		100.8
2044		77,546		126,586		204,131		205,664		100.8
2045		151,108		131,695		282,803		284,927		100.8
2046		147,142		136,841		283,983		286,115		100.8
2047		142,317		141,930		284,247		286,381		100.8
2048		136,609		147,353		283,962		286,094		100.8
2049		130,202		153,105		283,307		285,434		100.8
2050		122,938		158,943		281,882		283,998		100.8
2051		309,487		164,551		474,038		477,597		100.8
2052		409,015		170,210		579,225		583,573		100.8
2053		396,258		175,482		571,740		576,032		100.8
Total	\$	5,050,377	\$	3,322,862	\$	8,373,239	\$	9,310,723		

Note: Totals may not add due to rounding.

- Junior Operating Expenses for Fiscal Year 2018 represent updated projections from the Corporation's Fiscal Year 2018 Annual Budget. Fiscal Years 2019-2053 are shown as estimated by the Grand Parkway Engineer's Report prepared by Jacobs Engineering Group Inc. (the "Engineer's Report"), contained in the Official Statement dated July 17, 2013 for the Grand Parkway System Toll Revenue Bonds, Series 2013 (the "Series 2013 Official Statement"), and confirmed by a supplemental letter dated January 23, 2014 contained in the Official Statement dated February 4, 2014 for the Grand Parkway System Subordinate Tier Toll Revenue Refunding Bond Anticipation Notes, Series 2014A (the "2014 Official Statement"). Both Official Statements are on file with EMMA. If actual Revenues of the Grand Parkway System and/or TELA Supported Junior Operating Expenses differ from their estimates, the MAAA may not be sufficient to cover TELA Supported Junior Operating Expenses.
- The total amount remaining under the TELA is approximately \$9.47 billion. The difference between the remaining amount under the TELA and the total in Column D in this table is the MAAA anticipated to be reallocated in connection with the finalization of the third amendment to the TELA in connection with the proposed financing of Segments H and I (as defined herein). See "Supplemental Information – Proposed Segments H and I" herein for additional information regarding Segments H and I.

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B. Pro Forma Debt Service Requirements

The table below provides the total debt service requirements for the outstanding obligations of the Corporation secured by the Revenues of the Grand Parkway System as of August 31, 2017.

(In Thousands)

FYE Aug-31	First Tier Series Debt Service			Second Tier Debt Service ¹			TELA-Supported Subordinate Tier Debt Service			Total System Debt Service	
	Principal	Interest	Total First Tier Debt Service	Principal	Interest/ Accreted Interest	Total Second Tier Debt Service	Principal	Interest/ Compounded Interest	Total TELA- Supported Subordinate Tier Debt Service		
2018	\$	\$	10,821	\$	\$	10,821	\$	\$	78,934	\$	89,755
2019			10,821			10,821			78,934		89,755
2020			10,821			10,821			78,934		89,755
2021			10,821			10,821			78,934		124,282
2022			10,821			10,821			78,934		124,329
2023			10,821			10,821			78,934		124,329
2024			10,821			10,821			78,934		124,329
2025			10,821			10,821			78,934		124,329
2026			10,821			10,821			78,934		124,329
2027			10,821			10,821			78,934		124,329
2028			10,821			10,821			78,934		124,329
2029			10,821			10,821			78,934		124,329
2030			10,821			10,821			78,934		124,329
2031			10,821			10,821			78,934		124,329
2032		330	10,813			11,143			78,934		124,329
2033		740	10,785			11,525			78,934		124,329
2034		1,180	10,736			11,916			78,934		124,329
2035		1,660	10,663			12,323			78,934		124,329
2036		2,175	10,565			12,740			78,934		124,329
2037		2,735	10,439			13,174			78,934		124,329
2038		3,340	10,283			13,623			78,934		124,329
2039		3,990	10,096			14,086			78,934		124,329
2040		4,690	9,873			14,563			78,934		124,329
2041		5,445	9,613			15,058			78,934		124,329
2042		6,255	9,314			15,569			78,934		124,329
2043		7,125	8,971			16,096			78,934		124,329
2044		8,065	8,582			16,647			78,934		124,329
2045		9,065	8,126			17,191			78,934		124,329
2046		10,175	7,596			17,771			78,934		124,329
2047		11,365	7,004			18,369			78,934		124,329
2048		12,645	6,344			18,989			78,934		124,329
2049		14,015	5,611			19,626			78,934		124,329
2050		15,490	4,799			20,289			78,934		124,329
2051		17,065	3,904			20,969			78,934		124,329
2052		18,755	2,919			21,674			78,934		124,329
2053		43,695	1,838			45,533			78,934		124,329
Total	\$	\$	200,000	\$	\$	330,367	\$	\$	530,367	\$	840,645
											1,010,762
											1,851,407
											1,860,520
											3,189,857
											5,050,377
											7,432,151

