

State Highway 99 Grand Parkway System

Annual Continuing Disclosure Report

For the Fiscal Year ended August 31, 2022



Relating to Each Outstanding Issue with CUSIP Prefix 38611T
Filed by the Grand Parkway Transportation Corporation on February 28, 2023
Pursuant to Continuing Disclosure Undertakings for Compliance with SEC Rule 15c2-12



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1.0 Disclaimer

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 and offering memorandums (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 on [the Corporation’s EMMA home page](#). 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. The titles, formatting, and numbering of the tables contained in this Annual Report may deviate from the comparable tables contained in the Official Statements. Certain information contained in this Annual Report, including the information herein under the section entitled “Other Information,” 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.

The information contained in this Annual Report is provided as of the respective dates and for the periods specified herein, and the filing of this Annual Report does not, under any circumstances, imply that there has been no change in the affairs of the Grand Parkway System, GPTC, or the Texas Department of Transportation (“TxDOT”) since the specified date or dates as of which such information is provided. The historical information set forth in this Annual Report may not be indicative of future results or performance.

2.0 Annual Financial Information and Operating Data Required by the Undertaking

A. Toll Equity Loan Agreement-MAAA, TELA-Supported Debt Service, and Jr. Operating Expenses (In Thousands)

The following table details the Maximum Available Annual Amount ("MAAA"), Annual TELA-Supported Debt Service, and TELA Supported Junior Operating Expense in each year through the final maturity of the TELA Bonds as of August 31, 2022.

FYE	TELA Supported Net Debt Service ¹	Estimated TELA Supported Junior Operating Expenses ²	Annual TELA Supported Debt Service and Estimated TELA Supported Junior Operating Expenses	TELA Maximum Available Annual Amount ("MAAA")	TELA MAAA / Annual TELA Supported Debt Service and Projected TELA Supported Junior Operating Expenses ³
31-Aug	A	B	C = A + B	D	E = D / C
2023	\$122,862	\$43,163	\$166,025	\$166,028	100.0%
2024	224,182	43,791	267,973	269,511	100.6%
2025	137,293	44,940	182,233	199,855	109.7%
2026	137,291	46,563	183,854	201,488	109.6%
2027	137,295	48,396	185,691	203,331	109.5%
2028	137,294	50,417	187,711	205,364	109.4%
2029	137,293	52,249	189,542	207,206	109.3%
2030	139,332	54,080	193,412	211,098	109.1%
2031	152,590	56,102	208,692	226,469	108.5%
2032	160,906	57,755	218,661	236,492	108.2%
2033	166,196	60,178	226,374	244,249	107.9%
2034	176,506	62,689	239,195	257,143	107.5%
2035	187,380	64,897	252,277	270,304	107.1%
2036	196,207	67,142	263,349	281,437	106.9%
2037	202,074	69,181	271,255	289,387	106.7%
2038	209,086	71,708	280,794	298,981	106.5%
2039	212,642	73,597	286,239	304,461	106.4%
2040	213,330	75,658	288,988	307,224	106.3%
2041	212,512	78,250	290,762	309,008	106.3%
2042	209,484	80,349	289,833	308,073	106.3%
2043	186,374	83,010	269,384	287,509	106.7%
2044	140,259	85,333	225,592	243,464	107.9%
2045	203,896	87,362	291,258	309,508	106.3%
2046	199,714	89,123	288,837	307,071	106.3%
2047	191,839	91,121	282,960	301,161	106.4%
2048	187,284	94,019	281,303	299,492	106.5%
2049	178,318	96,095	274,413	292,564	106.6%
2050	164,378	97,939	262,317	280,401	106.9%
2051	338,220	99,991	438,211	457,303	104.4%
2052	435,750	101,840	537,590	557,253	103.7%
2053	426,437	103,831	530,268	549,886	103.7%
Total	\$6,124,225	\$2,230,769	\$8,354,994	\$8,882,720	

Totals may not compute due to rounding.

¹ Includes debt service on all TELA Supported Bonds. Debt service on the Series 2016 Bonds is shown in accordance with the terms thereof, maturing October 1, 2023. Interest on the Series 2018B Bonds is assumed at 8.00% following the Initial Term Fixed Rate Period.

