Only firms which have been prequalified by the Office of Financial Management to provide senior managing underwriter services to the Kentucky Public Transportation Infrastructure Authority may submit a response to this Request for Proposals.

August 22, 2012

Request for Proposals ("RFP") to Serve as Senior Managing Underwriter to the Kentucky Public Transportation Infrastructure Authority during Fiscal Year 2013. Proposals are due on September 26, 2012

Introduction

The Office of Financial Management ("OFM") of the Finance and Administration Cabinet of the Commonwealth of Kentucky (the "Cabinet"), on behalf of the Kentucky Public Transportation Infrastructure Authority (the "Authority" or "KPTIA"), is requesting proposals from prequalified firms for the professional services of senior managing underwriter for the issuance of bonds and assistance with applying for and perhaps closing a federal loan during the engagement period ending June 30, 2013.

Pursuant to KRS 45A.850, the Authority seeks to hire **one (1) senior managing underwriter** to provide services related to the potential marketing, sale and delivery of notes and/or bonds for the Louisville Southern Indiana Ohio River Bridges ("LSIORB") Project during the contract period. OFM and KPTIA will have the option to extend the contract, on the same terms and conditions, for an additional twelve (12) month period, which would end June 30, 2014. The Authority intends to issue toll revenue notes and/or bonds on a negotiated basis when the need arises. The firm selection will be determined based upon the final rankings of this RFP.

National co-managing underwriters may be appointed by OFM's Executive Director pursuant to KRS 45A.850(4) and 200 KAR 21.040 based upon needs of the transaction, including size, among other factors.

Kentucky-based co-managers are determined pursuant to a separate RFP process. The current Kentucky co-manager engagement is effective through June 30, 2013. Respondents should assume that all members of the current Kentucky co-manager syndicate will participate in the sale and marketing of the proposed new issue.

Description of Issuer

The Authority is established and governed by KRS Chapter 175B and was created to facilitate the construction, financing, operation, oversight and the review and approval of significant transportation projects between the Commonwealth of Kentucky and the state of Indiana, as well as within the Commonwealth of Kentucky. KPTIA is administratively attached to the Kentucky Transportation Cabinet ("KYTC").

The Louisville and Southern Indiana Bridges Authority, a bi-state agency (the "Bi-State Authority"), was also created under KRS Chapter 175B and by Executive Order in Indiana for the purpose of developing a financing plan for the LSIORB project. The Bi-State Authority is composed of seven members from Kentucky and seven members from Indiana. Based on a proposal by both states' Governors, the Bi-State Authority developed a unique financial plan using a bifurcated procurement and financing structure to expedite the construction of the LSIORB project. Under the statutorily required financial plan that was adopted by the Bi-State Authority on March 5, 2012, Kentucky will procure and finance the Downtown Crossing (Sections 1, 2 & 3) and Indiana will procure and finance the East End Crossing (Sections 4, 5 & 6). Kentucky will utilize a design build methodology with initial funding being provided from state Federal Highway Funds, including GARVEE bonds (to be issued by the Kentucky Asset/Liability Commission), with the balance to be provided from the future issuance of dedicated toll revenue notes/bonds by KPTIA. Additionally, the Downtown Crossing intends to apply for and may receive a loan under the recently expanded Transportation Infrastructure Finance and Innovation Act ("TIFIA") to fund a portion of eligible project cost. Indiana will procure and finance the East End Crossing using an Availability Payment model. Additionally, the Initial Financial Plan submitted to the Federal Highway Administration (FHWA) on July 31, 2012, and provides that the toll revenues generated from the two crossings will be split equally between the states. The states will maintain the approaches within their respective borders after construction is complete.

KPTIA was responsible for the review and approval of the KRS Chapter 175B financial plan developed by the Bi-State Authority, which also occurred on March 5, 2012. Subsequently, on March 6, 2012, the financial plan was submitted to the Kentucky General Assembly for consideration in developing its transportation construction and funding priorities. The General Assembly adopted House Bill 2 (the Transportation Cabinet Budget) in the 2012 Extraordinary Session. It contains the recommended funding level for the LSIORB Project as contemplated in the KRS Chapter 175B Financial Plan that resulted in the federally required Major Projects Initial Financial Plan received by FHWA.

A copy of the original financial plan can be obtained at:

http://updates.kyinbridges.com/wp-content/uploads/2012/08/2012-08-01-Initial-Financial-Plan-ORBP-signed.pdf

The timing of any note or bond issuances for the Authority will depend on project needs and market conditions. There can be no assurance by the Authority that any transactions contemplated in this RFP, including the timing and availability of a TIFIA loan, will be completed during the contract period.

The primary objectives of OFM and KPTIA are to:

1. Develop a new master indenture of trust and applicable series resolutions for the issuance of any notes and/or bonds to fund a portion of the Downtown Crossing for the contract period.

2. Apply for and structure a TIFIA loan under the recently expanded program under MAP-21 and if successful in receiving an award under the program, to review and close the transaction in mid-2013.

3. Develop a legal and bond structure that is expected to achieve investment grade ratings on senior toll revenue bonds of A3/A-/A- or higher by Moody's, Standard & Poor's and Fitch. Additionally, to obtain an investment grade rating on a TIFIA loan, if applicable.

4. Prepare to enter the market once certain Federal Highway approvals have been obtained, including the results of the TIFIA request when known; a construction contract has been awarded; an investment grade toll study has been completed; and budgeted resources are projected to be exhausted.

5. Minimize the administrative and budgetary requirements associated with the moral obligation structure contemplated in the Major Projects Initial Financial Plan submitted to FHWA.

6. Maximize the amount and level of financial and legal expertise brought to each transaction.

Description of Services Sought

The firm engaged to provide senior managing underwriter services to the Authority will be working with OFM, KPTIA, Public Financial Management ("PFM") as KPTIA's external financial advisor, KYTC staff, and Frost Brown Todd as Counsel to KYTC. A bond counsel firm will also be selected in a similar process as senior managing underwriter. Collectively, OFM, KYTC staff, KPTIA, PFM, and the selected bond counsel firm may be referred to in the RFP as the "finance team".

The firm selected to perform senior managing underwriter services for the Authority will be expected to provide suggestions, comments and marketing advice to the finance team regarding the proposed financing structure, ratings presentation, pre-sale presentations and other related duties that are expected to result in a successful public offering of the Authority's securities. The senior managing underwriter is expected to review the preliminary official statement, as well as post the final official statement on the MSRB's EMMA website consistent with MSRB rules. The senior managing underwriter will be required to coordinate the sale and closing of the securities with the trustee and other finance team members.

The Authority and OFM acknowledge that the selected firm for this engagement will not be acting as a municipal advisor, financial advisor, or fiduciary to the Authority or OFM and that the selected firm will be acting solely as a principal in a commercial arm's-length transaction. In addition, this engagement will be neither an expressed nor an implied commitment by the selected firm to purchase or place any securities in connection with any such transaction, which commitment shall only be set forth in a separate underwriting, placement agency, or other applicable type of agreement.