Note: Totals may not add due to rounding.

¹ Represents the "TIFIA Loan" (as defined in the 2014 Official Statement), which is a Second Tier Obligation under the Trust Agreement. Proceeds of the TIFIA Loan were used to pay the Corporation's Series 2014A Notes and Series 2014C Bonds in full in December 2016. For additional information regarding the TIFIA Loan, see the voluntary notice with respect thereto filed on EMMMA by the Corporation in December 2016, and the audited financial statements (the "AFR") of the Corporation for the fiscal year ended August 31, 2017. See "Annual Financial Statements" herein.

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Annual Continuing Disclosure Report – Grand Parkway System FY2017

C. Actual and Estimated Revenues, Expenses & Debt Service Coverage

The table below provides historical actual and future estimated toll revenues, expenses and debt service coverage as of August, 31, 2017.

(In Thousands)

FYE	Projected Senior Net Revenues ^{1,2}	First Tier Net Debt Service	First Tier Net Debt Service Coverage	Second Tier Net Debt Service	Subordinate Tier Net Debt Service ³	Consolidated Debt Service Coverage	TELA Supported Junior Operating Expenses ⁴	Cashflow after TELA Supported Junior Operating Expenses ⁵
Aug-31	A	B	C = A / B	D	E	F = A / (B+D+E)	G	H = A - B - D - E - G
2014	\$ 13,500	\$	n/a	\$	\$	n/a	\$ 3,038	\$ 10,462
2015	32,344		n/a			n/a	3,875	28,469
2016	85,634		n/a			n/a	14,403	71,231
2017	161,602	5,371	30.09x		35,174	3.99x	29,879	91,178
2018	102,658	10,821	9.49x		78,934	1.14x	36,429	-
2019	121,648	10,821	11.24x		78,934	1.36x	29,717	2,176
2020	138,054	10,821	12.76x		78,934	1.54x	32,701	15,599
2021	155,267	10,821	14.35x	34,528	78,934	1.25x	35,721	-
2022	170,620	10,821	15.77x	34,575	78,934	1.37x	38,635	7,655
2023	188,302	10,821	17.40x	34,575	78,934	1.51x	41,920	22,053
2024	206,720	10,821	19.10x	34,622	93,979	1.48x	45,353	21,945
2025	226,532	10,821	20.93x	34,528	109,037	1.47x	48,973	23,174
2026	245,958	10,821	22.73x	34,978	109,037	1.59x	52,400	38,722
2027	259,458	10,821	23.98x	35,494	109,037	1.67x	54,974	49,133
2028	275,300	10,821	25.44x	36,043	109,037	1.77x	58,028	61,371
2029	292,830	10,821	27.06x	36,424	109,037	1.87x	61,354	75,194
2030	309,858	10,821	28.63x	36,934	111,075	1.95x	64,522	86,506
2031	328,174	10,821	30.33x	37,371	115,830	2.00x	67,908	96,244
2032	348,310	11,143	31.26x	37,919	120,313	2.06x	71,600	107,335
2033	368,914	11,525	32.01x	38,327	125,054	2.11x	75,372	118,636
2034	391,846	11,916	32.88x	38,862	129,835	2.17x	79,538	131,695
2035	415,061	12,323	33.68x	39,310	134,871	2.23x	84,023	144,533
2036	435,983	12,740	34.22x	39,792	140,049	2.26x	88,747	154,655
2037	457,352	13,174	34.72x	40,545	145,141	2.30x	92,867	165,626
2038	482,339	13,623	35.41x	42,457	149,250	2.35x	97,531	179,478
2039	507,393	14,086	36.02x	45,523	152,399	2.39x	102,254	193,131
2040	533,370	14,563	36.62x	49,819	154,514	2.44x	107,153	207,320
2041	554,664	15,058	36.83x	55,274	155,689	2.45x	111,274	217,369
2042	579,575	15,569	37.23x	62,122	155,679	2.48x	116,029	230,176
2043	606,528	16,096	37.68x	70,140	141,717	2.66x	121,142	257,433
2044	635,328	16,647	38.17x	79,376	143,935	2.65x	126,586	268,785
2045	662,065	17,191	38.51x	89,795	151,108	2.57x	131,695	272,276
2046	688,907	17,771	38.76x	101,575	147,142	2.59x	136,841	285,578
2047	715,331	18,369	38.94x	114,491	142,317	2.60x	141,930	298,224
2048	743,574	18,989	39.16x	128,567	136,609	2.62x	147,353	312,055
2049	773,626	19,626	39.42x	143,641	130,202	2.64x	153,105	327,052
2050	804,119	20,289	39.63x	159,774	122,938	2.65x	158,943	342,174
2051	833,125	20,969	39.73x	84,027	309,487	2.01x	164,551	254,091
2052	862,296	21,674	39.78x		409,015	2.00x	170,210	261,397
2053	889,062	45,533	19.53x		396,258	2.01x	175,482	271,790
Total	\$ 16,603,227	\$ 535,738		\$ 1,851,407	\$ 5,168,364		\$ 3,374,057	\$ 5,701,922

