

*A Grand Parkway Transportation
Corporation Project*

Fiscal Year 2016 Report
Quarter Ending February 29, 2016
(September 1, 2015 – February 29, 2016)



Quarterly Traffic and Operating Report^{*}
THE GRAND PARKWAY SYSTEM

Submitted April 29, 2016

^{*} Unaudited preliminary document and subject to change

Grand Parkway System*
Operating Revenues and Expenses of the System
Fiscal Year 2016
In Thousands

	Period Budget	FY 2016 Actuals				Total	Variance	%
		Q1	Q2	Q3	Q4			
OPERATING REVENUES								
Toll Revenue	\$ 14,107	8,059	9,817		17,875	3,768	27%	
Fees	0	764	783		1,546	1,546	NA	
Total Operating Revenues	14,107	8,823	10,599		19,421	5,314	38%	
OPERATING EXPENSES								
Routine Road Maintenance	849	268	257		525	-323	-38%	
Roadway Major Maintenance	0	0	0		0	0	NA	
Toll Maintenance	276	81	81		161	-114	-41%	
Toll Operations	4162	1,312	892		2,204	-1,958	-47%	
Other Operations	201	110	28		138	-73	-32%	
Total Operating Expenses	5,488	1,771	1,257		3,029	-2,469	-45%	
Operating Income	\$ 8,619	7,051	9,342		16,393	7,783	90%	

	Inception – FY2015	FY 2016 Actuals				Total-to-date
		Q1	Q2	Q3	Q4	
CAPITAL EXPENDITURES						
Construction, Right-of-Way, & Toll Infrastructure	1,828,705	64,157	130,345			2,023,207
Capitalized Interest	230,865	9,252	0			240,117
Total	2,059,570	73,409	130,345			2,263,324

Notes:

Operating Revenues:

Tolling began on segments D & E on February 1, 2014 and on segments F1 & F2 on February 15, 2016. Segment G is not yet open for tolling. Operating Revenues include toll revenues and fees. For toll revenues there is approximately a 30 day lag between recognizing an earned transaction and actual receipt of funds from HCTRA. There is no security interest by the Trustee in Toll Revenues from HCTRA transactions until received from HCTRA. Violation revenues are recognized when cash payment is received. A violation transaction may be reported in one month but revenue for that transaction may not be received until a later month.

- Forecasted/budgeted Revenues are the total FY2016 projected gross toll revenue less the projected loss in toll revenue due to violations as forecasted in the 2013 T&R Report prepared by CDM Smith.
- Toll Revenues continue to exceed original T&R estimates, up 27% for the period.

Operating Expenses:

Operating and Maintenance Expenses include roadway maintenance, toll management system, back office operations, collection, and support costs.

- Forecasted/Budgeted Expenses reflect FY2016 budget approved by the GPTC board
- Overall expenditures were down -45% for the period primarily due to lower than expected toll operations cost and delay in segments F1, F2, and G opening. Budgeted numbers anticipated F1, F2, and G would be open for tolling in February 2016.

Capital Expenditures:

Capital Expenditures means expenditures made or liabilities incurred for the construction of the Grand Parkway System, which are capitalized in accordance with GASB. Capitalized interest shown above represents debt service funded by bond proceeds, also in accordance with GASB.

Note: Totals may not add due to rounding.

Grand Parkway System*
Toll Transactions and Revenues
Segments D, E, F1, & F2^(b)
Fiscal Year 2016

In Thousands

Transactions ^(c)								
	HCTRA	TxTAG	NTTA	Violations	Veterans	Total	Forecast ^(d)	Variance% ^(e)
Sep-15	1,698	138	33	110	30	2,009	1,592	26%
Oct-15	1,813	149	36	117	33	2,147	1,721	25%
Nov-15	1,741	150	37	114	30	2,073	1,625	28%
Dec-15	1,747	155	39	115	34	2,090	1,707	22%
Jan-16	1,723	149	35	106	33	2,046	1,580	30%
Feb-16	3,676	292	80	26	56	4,365	4,306	1%
Mar-16								
Apr-16								
May-16								
Jun-16								
Jul-16								
Aug-16								
FY 2016	12,399	1,033	260	823	216	14,731	12,531	18%

Toll Revenues							
	HCTRA ^(a)	TxTAG ^(a)	NTTA ^(a)	Violations ^(a)	Total ^(a)	Forecast ^(d)	Variance% ^(e)
Sep-15	\$ 2,226	\$ 202	\$ 55	\$ 107	\$ 2,590	\$ 1,863	39%
Oct-15	\$ 2,385	\$ 228	\$ 59	\$ 115	\$ 2,787	\$ 2,023	38%
Nov-15	\$ 2,298	\$ 223	\$ 60	\$ 100	\$ 2,682	\$ 1,918	40%
Dec-15	\$ 2,294	\$ 228	\$ 63	\$ 95	\$ 2,681	\$ 2,024	32%
Jan-16	\$ 2,310	\$ 225	\$ 58	\$ 96	\$ 2,689	\$ 1,847	46%
Feb-16	\$ 3,843	\$ 379	\$ 105	\$ 120	\$ 4,447	\$ 4,432	0%
Mar-16							
Apr-16							
May-16							
Jun-16							
Jul-16							
Aug-1							
FY 2016	\$ 15,357	\$ 1,485	\$ 400	\$ 634	\$ 17,875	\$ 14,107	27%