Prospective senior managing underwriters seeking to do business with the Commonwealth of Kentucky and its state agencies should note that the Office of Financial Management has a policy of acknowledging receipt of the recently required MSRB G-17 letter but respectfully declines to sign or return such communications. OFM has also communicated this policy to the applicable state agencies for which OFM's review and approval is required prior to the delivery of bonds.

FEES AND EXPENSES

Senior Managing Underwriter

A maximum not-to-exceed management fee and expense proposal (excluding underwriter's counsel) must be identified and included in your response to this RFP. The fee proposals submitted shall be the upper limit of any negotiations concerning fees and expenses in arriving at the original award and subsequent execution of an engagement letter. Final management fees, total expense limits and takedown will be established prior to the respective financings pursuant to KRS 45A.857(4)(a). *While takedown will be determined during the pre-pricing phase of each transaction in light of prevailing market conditions at the time of sale, an estimate of current takedowns by maturity is being requested under Section III B.* The successful senior managing underwriter firm will select its own underwriter's counsel. Underwriter's counsel services will be reimbursed by the Authority within the expense component for each transaction in accordance with the provisions of 200 KAR 21:050. **Fees for the senior managing underwriter services are considered as part of the overall financing plan and are not weighted separately for calculating each firm's final score.** Any fees incurred will be payable only upon successful closing of an issue(s).

REQUIRED COMPONENTS OF THE PROPOSAL

Each response to the RFP must specifically include and address the following items. Failure to comply with the requirements of the RFP will result in the firm's response not being evaluated by the Selection Committee. (See Selection and Notification.)

I. Disclosure

A. Certify that there has been no material change to any of the statements and certifications made by the firm in its response to the Request for Qualifications, Section II, Disclosure, issued by OFM on April 20, 2012. In the event there has been a material change, please specify the nature of the change and the impact of the change on the firm and its ability to provide the desired services.

B. Detail any criminal investigation, indictment, prosecution or other proceeding that has ever been brought against your firm (provide attachment if necessary). Also, describe any civil litigation pending or concluded within the last three years against your firm that would impair the firm's ability to provide the requested services (provide attachments if necessary).

C. Disclose any potential conflicts of interest with representing the Commonwealth in this matter, including: potential conflicts of interest of employees assigned to this project, potential conflicts with any Authority members, KYTC or OFM staff, and potential conflicts that could arise from the financing of the LSIORB Project, particularly as those relate to the financing of the East End Crossing. **Any underwriter who has accepted or been appointed by the Indiana Finance Authority or its developer/concessionaire to provide senior managing underwriting service for the issuance of bonds, including Private Activity Bonds, for the financing of the East End Project is prohibited from responding to this RFP. If an underwriter engaged by OFM on behalf of KPTIA pursuant to this RFP subsequently accepts an appointment by the Indiana Finance Authority or its developer/concessionaire for the East End Crossing, any award previously made under this procurement shall automatically terminate.** The Commonwealth reserves the unqualified right to disqualify an entity or cancel any contract for any potential conflict of interest issues raised initially and/or during the life of any contract awarded.

II. <u>Qualifications</u> (40%)

A. Background and Commitment to Public Finance

1. Please describe how your firm is currently structured (bank or broker-dealer) and state the firm's chief regulator.

2. Please discuss the background and commitment of your firm's public finance department, current staffing levels, recent changes in management or personnel, and ability and willingness to commit capital to underwrite the municipal bonds generally.

B. Relevant Experience of the Firm

Provide a brief discussion of your firm's relevant transportation experience and specifically as it relates to tax-exempt, dedicated toll revenue bond transactions. Also, please identify any direct experience with TIFIA loans and the efforts and challenges to obtain investment grade ratings from the rating community for both the senior lien bonds and TIFIA for those transactions. Please indicate the date and amount of each relevant transaction. Identify the lead banker(s) and underwriter who worked on those transactions. Provide specific references of the firm, the lead banker and the underwriter with similar issuers. Include names, addresses and telephone numbers.

C. Staffing and Technical Support, Availability and Experience

Identify the lead banker(s) and all personnel of the firm who would be assigned to work on KPTIA transactions. Provide relevant experience the individuals have had on similar issues, if different from above. The Authority requires that the firm provide continuing availability of these key individuals if selected as senior managing underwriter. **Please**

note that any changes made to the staff assigned to any issuance must be approved in writing by OFM.

III. <u>Financing Plan Assessment</u> (30%)

A. Structure

Please review and make observations regarding the contemplated flow of funds and bond structure detailed in PFM's memo, dated August 20, 2012, which can be found in Attachment C. Please discuss your firm's specific recommendations of how KPTIA might improve its lien and bond structure to obtain a stronger rating, better market acceptance and/or lower cost of capital.

The Authority's current base case bond structure assumes $367 million of toll revenue bonds with a combination of fixed rate serial bonds and a nominal amount of CABs. The base case structure also assumes that the Downtown Crossing will receive a $325 million TIFIA loan, consistent with the maximum federal support of 80 percent of the project. In the event that the TIFIA loan, if any, is less than $325 million the bond structure will have to be adjusted to reflect the loss of that subsidy. Please display and describe the bond structure you recommend under the finance team's base case scenario, as well as a case where KPTIA receives little or no TIFIA loan.

B. Maximum Fees and Expenses

For purposes of this RFP, the Authority is requesting one (1) fee quote, including management fees and expenses detailed in the paragraph below, assuming your firm serves as senior managing underwriter for a single base case dedicated toll revenue bond supported transaction of approximately $367 million in conjunction with a $325 million TIFIA loan. Also, please indicate whether the expected fees and expenses would vary under a no-TIFIA scenario? If your firm's proposed bond structure includes complex financing vehicles, such as a variety of floating rate or derivative products, you must detail the fees and expenses associated with those structures, including takedown or other compensation.

Please note that the fee quotes are submitted on a "not-to-exceed basis." Provide a fee proposal on a per $1,000 bond basis inclusive of management fee and all expenses which shall include, but not be limited to, day loan, Dalcomp, Dalnet, clearance, CUSIP, DTC, PSA, copying, faxing, mailing, telephone, travel and other out-of-pocket expenses, as applicable. Itemize each of the components of the total per $1,000 bond fee proposal, including fees for an Internet road show, if applicable. *While takedown will be negotiated prior to the sale based on prevailing market conditions, OFM and the Authority would like a maturity-by-maturity estimate of your expected takedown in the current market.*

Pursuant to Kentucky statute and associated administrative regulation, the senior managing underwriter will select its own underwriter's counsel and KPTIA will reimburse the firm for those expenses pursuant to 200 KAR 21:050. The stated fee reimbursement may or *may not* be sufficient to cover all of the firm's underwriter counsel expenses.