Note: All interest shown is net of capitalized interest. Totals may not add due to rounding.

See footnotes on the following page.

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Footnotes to C: Actual and Estimated Revenues, Expenses & Debt Service Coverage

- ¹ Senior Net Revenues for Fiscal Years 2014 - 2017 represent actual toll revenues plus certain fees and investment income, less Senior Operating Expenses (which were zero), which is reported as “Current Year Pledged Revenue” in the Notes to Financial Statements (“Notes”) section of the Corporation’s AFR for Fiscal Years 2016 and 2017 and in the Notes section of the Texas Department of Transportation (“TxDOT”) AFR for Fiscal Years 2014 and 2015.
- ² Senior Net Revenues for Fiscal Years 2018 – 2053 are shown as estimated by the Grand Parkway Segments D through G Comprehensive Traffic and Revenue Study dated June 26, 2013 prepared by CDM Smith Inc., contained in the Series 2013 Official Statement, which is on file with EMMA. The traffic consultant is developing a new investment grade traffic and revenue study for the System in connection with the proposed financing of Segments H and I (see “Supplemental Information – Proposed Segments H and I”).
- ³ The Series 2016 Bonds are assumed to be refunded on their maturity date of 10/1/2023 with refunding bonds at an assumed interest rate of 5%. Principal on these refunding bonds is assumed to be repaid as follows: approximately \$19.0 million on 10/1/2042 and approximately \$64.8 million on 10/1/2043.
- ⁴ Junior Operating Expenses for Fiscal Year 2014 - 2017 represent actual expenses as reported in the Statement of Revenues, Expenses and Changes in Net Position of the Corporation’s AFR for Fiscal Years 2016 and 2017 and in the Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund of the TxDOT AFR for Fiscal Years 2014 and 2015. Junior Operating Expenses for Fiscal Year 2018 represent updated projections based on the Corporation’s Fiscal Year 2018 Annual Budget. Fiscal Years 2019-2053 are shown as estimated by Jacobs in the Engineer’s Report, contained in the Series 2013 Official Statement and confirmed by a supplemental letter dated January 23, 2014 contained in the 2014 Official Statement. Both Official Statements are on file with EMMA. Additionally, GPTC’s general engineering consultant is developing a report regarding the estimated costs and expenses for the System in connection with the proposed financing of Segments H and I (see “Supplemental Information – Proposed Segments H and I”). Currently there are no Senior Operating Expenses for the Grand Parkway System.
- ⁵ Defined as Junior Net Revenues in the Trust Agreement; shortfalls in Fiscal Years 2018 and 2021 totaling approximately \$28.3 million reflect revenue estimates based on the Traffic and Revenue Study dated June 26, 2013. Based on the Corporation’s Fiscal Year 2018 Annual Budget there is no anticipated shortfall for Fiscal Year 2018. The projected Cashflow after TELA Supported Junior Operating Expenses shortfall in Fiscal Year 2021 is anticipated to be covered by draws on available funds in accounts held by the Trustee.