² TELA Supported Junior Operating Expenses consist of all estimated Junior Operating Expenses for the System facilities that comprise the Initial Project (including the estimated Junior Operating Expenses for the SH 249 Connectors) and constitute "Operating Expenses" under the TELA. Amounts are obtained from the Grand Parkway Engineer's Report Segments H and I, dated April 2, 2018, prepared by HNTB Corporation, which is incorporated by reference into the final Official Statement dated

February 11, 2020 relating to the obligations of the Corporation described therein (the "2020 Bonds Official Statement").

The Corporation's Fiscal Year 2023 adopted budget for TELA Supported Junior Operating Expenses is \$64,339,000. 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 both TELA Supported Junior Operating Expenses and TELA Supported Debt Service. For information regarding the status of the SH 249 Connectors, see Section 5.0 of this Annual Report.

³ The ability of the Trustee to obtain advances under the TELA is subject to the TELA Limitations and other provisions of the TELA.

B. Pro Forma Debt Service Requirements (In Thousands)

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, 2022, and therefore excludes debt service on the 2018 BANs.

FYE 31- Aug	First Tier Debt Service ¹			TELA-Supported Subordinate Tier Debt Service ²			Total System Debt Service
	Principal	Interest	Total First Tier Debt Service	Principal	Net Interest/ Compounded Interest	Total TELA- Supported Subordinate Tier Net Debt Service	
2023	-	\$40,695	\$40,695	\$18,780	\$104,082	\$122,862	\$163,558
2024	-	40,695	40,695	19,085	118,825	137,910	178,605
2025	-	40,695	40,695	2,780	133,706	136,486	177,182
2026	-	40,695	40,695	2,825	133,659	136,484	177,180
2027	\$935	40,686	41,621	2,880	133,608	136,488	178,108
2028	985	40,665	41,650	2,935	133,552	136,487	178,137
2029	1,025	40,643	41,668	2,995	133,491	136,486	178,154
2030	1,075	40,618	41,693	4,331	134,193	138,525	180,217
2031	1,120	40,591	41,711	16,111	135,672	151,783	193,494
2032	1,505	40,553	42,058	23,450	136,649	160,099	202,157
2033	1,965	40,495	42,460	27,933	137,456	165,389	207,849
2034	2,725	40,405	43,130	37,737	137,962	175,699	218,830
2035	3,715	40,272	43,987	48,558	138,015	186,573	230,560
2036	4,795	40,086	44,881	57,766	137,635	195,400	240,281
2037	6,225	39,845	46,070	70,998	130,269	201,267	247,337
2038	8,905	39,523	48,428	94,840	113,439	208,279	256,706
2039	12,900	39,062	51,962	103,375	108,460	211,835	263,797
2040	18,325	38,407	56,732	109,415	103,108	212,523	269,256
2041	25,190	37,498	62,688	114,230	97,475	211,705	274,393
2042	33,770	36,271	70,041	117,035	91,642	208,677	278,718
2043	43,920	34,664	78,584	118,365	85,732	204,097	282,681
2044	55,760	32,610	88,370	121,885	79,768	201,653	290,022
2045	69,215	30,125	99,340	92,342	106,558	198,900	298,240
2046	84,550	27,149	111,699	94,612	100,106	194,718	306,417
2047	101,680	23,535	125,215	93,827	93,015	186,843	312,058
2048	120,695	19,211	139,906	96,605	85,682	182,288	322,194
2049	141,515	14,104	155,619	114,183	59,139	173,322	328,941
2050	164,275	8,139	172,414	118,980	41,099	160,079	332,494
2051	93,860	3,489	97,349	301,610	33,565	335,175	432,523
2052	18,010	1,742	19,752	412,485	21,347	433,832	453,584
2053	42,890	720	43,610	418,595	7,169	425,764	469,373
Total	\$1,061,530	\$993,887	\$2,055,417	\$2,861,550	\$3,206,079	\$6,067,629	\$8,123,045

Totals may not compute due to rounding.