IV. <u>Sales and Marketing</u> (30%)

A. Provide a discussion on the expected rating status of the Authority's proposed debt structure and make any recommendations as to strategy the Authority should consider to enhance its ratings. Specifically discuss recent rating developments and expected impact on the Authority, if any.

B. Please discuss your firm's proposal for pre-sale marketing of the bonds to prospective institutional customers given the base scenario and your rating estimates. Please describe the likely purchasers at various maturities along the spectrum. How will the recommendation and estimates change if there is no TIFIA loan and the bond size roughly doubles? Would this credit benefit from an Internet road show?

C. Please describe any third-party marketing arrangements that your firm has and the ability to elect to utilize those arrangements or not. For those third-party marketing arrangements which your firm proposes to utilize for the contemplated transaction, please disclose the associated fee-sharing arrangements. Failure to do so may result in your firm's proposal being removed from consideration.

D. The Commonwealth has had a long-standing and what we believe to be a very successful Kentucky retail order period policy that emphasizes the citizens of the Commonwealth through direct or indirect retail purchases. The Authority desires to maintain this healthy balance between Kentucky retail and institutional orders to assure a competitive price and strong secondary market for its securities. How do you propose to integrate Kentucky retail into the sales and marketing process? How would your firm propose to define Kentucky Retail and the priority of orders in your proposed transaction?

E. What steps would your firm take to ensure equitable distribution and treatment of bonds for syndicate members?

<u>Reservation of Rights</u>

OFM and the Authority reserve the right to:

1. Review and approve any change in staff members significantly involved in any financing during the contract period and discharge the firm promptly if such personnel changes do not meet the needs of the Authority.

2. Reject any and all proposals with cause.

3. Reject all proposals and seek new proposals when such procedure is reasonably in the best interest of the Authority.

4. Make investigations regarding qualifications of any or all respondents, as the Selection Committee deems necessary.

5. Request and receive such additional information as the Selection Committee may reasonably require. Failure to comply with such a request will result in disqualification.

6. Waive minor irregularities in this RFP process.

7. Make all submitted proposals and accompanying materials and score sheets available for Open Records requests pursuant to KRS 61.870 to KRS 61.884.

Liability

OFM and the Commission shall not be liable for:

1. Any costs incurred in the preparation or submission of any proposal.

2. Any costs incurred in connection with any interview or negotiation relating to this RFP (i.e., travel, accommodations, etc.).

3. Any disclosure, whether by negligence or otherwise, of any materials or information in any form submitted in response to this RFP.

Questions

All questions concerning this RFP must be submitted by facsimile, e-mail or writing to the address below no later than **12:00 noon EDT on September 4, 2012**. Any questions submitted, and answers thereto, may be distributed to all prequalified firms at the discretion of the Selection Committee. Please note that questions submitted after the deadline will not receive a response.

Submission of Proposals

Submission of proposals must be received no later than 4:00 p.m. (EDT) on September 26, 2012. Six (6) hard copies of your proposal, one electronic copy, and all related materials must be received at the following address:

Office of Financial Management
KPTIA LSIORB
Selection Committee Chairperson
Senior Managing Underwriter FY 2013 RFP
702 Capitol Avenue, Suite 76
Frankfort, Kentucky 40601-3453
Phone: (502) 564-2924 Fax: (502) 564-7416
E-mail: marcia.adams@ky.gov

Note: Proposals received after the stated deadline will NOT be accepted. It is NOT the responsibility of courier services to meet the deadline; it is the responsibility of the proposer. Facsimile copies and electronic transmissions will NOT be accepted for submission of proposals; however, one electronic copy must be received by the stated deadline in addition to the hard copy submittal for the submittal package to be considered complete.

* Please note that responses to this RFP shall not exceed 50 pages in length, exclusive of cover letter and any attached schedules. The RFP shall not use a font size smaller than 11 point.

Selection and Notification

The Selection Committee established pursuant to KRS 45A.843 is composed of three (3) OFM staff (voting), two (2) Authority representatives or staff to the Authority (voting), and one merit employee of the State Auditor of Public Accounts (nonvoting). A majority of the voting members must be merit employees of the Commonwealth. The Selection Committee will determine whether to hold interviews with proposing firms. The Selection Committee will make a recommendation for selection pursuant to KRS 45A.840 to 45A.879, and KRS 45A.490 to 45A.494. The scoring of proposals is subject to reciprocal preference for a Kentucky resident bidder. (See Attachment B for KRS 45A.490 to 45A.494 "Kentucky Preference Laws".)

The Kentucky Revised Statutes and the Kentucky Administrative Regulations referenced in the RFP may be found at [http://www.lrc.ky.gov/.](http://www.lrc.ky.gov/)

Contact with Selection Committee Members

Please note that any contact made by the firm with any member of the Selection Committee, from the date of issuance of the RFP until an award of contract, is required to be disclosed by such Committee member to the entire Committee and will become a part of the permanent file for this selection process which is subject to public disclosure pursuant to the Kentucky Open Records Act.

The Office of Financial Management and the Authority respectfully solicit the submission of a proposal by your firm.

Attachment A: Evaluation Criteria – Senior Managing Underwriter
Attachment B: Kentucky Preference Laws (KRS 45A.490-494)
Attachment C: PFM Memo and attachments related to the flow of funds

ATTACHMENT A
EVALUATION CRITERIA

Kentucky Public Transportation Infrastructure Authority
Louisville Southern Indiana Ohio River Bridges Project
Request for Proposals
Senior Managing Underwriter
Fiscal Year 2013

	Evaluation Criteria	Weight
1.	Qualifications (Relevant experience of the firm & staff)	40%
2.	Financing Plan Assessment	30%
3.	Sales and Marketing	30%
	Total	100%

If your firm is claiming a Reciprocal Preference under KRS 45A.490-494 please include an executed copy of the attached affidavit.

Pursuant to Kentucky Administrative Regulation Title 200 Chapter 5.400(4): In awarding a contract, resident bidders shall only receive preference against nonresident bidders residing in a state that gives a preference to bidders from that state. This preference shall not be applied against nonresident bidders residing in states that do not give preference against Kentucky bidders.

ATTACHMENT A (page 2)
EVALUATION FORM

Kentucky Public Transportation Infrastructure Authority
Request for Proposals – Senior Managing Underwriter - Fiscal Year 2013

FIRM:____

REVIEWER:___________________________

Disclosure: _______Yes _______No

1. **QUALIFICATIONS** - (Firm organization and background, recent similar transactions, firm and staff experience, availability to meet KPTIA needs, references)

   Score (40 points possible): __________

   Notes:____

2. **FINANCING PLAN ASSESSMENT**- (Clarity of description, reasonableness of assumptions, structure, factors and features that could reasonably expect to lower costs)

   Score (30 points possible): __________

   Notes:____

3. **SALES/MARKETING CAPABILITIES** - (Rating discussion, marketing strategy and capabilities, third-party arrangements, KY retail distribution & definition, institutional balance and equitable distribution among the syndicate)

   Score (30 points possible): _________

   Notes:____

Total Score (100 points possible):________________

ATTACHMENT B

Kentucky Preference Laws (KRS 45A.490-494)

The scoring of bids/proposals is subject to Reciprocal preference for Kentucky resident bidders. **Vendors not claiming resident bidder status need not submit the corresponding affidavit.**

Reciprocal preference for Kentucky resident bidders

KRS 45A.490 Definitions for KRS 45A.490 to 45A.494.