Notes:

(a) Toll Revenues:

Toll Revenues for tag transactions (HCTRA, TxTAG and NTTA) are recognized when they are earned, which is at the time the transaction occurs. Pursuant to the Interoperability Agreement, HCTRA will disburse Toll Revenues only on a monthly basis for HCTRA transactions on the System occurring in the prior months (less the 8% processing fees) to the Custodian under the Master Custodial Agreement for ultimate distribution to the Trustee (minus certain administrative toll collection costs). As a result, there is approximately a 30 day lag between recognizing an earned transaction and actual receipt of funds from HCTRA. There is no security interest by the Trustee in Toll Revenues from HCTRA transactions until received from HCTRA.

Violation revenues are recognized when cash payment is received. A violation transaction may be reported in one month but the cash receipt for that transaction may not be received until a later month. Toll Revenue does not include Fee revenue collected from violations.

(b) Segments:

Segment D & E: A portion of the revenues above were generated by Segments D & E. The section of Segment D in Harris County and Segment E of the Grand Parkway both opened to traffic on December 21, 2013. Following the opening of the road, there was an initial marketing period during which tolls were not assessed to allow users to become familiar with the System's access locations, travel time savings, and route options. Tolling began on February 1, 2014.

Segments F-1 & F-2: A portion of the revenues above were generated by Segments F1 & F2. Segments F1 & F2 of the Grand Parkway both opened to traffic on February 6, 2016. Following the opening of the road, there was an initial marketing period during which tolls were not assessed to allow users to become familiar with the System's access locations, travel time savings, and route options. Tolling began on February 15, 2016.

Segment G: Segment G opened to traffic after this reporting period, but prior to this report being published. Please reference the attached Memorandum dated April 5, 2016 for more details.

Segments H&I: Delegation of authority by the Texas Transportation Commission to the Corporation for the development, financing, refinancing, design, construction, reconstruction, expansion, operation, and maintenance of Segments H, I-1, and I-2 of SH 99 (Grand Parkway) as a part of its Grand Parkway System, in accordance with the terms of the minute order passed on June 25, 2015 was accepted by the Board on June 26, 2015. The development and funding of H&I segments have yet to be identified.

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(c) Transactions

The transactions for the period are 96% passenger vehicles and 4% commercial vehicles.

Transaction counts by type reflect combined tag and image based lane activity. Transactions (when a vehicle passes through a toll facility, plaza or ramp) are reported in the period in which they occur. Counts reflect all transactions, regardless of payment status.

(d) Forecast:

- Forecasted Revenues are the total projected gross toll revenue less the projected lost toll revenue due to violations as forecasted in the 2013 T&R Report prepared by CDM Smith.
- Forecasted Transactions are the total projected transactions, regardless of collection status, as forecasted in the 2013 T&R Report prepared by CDM Smith.

(e) Variance %:

- In the 2013 T&R Report prepared by CDM Smith, tolling of segments F1, F2, and G were estimated to begin on February 1, 2016. Actual tolling for F1 and F2 occurred on February 15, 2016 and G opened in April 2016 (please reference attached Memorandum). As a result of the delay, actual overall transactions and revenues slightly exceeded projections for the month of February due to the performance of segments D&E, offset by the impact of the two week delay in actual tolling for F1 and F2 and delay of tolling for segment G until April 2016, beyond the date of this report.

Note: Totals may not add due to rounding.

Grand Parkway Transportation Corporation
125 East 11th Street, Austin, Texas 78701



M E M O R A N D U M

DATE: April 5, 2016

RE: Segment G and Substantial Completion of Initial Project of the Grand Parkway Project

SUBSEQUENT EVENTS

Segment G and Substantial Completion of Initial Project of the Grand Parkway Project

Segment G of the Grand Parkway Project opened to traffic on March 29, 2016 and tolling commenced April 4, 2016. With the completion of Segment G, the Initial Project of Grand Parkway Project has now achieved substantial completion in accordance with the Development Agreement with Zachry-Odebrecht Parkway Builders, J.V. and the Master Trust Agreement dated as of August 1, 2013, as supplemented.

Hardy Toll Road Direct Connectors to the Grand Parkway Project

Harris County, Texas is responsible for the design, right-of-way acquisition and construction of the four direct connectors at SH 99 (Grand Parkway) and the Hardy Toll Road Interchange. It is reported that such direct connectors may not be available until the third calendar quarter of 2016.