¹ As stated above, this table excludes debt service on the 2018 BANs. On November 15, 2022, the Corporation requisitioned \$605.33 million pursuant to the Transportation Infrastructure Finance and Innovation Act Loan Agreement dated as of August 19, 2021 (the "2021 TIFIA Loan Agreement"), which proceeds, together with other lawfully available funds of the Corporation, were used to defease all outstanding 2018 BANs to their stated maturity date of February 1, 2023. For a table of total debt service requirements of the outstanding obligations of the Corporation as of the date of defeasance of the 2018 BANs (being November 15, 2022), see Section 5.0 of this Annual Report.

² Assumes that (i) the Series 2016 Bonds will be refunded on the maturity date thereof with Subordinate Tier TELA Obligations bearing interest at a rate of 5.00%, with mandatory sinking fund installments in 2042 and 2043, and (ii) the Series 2018B Bonds will be remarketed and bear interest at a rate of 5.00% following the Initial Term Fixed Rate Period.

C. Historical Revenues, Expenses, and Debt Service Coverage¹ (In Thousands)

The table below provides historical actual toll revenues, expenses, and debt service coverage.

	Fiscal Year Ended August 31				
	2018	2019	2020	2021	2022
Revenues of the System					
Toll Revenue	\$ 171,631	\$ 201,208	\$ 183,749	\$ 189,466	\$ 246,566
Fee Revenue ²	3,592	5	-	-	-
Interest / Investment Income ³	11,265	27,609	17,507	5,413	6,799
Total Revenue	\$ 186,488	\$ 228,822	\$ 201,256	\$ 194,879	\$ 253,365
Senior Operating Expenses⁴					
Senior Net Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 890
Debt Service					
Net First Tier Debt Service ⁵	\$ 10,821	\$ 10,821	\$ 10,030	\$ 44,308	\$ 40,695
Net Subordinate Tier Debt Service ⁵	78,934	78,934	73,424	78,932	78,930
Total Debt Service	\$ 89,755	\$ 89,755	\$ 83,454	\$ 123,240	\$ 119,625
Coverage of First Tier Debt Service by Senior Net Revenues	17.23x	21.15x	20.07x	4.4x	6.2x
Coverage of Total First and Subordinate Tier Debt Service by Senior Net Revenues	2.08x	2.55x	2.41x	1.58x	2.11x
Current Revenues in Excess of Current Debt Service	\$ 96,733	\$ 139,067	\$ 117,801	\$ 71,639	\$ 132,850
Junior Operating Expenses^{4,6}	\$ 36,496	\$ 43,709	\$ 46,778	\$ 50,748	\$ 54,654
Annual Revenues in Excess of Debt Service and Junior Operating Expenses⁷	\$ 60,237	\$ 95,358	\$ 71,024	\$ 20,891	\$ 78,196

Totals may not compute due to rounding.

¹ Revenues and expenses are reported on the accrual basis of accounting. Amounts were obtained from the Corporation's audited financial statements.

² Fee revenue includes revenues from TxDOT fees and charges. Fee revenues are recognized in the Corporation's audited financial statements when earned, which is at the time cash payment is received. During Fiscal Year 2019, TxDOT began retaining all fees and charges to offset the cost of toll collections. No fee revenues were received by the Corporation for Fiscal Years 2020 through 2022.

³ Primarily comprised of interest earnings on the Construction Fund and the Rate Stabilization Fund.

⁴ There were no Senior Operating Expenses for the System for Fiscal Years 2018 through 2021. The operation and maintenance expenses for the System facilities that comprise the Initial Project have been designated as Junior Operating Expenses and constitute TELA Supported Junior Operating Expenses. The operation and maintenance expenses for the H and I Project and the System facilities that comprise Segment I-2A have been designated as Senior Operating Expenses and became the responsibility of the Corporations upon the Substantial Completion of the H and I project (effective May 16, 2022). Amounts shown do not include depreciation or amortization.

⁵ Debt service amounts are net of capitalized interest and exclude debt service on the 2018 BANs.

⁶ Amounts shown do not include depreciation or amortization. The Corporation incurred approximately \$201,000, \$388,000, \$8,608,000, \$6,247,000, and \$8,300,000 in Major Maintenance Expenses in Fiscal Years 2018-2022, respectively.

⁷ Amounts represent the Revenues of the System in excess of debt service and Junior Operating Expenses for each Fiscal Year shown, and therefore do not reflect carryover balances of excess Revenues from prior Fiscal Years.