As used in KRS 45A.490 to 45A.494:
(1) "Contract" means any agreement of a public agency, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item; and
(2) "Public agency" has the same meaning as in KRS 61.805.

KRS 45A.492 Legislative declarations.

The General Assembly declares:

(1) A public purpose of the Commonwealth is served by providing preference to Kentucky residents in contracts by public agencies; and
(2) Providing preference to Kentucky residents equalizes the competition with other states that provide preference to their residents.

KRS 45A.494 Reciprocal preference to be given by public agencies to resident bidders -- List of states -- Administrative regulations.

(1) Prior to a contract being awarded to the lowest responsible and responsive bidder on a contract by a public agency, a resident bidder of the Commonwealth shall be given a preference against a nonresident bidder registered in any state that gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the nonresident bidder.
(2) A resident bidder is an individual, partnership, association, corporation, or other business entity that, on the date the contract is first advertised or announced as available for bidding:
(a) Is authorized to transact business in the Commonwealth; and
(b) Has for one (1) year prior to and through the date of the advertisement, filed Kentucky corporate income taxes, made payments to the Kentucky unemployment insurance fund established in KRS 341.490, and maintained a Kentucky workers' compensation policy in effect.
(3) A nonresident bidder is an individual, partnership, association, corporation, or other business entity that does not meet the requirements of subsection (2) of this section.
(4) If a procurement determination results in a tie between a resident bidder and a nonresident bidder, preference shall be given to the resident bidder.
(5) This section shall apply to all contracts funded or controlled in whole or in part by a public agency.
(6) The Finance and Administration Cabinet shall maintain a list of states that give to or require a preference for their own resident bidders, including details of the preference given to such bidders, to be used by public agencies in determining resident bidder preferences. The cabinet shall also

promulgate administrative regulations in accordance with KRS Chapter 13A establishing the procedure by which the preferences required by this section shall be given.
(7) The preference for resident bidders shall not be given if the preference conflicts with federal law.
(8) Any public agency soliciting or advertising for bids for contracts shall make KRS 45A.490 to 45A.494 part of the solicitation or advertisement for bids.

The reciprocal preference as described in KRS 45A.490-494 above shall be applied in accordance with 200 KAR 5:400.

Determining the residency of a bidder for purposes of applying a reciprocal preference

Any individual, partnership, association, corporation, or other business entity claiming resident bidder status shall submit along with its response the attached Required Affidavit for Bidders, Offerors, and Contractors Claiming Resident Bidder Status. The BIDDING AGENCY reserves the right to request documentation supporting a bidder's claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

A nonresident bidder shall submit, along with its response, its certificate of authority to transact business in the Commonwealth as filed with the Commonwealth of Kentucky, Secretary of State. The location of the principal office identified therein shall be deemed the state of residency for that bidder. If the bidder is not required by law to obtain said certificate, the state of residency for that bidder shall be deemed to be that which is identified in its mailing address as provided in its bid.

Pursuant to 200 KAR Title 5.400(4)

In awarding a contract, resident bidders shall only receive preference against nonresident bidders residing in a state that gives a preference to bidders from that state. This preference shall not be applied against nonresident bidders residing in states that do not give preference against Kentucky bidders.

REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS CLAIMING RESIDENT BIDDER STATUS

FOR BIDS AND CONTRACTS IN GENERAL:
The bidder or offeror hereby swears and affirms under penalty of perjury that, in accordance with KRS 45A.494(2), the entity bidding is an individual, partnership, association, corporation, or other business entity that, on the date the contract is first advertised or announced as available for bidding:

1. Is authorized to transact business in the Commonwealth;
2. Has for one year prior to and through the date of advertisement
   a. Filed Kentucky corporate income taxes;
   b. Made payments to the Kentucky unemployment insurance fund established in KRS 341.490; and
   c. Maintained a Kentucky workers' compensation policy in effect.

The BIDDING AGENCY reserves the right to request documentation supporting a bidder's claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

______________________________	______________________________
Signature	Printed Name
______________________________	______________________________
Title	Date

Company Name ____

Address ____

____

____

Subscribed and sworn to before me by ____________ ________________
(Affiant) (Title)

of ______________________________ this _____day of ____________, 20___.
(Company Name)

____
Notary Public
[seal of notary] My commission expires: __________

The PFM Group
Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

Lincoln Plaza
Suite 1170
300 S. Orange Avenue
Orlando, FL
32801-3470

407 648-2208
407-648-1323 fax
www.pfm.com

August 20, 2012

ATTACHMENT C

Memorandum

To: Secretary Michael Hancock, KYTC

From: David Miller, PFM

Re: Louisville and Southern Indiana Ohio River Bridges – Downtown Bridge Financial Plan

OVERVIEW

Public Financial Management, Inc. ("PFM"), as financial advisor to Kentucky Public Transportation Infrastructure Authority ("KPTIA"), has prepared a detailed financial analysis for the Downtown/Kennedy Bridge portion (the "Project") of the Louisville and Southern Indiana Ohio River Bridges ("LSIORB").

Please note that all forward looking assumptions including capital costs, operating expenses, maintenance costs, traffic & revenue forecasts, and credit market conditions are all subject to change and could materially impact the plan of finance. All data and assumptions used are considered to be the best available information at this point in time.

LSIORB is comprised of Kennedy Interchange, Downtown River Bridge, and Downtown Indiana Approach (together, these segments form the Project) as well as the Kentucky East End Approach, East End River Bridge and Indiana East End Approach, and respectively these are segments 1-6. PFM has assisted KPTIA in forming the LSIORB term sheet and conducted a variety of Project plan of finance scenarios and sensitivities. The proposed procurement approach bifurcates LSIORB into two elements – KPTIA acting through KYTC will serve as the lead contracting agency for Project procurement comprised of Downtown segments 1, 2 and 3 and will be the issuing authority to provide financing for the Project. Indiana Finance Authority ("IFA") will assume the responsibility of procuring and financing of the three East End LSIORB segments. Subject to the ongoing negotiation between KPTIA/KYTC and IFA, annual two-bridge gross revenues and annual two-bridge tolling expenses will be equally shared between KPTIA and IFA. KPTIA, however, shall pay facility O&M and M&R expenses for Section 1, 2 and 4. This memorandum summarizes the approach to financing Project construction costs starting FY2013 as well as funding the tolling expenses, facility O&M expenses, and M&R costs that KPTIA is responsible for. The I-64 Sherman-Minton Bridge is not assumed to be tolled.