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II. Construction Progress Reports

Copies of the progress reports required under the Trust Agreement are available on EMMA and are incorporated by reference into and made a part of this Annual Report. The final GPTC Construction Progress Report as of June 30, 2016 for Segments D-G is available by clicking [here](#).

III. Annual Financial Statements

The Fiscal Year 2017 audited annual financial statements of the Corporation, also referred to as the AFR, are available on EMMA by clicking [here](#) and are incorporated by reference into and made a part of this Annual Report.

IV. Supplemental Information - Proposed Segments H and I

As previously disclosed, by Minute Order No. 114290 approved on June 25, 2015, the Texas Transportation Commission (the “Commission”) authorized GPTC to act on its behalf in connection with the proposed development, financing, design, construction, expansion, operation and maintenance of Segments H, I-1 and I-2, comprised of Segments I-2A and I-2B, of the Grand Parkway (“Segments H and I”). On March 28, 2017, the Commission conditionally awarded the design-build agreement for Segments H and I to Grand Parkway Infrastructure, LLC (the “DB Contractor”).

On June 30, 2017, TxDOT and the DB Contractor executed the Design Build Agreement and the Capital Maintenance Agreement at which time such agreements were assigned to GPTC and Segments H and I became part of GPTC’s Grand Parkway System; however, GPTC will not become responsible for operations and maintenance of Segment I-2A until Segments H, I-1 and I-2B reach substantial completion, and GPTC will not be entitled to the revenues from the operation of Segment I-2A until Segments H, I-1 and I-2B are open to tolled traffic.

TxDOT, on behalf of GPTC, issued the Notice to Proceed 1 on July 10, 2017, limited Notice to Proceed 2 on October 13, 2017, the option Notice to Proceed (for the H-West option) on October 27, 2017 and Notice to Proceed 2 (“NTP2”) on October 27, 2017. NTP2 authorizes the DB Contractor to proceed with all work and activities including right-of-way acquisition services pertaining to Segments H and I pursuant to the terms of the Design Build Agreement. GPTC previously filed a copy of the Design Build Agreement on EMMA, which is accessible by clicking [here](#).

At GPTC’s direction its traffic consultant is developing a new investment grade traffic and revenue study for the System and GPTC’s general engineering consultant is developing a report regarding the estimated costs and expenses for the System, in each case, in connection with the proposed financing of Segments H and I. Prior to issuing any additional debt to finance Segments H and I, the traffic, revenue, cost and expense projections in the traffic and revenue study and general engineering consultant report must confirm that the issuance of additional debt to finance Segments H and I can be accomplished in accordance with the covenants and restrictions of the Master Trust Agreement and existing financing documents.

GPTC currently anticipates issuing debt to finance Segments H and I during calendar year 2018; however, no assurance is given regarding the continued construction and the ultimate financing of Segments H and I of the Grand Parkway System.

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V. Relevant Links

Investor Website	http://www.grandparkwaysystem.org
Toll Rate Schedules	https://www.tntag.org/en/about/tollroad_grndpky_sh99.shtml
EMMA Website	www.emma.msrb.org
GPTC EMMA Issuer Homepage	https://emma.msrb.org/IssuerHomePage/Issuer?id=FE6B36B2ABF03965E043151ED20A5A56&type=M
GPTC Final Construction Progress Report for D-G	https://emma.msrb.org/ES809049-ES635331-ES1030694.pdf
GPTC Design-Build Agreement Relating To Segments H, I-1 And I-2	https://emma.msrb.org/EP1027900-EP796374-EP1197893.pdf
GPTC Fiscal Year 2017 AFR	https://emma.msrb.org/ES1077330-ES841199-ES1242230.pdf
State Highway Fund EMMA Issuer Homepage	www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6AF031FB2E2FD1E043151ED20ABC22&type=M

VI. Contact Information

For additional information concerning this report, please contact:

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