3.0 Construction Progress Reports

Copies of the progress reports required under the Trust Agreement are available on EMMA, and the GPTC Construction Progress Report for the H and I Project as of February 28, 2022 (being the final progress report) is

available [here](#). Pursuant to the terms of the Master Trust Agreement, no further progress reports are required to be prepared for the H and I Project because it has achieved substantial completion.

4.0 Annual Financial Report

The Fiscal Year 2022 audited annual financial report (“AFR”) of the Corporation is available on [EMMA](#) and is incorporated

by reference into and made a part of this Annual Report.

5.0 Other Information

A. GPTC Bond Resolution

On February 23, 2023, the Corporation’s Board of Directors adopted a resolution authorizing the issuance of additional Grand Parkway System Toll Revenue Obligations, in one or more series, for the purpose of refunding certain

outstanding obligations of the Corporation. No assurances are given regarding whether any additional obligations will be issued and if issued the amount of such obligations or the obligations to be refunded.

B. SH 249 Connectors

In May of 2020, TxDOT, the Corporation, and Harris County entered into a Tri-Party Toll Project Development Agreement with respect to the SH 249 Connectors, which generally provides that Harris County is obligated to design and construct the SH 249 Connectors at the expense of Harris County, and the Corporation is obligated to operate and maintain the SH 249 Connectors upon the final acceptance thereof at the expense of the Corporation. Two of the four direct connectors that comprise the SH 249 Connectors were substantially completed and opened to traffic in July of 2022, and the other two direct connectors were substantially completed and opened to traffic in December

of 2022. The SH 249 Connectors do not include any additional toll gantries.

The SH 249 Connectors have been designated as part of the Grand Parkway System, and the operation and maintenance expenses thereof constitute TELA Supported Junior Operating Expenses and Major Maintenance Expenses entitled to the benefit of the TELA, which expenses will become the responsibility of the Corporation upon the final acceptance of the SH 249 Connectors, which is currently anticipated to be achieved in March of 2023.

C. Changes in Administration

Appointment to GPTC Board of Directors

Effective February 23, 2023, Mo Bur was appointed to the GPTC board of directors, with a term ending August 31, 2027.

D. Draw on 2021 TIFIA Loan and Defeasance of 2018 BANs

As stated above, on November 15, 2022 the Corporation requisitioned \$605,330,000 (the “2021 TIFIA Loan”) pursuant to the 2021 TIFIA Loan Agreement, which proceeds, together with other lawfully available funds of the Corporation, were used to defease all outstanding 2018 BANs to their stated maturity date of February 1, 2023. Accordingly, the 2018 BANs are no longer outstanding, and the 2021 TIFIA Loan is now outstanding in the aggregate principal amount of \$605,330,000 and constitutes a First Tier Obligation; provided, that the 2021 TIFIA Loan Agreement does not benefit from the First Tier Reserve Account or any subaccount established therein; provided further, that pursuant to the terms of the 2021 TIFIA

Loan Agreement, the Corporation may become obligated to establish and fund a subaccount within the First Tier Reserve Account, for the sole benefit of the 2021 TIFIA Loan Agreement, if certain future conditions occur. No additional amounts may be disbursed pursuant to the 2021 TIFIA Loan Agreement, and the 2021 TIFIA Loan Agreement is not entitled to the benefit of the TELA.

Set forth below is a table that provides the total debt service requirements for the outstanding obligations of the Corporation secured by the Revenues of the Grand Parkway System as of November 15, 2022, and therefore includes debt service on the 2021 TIFIA Loan and excludes debt service on the 2018 BANs.