KYTC and KYFAC, with PFM's assistance, have met with all three bond rating agencies to discuss their preliminary views of the plan of finance. Fitch Investors Services has been engaged to provide a confidential preliminary point in time credit assessment.

PROJECT FUNDING

The funding for the Project consists of non-TIFIA federal-aid resources, TIFIA and toll revenue bonds. Based on expectations regarding the availability of federal-aid and state transportation funds including GARVEE Bonds proceeds, an estimated $815 million of federal-aid highway formula and GARVEE bonds funds are reasonably expected to be available to the Project. KPTIA aims to issue senior toll revenue bonds and close a TIFIA loan in early 2013 to fund the remaining Project costs and exploit the current favorable bond financing market. An annual funding summary by source is provided below.

Table 1: Project Funding

Detailed Budget ($YOE in thousands)	Thru 2012	2013	2014	2015	2016	2017	2018	Total
Federal Formula and State Funding	103,100	32,733	67,267	50,000	50,000	50,000	50,000	403,100
GARVEE Bond Proceeds	100,000	0	0	0	0	164,824	71,176	336,000
TIFIA Loan	0	0	127,979	87,902	89,935	18,867	0	324,683
Toll Revenue Bonds	0	0	144,553	99,286	101,582	21,310	0	366,731
Federal Discretionary Funding	76,300	0	0	0	0	0	0	76,300
Total Before State Debt	279,400	32,733	339,799	237,188	241,518	255,001	121,176	1,506,814

The highway funding sources are compared to the overall project construction, operating, and maintenance costs with any residual costs expected to be paid by KPTIA's share of toll revenues. The project cost data in nominal dollars as of February 22, 2012 are summarized in Table 1.

Table 2: Nominal Costs and Revenues Summary

In $ millions from FY19 to FY58 unless otherwise noted

Construction Costs (Procurement A, FY13 to FY18)	1,072
Construction Costs (Procurement B, FY13 to FY18)	1,096
Toll Revenues (Downtown Bridge)	7,183
Toll Revenues (East End Bridge)	2,971
Two-Bridge Tolling Expenses	1,600
Facility O&M (Section 1, 2 and 4)	406
Facility O&M (Section 3, 5 and 6)	98
M&R (Section 1, 2 and 4)	1,493
M&R (Section 3, 5 and 6)	878

Note: Construction costs prior to FY2013 are paid with state funds and are not in the scope of this analysis.

TOLL REVENUE FINANCING ASSUMPTIONS

To improve the credit of the senior toll revenue bonds, PFM recommends two security enhancement approaches. First, KYTC covenant to seek an appropriation from available road fund revenues representing KPTIA's 50% share of tolling costs, downtown O&M expenses, and downtown M&R costs in the event that KPTIA's share of toll revenues and general reserves are insufficient. Second, a DSRF replenishment agreement - if the toll revenue bonds debt service reserve fund (DSRF) experiences an unscheduled draw representing financial difficulties, then KYTC will seek appropriation from available road funds to replenish the DSRF. With these enhancements, the senior toll revenue bonds are expected to receive at least an A category credit rating. Additional financing assumptions include:

- Pledged revenues for debt service are 50% of the system gross revenues
- No tolling of Sherman Minton is assumed
- Net funded construction account
- Debt Service Reserve Fund based on 10% of senior toll revenue bonds' par amount, then ongoing deposits from annual revenues to fund the reserve to the Maximum Annual Debt Service requirement in the next five years.
- Capitalized Interest through 7/1/2018
- Current market Municipal Market Data interest rate scales assuming long term bonds rated A and GARVEE Bonds rated AA-.
- Current Market Municipal Market Data interest rate scale plus a 50 basis points(1/2 of 1 percent) cushion and a 125 basis points(1 and a quarter percent) premium for capital appreciation bonds.
- Up to 40 year amortization schedule toll revenue bonds with ascending debt service to match the projected growth in toll revenues.

FINANCING ANALYSIS RESULTS

Sources and Uses

The remaining expenditure in FY 2013 is paid with the Highway Plan funds. The costs in FY 2018 are paid with the GARVEE bonds along with $50 million Highway Plan funds. The costs incurred from FY 2014 through FY 2017 are financed with the Highway Plan funds, the GARVEE bonds, TIFIA loan and toll revenue bonds. The table below describes how funds and debt proceeds are allocated each year to pay construction costs.

Table 3: Annual Sources and Uses

in $ thousands		Debt Financing					Total
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	
Sources:							
KYTC Highway Plan	32,733	67,267	50,000	50,000	50,000	50,000	300,000
KYTC GARVEEs (to be issued in 2017)					164,824	71,176	236,000
TIFIA (to be obtained in 1st/2nd quarter of 2013)		127,979	87,902	89,935	18,867		324,683
Senior Toll Revenue Bonds (to be issued in 2013)		144,553	99,286	101,582	21,310		366,731
Total	32,733	339,799	237,188	241,518	255,001	121,176	1,227,414
Uses:							
Construction Costs	32,733	222,738	237,188	241,518	251,055	117,230	1,102,461
Financing Costs*		117,061			3,946	3,946	124,953
Total	32,733	339,799	237,188	241,518	255,001	121,176	1,227,414

Note: Financing costs include cost of issuance, underwriter's discount, DSRF, capitalized interest on toll bonds, and GARVEE interest payments net of construction fund earnings

Debt Service Coverage Ratio and Cash Flow

The ratio of pledged toll revenues to annual toll revenue bonds annual debt service is a key metric to determine the credit ratings and market acceptability of the proposed financing. In addition, given the DSRF replenishment described above, it is the opinion of PFM in consultation with KYFAC that debt service coverage ratios must be sufficient to meet rating agency "stress tests" in order to determine that the toll revenue bonds are self-supporting and therefore will not be considered net tax-supported debt of the Commonwealth. The plan of finance results indicate that debt service coverage ratios are healthy enough to generate what KPTIA believe are reasonably sufficient to achieve the desired rating category in the current market environment. The minimum Senior Bonds ratio is 3.03x and the average ratio is 4.19x; the minimum aggregate debt ratio (TIFIA payment included) is 1.71x and the average ratio is 2.46x.

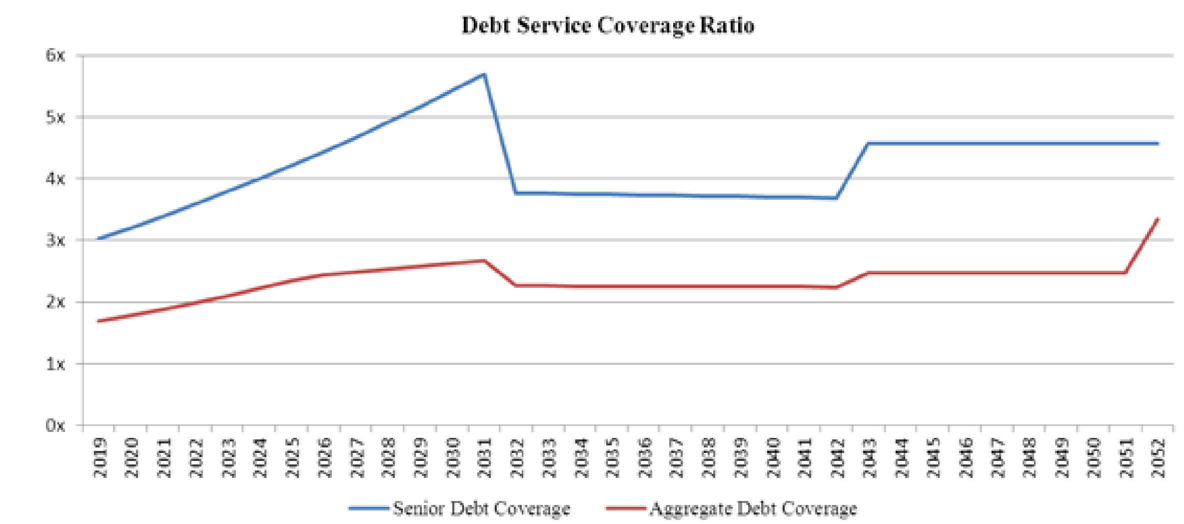

Figure 1: Debt Service Coverage Ratio

After senior bond debt service and any DSRF requirements, toll revenues are used to repay TIFIA. As demonstrated in the graph below, there is sufficient revenue available for TIFIA repayment and TIFIA is paid off in 2052 – 34 years after substantial construction completion. KPTIA's share of tolling costs, downtown facility O&M expenses, and M&R costs that KPTIA is responsible for are paid following TIFIA repayment. KPTIA will utilize a "closed system" for Project financing such that any residual revenue after all costs is captured in a general reserve fund to be used only for the Project including future improvements. This is often considered a significant credit enhancement, and any accumulated funds can help to protect both bondholders and TIFIA. Results indicate the general reserve balance steadily builds up in the first 10 years. Large M&R expenses incurred after 2028 result in the general reserve fund being drawn from 2028 to 2034. However it quickly builds back up afterwards. There are a few sporadic draws on the general reserve in the outer years due to large M&R costs; however, the Project has established a liquidity position more than adequate to accommodate these marginal draws.

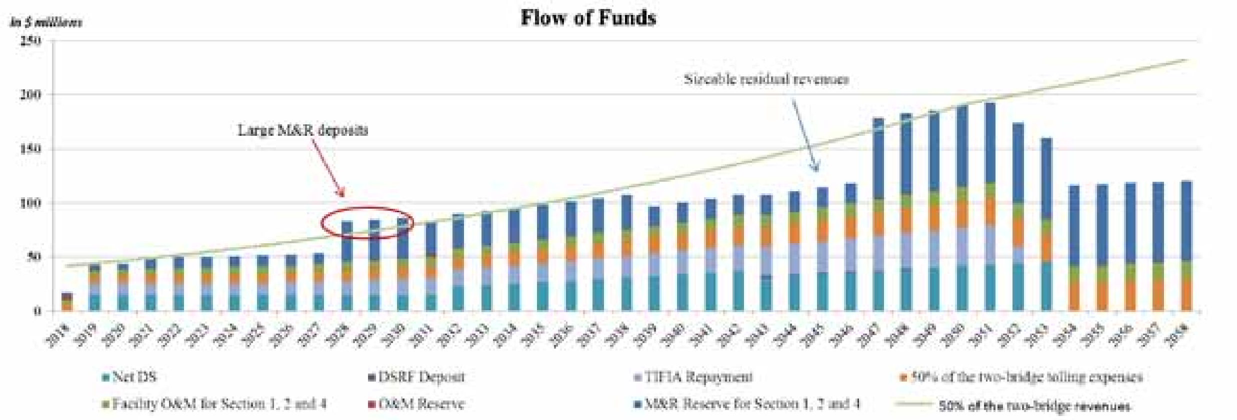

Figure 2: Cash Flow Sensitivity Analysis

Revenue sensitivities assuming revenue reduction of 10% and 25% are also performed to test the Project's ability to withstand revenue shortfalls. Assuming projected revenues decline by 10% each year, the Project would need state cash support from 2029 to 2042 with maximum outstanding loan of $73 million. However, the debt service coverage ratios still look assuring – 2.73x minimum and 3.77x average for senior debt and 1.52x minimum and 2.24x average for aggregate debt. Assuming projected revenues decline by 25% each year, the Project would need state cash support from 2020 to 2061 with maximum outstanding loan of $484 million. The debt service coverage ratios in this case are 2.27x minimum and 3.14x average for senior debt and 1.26x minimum and 1.99x average for aggregate debt.

It should be noted that KYTC has some flexibility to adjust the M&R schedule to manage to budgetary constraints. Further, KPTIA could also consider future bond issuance to pay for major M&R expenses, thus spreading those costs over many years, as opposed to a pay-as-you-go approach which is the modeled assumption at this time.

TOLL REVENUE FLOW OF FUNDS

The description and graphic above provide an indicative priority of payments for Project toll revenue, often referred to as the flow of funds. The flow of funds will be set forth in the toll revenue bonds trust agreement, and it is an important feature of the plan of finance and credit security. The detailed flow of funds is demonstrated in the figure below, and more details can be found in Appendix 1.