Pro Forma Debt Service Requirements as of November 15, 2022 (In Thousands)

FYE 31-Aug	First Tier Debt Service ¹			TELA-Supported Subordinate Tier Debt Service ²			Total System Debt Service
	Principal	Interest	Total First Tier Debt Service	Principal	Net Interest/Compounded Interest	Total TELA-Supported Subordinate Tier Net Debt Service	
2023	-	\$40,695	\$40,695	\$18,780	\$104,082	\$122,862	\$163,558
2024	-	40,695	40,695	19,085	118,825	137,910	178,605
2025	-	40,695	40,695	2,780	133,706	136,486	177,182
2026	-	40,695	40,695	2,825	133,659	136,484	177,180
2027	\$935	52,808	53,743	2,880	133,608	136,488	190,230
2028	985	52,804	53,789	2,935	133,552	136,487	190,276
2029	1,025	52,748	53,773	2,995	133,491	136,486	190,260
2030	1,075	52,740	53,815	4,331	134,193	138,525	192,340
2031	4,558	52,697	57,255	16,111	135,672	151,783	209,038
2032	5,039	52,611	57,650	23,450	136,649	160,099	217,749
2033	9,281	52,435	61,717	27,933	137,456	165,389	227,106
2034	12,174	52,215	64,388	37,737	137,962	175,699	240,087
2035	15,408	51,893	67,302	48,558	138,015	186,573	253,875
2036	16,897	51,500	68,397	57,766	137,635	195,400	263,797
2037	19,788	50,995	70,782	70,998	130,269	201,267	272,050
2038	23,891	50,426	74,318	94,840	113,439	208,279	282,596
2039	29,394	49,677	79,071	103,375	108,460	211,835	290,905
2040	36,356	48,718	85,074	109,415	103,108	212,523	297,597
2041	44,898	47,435	92,333	114,230	97,475	211,705	304,038
2042	55,136	45,843	100,979	117,035	91,642	208,677	309,656
2043	71,718	43,804	115,522	118,365	85,732	204,097	319,619
2044	88,238	41,217	129,455	121,885	79,768	201,653	331,108
2045	105,040	38,083	143,124	92,342	106,558	198,900	342,024
2046	122,739	34,434	157,173	94,612	100,106	194,718	351,891
2047	147,767	30,065	177,832	93,827	93,015	186,843	364,675
2048	170,235	24,866	195,101	96,605	85,682	182,288	377,389
2049	197,198	18,784	215,982	114,183	59,139	173,322	389,304
2050	226,238	11,750	237,988	118,980	41,099	160,079	398,067
2051	140,450	6,007	146,457	301,610	33,565	335,175	481,631
2052	66,346	3,378	69,723	412,485	21,347	433,832	503,556
2053	93,523	1,196	94,719	418,595	7,169	425,764	520,482
Total	\$1,706,331	\$1,233,911	\$2,940,242	\$2,861,550	\$3,206,079	\$6,067,629	\$9,007,871

Totals may not compute due to rounding.

¹ Includes debt service on all outstanding First Tier Obligations as of November 15, 2022, which includes the 2021 TIFIA Loan.

² Assumes that (i) the Series 2016 Bonds will be refunded on the maturity date thereof with Subordinate Tier TELA Obligations

bearing interest at a rate of 5.00%, with mandatory sinking fund installments in 2042 and 2043, and (ii) the Series 2018B Bonds will be remarketed and bear interest at a rate of 5.00% following the Initial Term Fixed Rate Period.

6.0 Relevant Links

Reports should not be considered to speak as of any date other than the date indicated in such document.

EMMA Grand Parkway Issuer Homepage	https://emma.msrb.org/IssuerHomePage/Issuer?id=FE6B36B2ABF03965E043151ED20A5A56
GPTC Investor Relations Website	http://www.dot.state.tx.us/grandparkwaysystem/investor-relations.htm
Grand Parkway Traffic and Operating Report Quarter 1 Fiscal Year 2023	https://emma.msrb.org/P21699374.pdf
Grand Parkway Construction Progress Report Quarter 2 Fiscal Year 2022	https://emma.msrb.org/P21631771.pdf
Grand Parkway AFR (Fiscal Year 2022)	https://emma.msrb.org/P11643454-P11265798-P11692257.pdf
2020 Bonds Official Statement	https://emma.msrb.org/ER1428362.pdf
Grand Parkway System Toll Rate Schedules	https://www.tntag.org/tntagstorefront/en/learnmore/houstonAreaTolls
Grand Parkway System Rates per Tolloed Segment Lengths (T&O Table 6)	https://emma.msrb.org/P21699374.pdf
EMMA State Highway Fund Issuer Homepage	www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6AF031FB2E2FD1E043151ED20ABC22&type=M

7.0 Contact Information

For additional information concerning
this report, please contact:

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