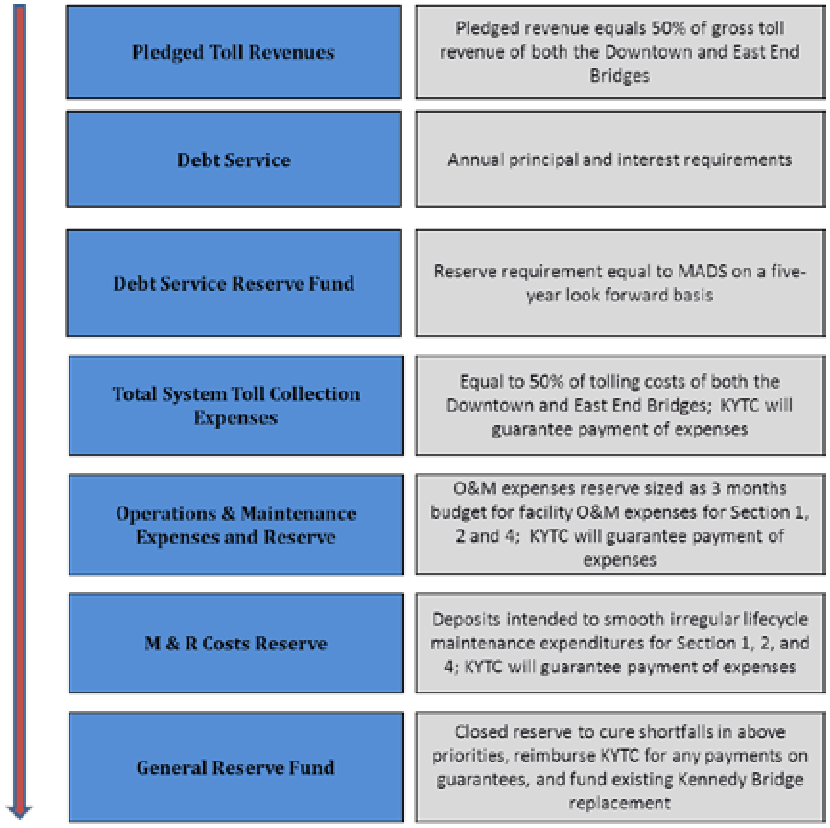

Figure 3: Flow of Funds

SUMMARY

This financial analysis indicates that, based on the Project and financing assumptions currently available, all as described herein, a toll revenue bond issue with an enhanced credit by O&M and M&R backstops and DSRF replenishment support is suitable to fund Project construction. The assumption of a 50 bps rate cushion provides a certain degree of assurance in the robustness of this plan of finance, although as stated, all assumptions and market conditions are subject to change. The key results such as projected debt service coverage ratios and general reserve balances meet the market requirements of the financing with the same credit.

APPENDICES

1) Proposed KYTC/KPTIA Bond Terms and Covenants

2) Detailed Plan of Finance Numbers

Proposed KYTC/KPTIA Bond Terms and Covenants

KYTC DSRF Replenishment Guarantee. The Downtown Bridge Toll Revenue Bonds indenture of trust shall include a debt service reserve fund (DSRF) into which shall be deposited an amount equal at least to the next fiscal year's principal and interest requirements for all outstanding senior lien bonds. In the event that Downtown Bridge Revenues are insufficient to fully fund senior lien bonds principal and interest payments, the DSRF shall be used to make timely payments to bondholders. In order to support the creditworthiness of such Bonds and financing of the Project, KYTC agrees to budget and seek appropriation, at the next available opportunity, from legally available Highway Funds, an amount that will replenish and restore the DSRF to its required amount. Any such amounts budgeted and appropriated will be considered a loan to the Downtown Bridge project and repaid with interest at 5% per annum by Downtown Bridge Revenues if and when they become sufficient.

KYTC O&M and M&R Guarantee. The Downtown Bridge Toll Revenue Bonds indenture of trust shall include O&M and M&R Reserves into which shall be deposited amounts deemed reasonable to fund KPTIA's share of toll collection costs, Downtown Bridge facility O&M, and Downtown Bridge lifecycle costs. In the event that Downtown Bridge Revenues are insufficient to fully fund the O&M and M&R Reserve deposits, and in order to support the creditworthiness of such Bonds and financing of the Project, the KYTC agrees to budget and seek appropriation, at the next available opportunity, from legally available Highway Funds, an amount that will restore the O&M and M&R Reserves to their required amounts. Any such amounts budgeted and appropriated will be considered a loan to the Downtown Bridge project and repaid with interest at 5% per annum by Downtown Bridge Revenues if and when they become sufficient.

Downtown Bridge Pledged Revenues. Fifty percent (50%) of all tolls, rates, charges and other revenues related to traffic and operations of both the Downtown Bridge and the East End Bridge shall be deposited with KPTIA or its designated Trustee for Toll Revenue Bonds issued to finance or refinance Downtown Bridge construction and related capital costs.

Priority of Payments for Downtown Bridge Pledged Revenues. All Downtown Bridge Pledged Revenues shall be used monthly to make the following payments and in the following priority:

1. Principal and interest owed on Toll Revenue Bonds issued to finance or refinance Downtown Bridge construction and related capital costs.
2. Any amounts required to be deposited to the debt service reserve account which secures the Toll Revenue Bonds.
3. Payment of O&M Expenses. O&M Expenses shall include 1) 50% of the costs of toll collections for both the Downtown Bridge and the East End Bridge including enforcement of toll violations plus 2) recurring and ordinary operating costs of the Downtown Bridge and Kentucky LSIORB approaches. An account shall be created within the Toll Revenue Bonds indenture of trust that holds three months of O&M Expenses at all times.
4. Principal and interest owed with respect to a Downtown Bridge TIFIA Loan, if any, as well as any related deposits to a TIFIA reserve fund.
5. Non-recurring capital and lifecycle costs of the Downtown Bridge and Kentucky LSIORB approaches. An account shall be created within the Toll Revenue Bonds indenture of trust that holds at all times a M&R Reserve deemed reasonable and appropriate by an independent consulting engineer.
6. Deposits into the Downtown Bridge General Reserve Account which shall be created within the Toll Revenue Bonds indenture of trust.

Priority of Payments from the Downtown Bridge General Reserve Account. All funds deposited and accumulated in this account shall be used monthly to make the following payments and in the following priority:

1. Cure any shortfall in the principal and interest accounts of the Toll Revenue Bonds.
2. Cure any shortfall in the amounts required to be deposited to the debt service reserve account which secures the Toll Revenue Bonds.
3. Reimburse KYTC, including interest accruing at 5% per annum, for any amounts deposited into the debt service reserve account pursuant to the KYTC DSRF Replenishment Guarantee.
4. Cure any shortfall in the amounts required to be deposited to and maintained in the O&M Expenses account.
5. Reimburse KYTC, including interest accruing at 5% per annum, for any amounts deposited into the O&M Expenses account pursuant to the KYTC O&M Guarantee.
6. Cure any shortfall in the principal, interest and reserve accounts related to a TIFIA Loan, if any.
7. Cure any shortfall in the amounts required to be deposited to the M&R Reserve account.
8. Reimburse KYTC, including interest accruing at 5% per annum, for any amounts deposited into the M&R Reserve account pursuant to the KYTC M&R Guarantee.
9. Any remaining balance in the Downtown Bridge General Reserve Account shall be held for the benefit of the Downtown Bridge project including the Kennedy Bridge Replacement.

Downtown Bridge Toll Revenue Bonds Rate Covenant. Subject to review by credit rating agencies, TIFIA, and any credit enhancement provider, KPTIA and IFA shall adhere to the following rate covenant so long as any Downtown Bridge and East End Bridge financial obligations are outstanding including any toll revenue bonds, TIFIA loan, and/or availability payments. Toll rates and charges on both LSIORB facilities shall be set at levels such that projected revenues are sufficient to provide:

a) For the Downtown Bridge (i) senior lien toll revenue bonds debt service coverage in each year of 1.50 times, (ii) senior lien toll revenue bonds plus TIFIA debt service coverage in each year of 1.25 times, and (iii) coverage of all payments and obligations owed under the Downtown Bridge Toll Revenue Bonds indenture of trust; and
b) For the East End Bridge …..TBD

Downtown Bridge Toll Revenue Bonds Additional Bonds. Subject to review by credit rating agencies, TIFIA, and any credit enhancement provider, KPTIA, IFA and any parties to a LSIORB development agreement should provide that the Downtown Bridge Toll Revenue Bonds indenture of trust will allow for the issue of additional bonds to refinance the original Bonds as well as to finance (i) major capital improvements of the Downtown Bridge, (ii) additions to the LSIORB toll revenue system of facilities including potentially the Sherman Minton Bridge, and (iii) the replacement of the existing Kennedy Bridge. All parties to the development agreement will consent prior to the issuance of any additional bonds to finance new capital improvements and projects. The parties further acknowledge that such future new money additional bonds may require amendments to the development agreement and particularly to the split of system toll revenues in order to support such additional bonds.

Detailed Downtown Financing Numbers

Kentucky Public Transportation Infrastructure Authority

Louisville and Southern Indiana Ohio River Bridges - Financial Plan

Scenario: 80% Aggregated Fed Funds including TIFIA

As of 8/3/2012

I. Funding Summary

in $ thousands		Debt Financing					Total
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	
Sources:							
KYTC Highway Plan	32,733	67,267	50,000	50,000	50,000	50,000	300,000
KYTC GARVEEs (to be issued in 2017)					164,824	71,176	236,000
TIFIA (to be obtained in 1st/2nd quarter of 2013)		127,979	87,902	89,935	18,867		324,683
Senior Toll Revenue Bonds (to be issued in 2013)		144,553	99,286	101,582	21,310		366,731
Total	32,733	339,799	237,188	241,518	255,001	121,176	1,227,414
Uses:							
Construction Costs	32,733	222,738	237,188	241,518	251,055	117,230	1,102,461
Financing Costs*		117,061			3,946	3,946	124,953
Total	32,733	339,799	237,188	241,518	255,001	121,176	1,227,414

Note: Financing costs include cost of issuance, underwriter's discount, DSRF, CAPI, GARVEE interest payments and BAN interest payments and net of construction fund earnings

II. Financing Results and Sensitivity Analysis

	100% Revenue	90% Revenue	75% Revenue
Coverage (SM NOT Tolled)			
Minimum Senior Coverage Ratio	3.03x	2.73x	2.27x
Average Senior Coverage Ratio	4.19x	3.77x	3.14x
Minimum Aggregate Coverage Ratio	1.71x	1.52x	1.26x
Average Aggregate Coverage Ratio	2.46x	2.24x	1.99x
General Reserve ($ in millions)			
Ending General Reserve	900	396	
PV of Ending General Reserve Balance at 5%	88	42	
State Cash Flow Support ($ in millions)			
Loan Begin Year to Repaid Year		2029-2042	2020-2061
Maximum Outstanding Loan Amount		73	484

III. Sources and Uses

Sources	
Senior Toll Revenue Bonds	
CIBS Par Amount	329,615,000
CABS Par Amount	37,115,949
+Premium/-Discount	-
Bonds Proceeds	366,730,949
KYTC Highway Plan	217,266,776
KYTC GARVEE	164,824,253
TIFIA Loan	324,682,798
Construction Fund Interest Earnings	3,135,822
Upfront Funding Gap	-
Total Sources	**1,077,058,092**
Uses	
Net Construction Deposit	$624,679,459
TIFIA Construction Deposit	**324,682,798**
Construction Fund Interest Earnings	$3,135,822
Total Net Construction Costs	$952,498,079
Debt Service Reserve Fund	36,673,095
Capitalized Interest Fund	78,338,578
Underwriters' Discount	3,602,340
Other Cost of Issuance	2,000,000
GARVEE Interest	3,946,000
Total Uses	**1,077,058,092**

TIFIA Loan Amount Estimate	
Construction Cost	1,307,591,825
Financing Cost	
DSRF	36,673,095
CAPI	78,338,578
COI	2,000,000
Sub-Total	117,011,672
Eligible Cost	**1,424,603,497**
Maximum Federal Funds (80% of eligiable cost)	**1,139,682,798**
Non-TIFIA Federal Funds	815,000,000
Allowed TIFIA	**324,682,798**
TIFIA percentage of Eligible Cost	**22.8%**

IV. Flow of Funds (SM NOT Tolled Scenario)

Period Ending	50% of System Gross Revenue	Pledged Downtown Revenue	Less: Net Senior DS	Less: Ongoing DSRF Deposit	Less: TIFIA Repayment	Less: 50% of System Tolling Expenses	Available Revenue after NET DS, Tolling Cost & DSRF	Less: Seg. 1, 2 and 4 O&M	Less: O&M Reserve	Available Revenues after O&M Expenses	Seg. 1, 2 and 4 M&R Reserve Deposits	Less: M&R Paid	M&R Shortfall	Deposit to General Reserve	Draw From General Reserve	General Reserve Balance
7/1/2018	41,336,584	41,336,584				(5,757,697)	35,578,887	(4,127,863)	(3,910,814)	27,540,210	(3,381,554)	(3,381,554)		24,158,656		24,158,656
7/1/2019	43,713,575	43,713,575	(14,414,867)		(11,205,506)	(6,057,042)	12,036,160	(5,735,648)	(551,619)	5,748,893	(4,507,428)	(4,507,428)		1,241,465		25,400,121
7/1/2020	46,183,580	46,183,580	(14,414,867)		(11,205,506)	(6,367,756)	14,195,451	(5,879,039)	(191,205)	8,125,207	(4,799,401)	(4,799,401)		3,325,806		28,725,927
7/1/2021	48,864,367	48,864,367	(14,414,867)		(11,205,506)	(6,706,898)	16,537,096	(6,275,302)	(268,637)	9,993,157	(9,752,225)	(9,752,225)		240,932		28,966,859
7/1/2022	51,650,329	51,650,329	(14,414,867)		(11,205,506)	(7,059,018)	18,970,939	(6,432,185)	(215,280)	12,323,474	(9,752,225)	(9,752,225)		2,571,249		31,538,108
7/1/2023	54,545,049	54,545,049	(14,414,867)		(11,205,506)	(7,424,551)	21,500,125	(6,592,989)	(222,968)	14,684,168	(9,752,225)	(9,752,225)		4,931,943		36,470,050
7/1/2024	57,552,223	57,552,223	(14,414,867)		(11,205,506)	(7,803,950)	24,127,901	(6,757,814)	(230,905)	17,139,181	(9,752,225)	(9,752,225)		7,386,956		43,857,007
7/1/2025	60,675,666	60,675,666	(14,414,867)		(11,205,506)	(8,197,678)	26,857,615	(6,926,759)	(239,100)	19,691,756	(9,752,225)	(9,752,225)		9,939,531		53,796,537
7/1/2026	63,919,310	63,919,310	(14,414,867)		(11,386,022)	(8,606,215)	29,512,207	(7,099,928)	(247,561)	22,164,717	(9,752,225)	(9,752,225)		12,412,492		66,209,030
7/1/2027	67,287,215	67,287,215	(14,414,867)		(12,160,640)	(9,030,055)	31,681,653	(7,277,427)	(256,295)	24,147,931	(9,752,225)	(9,752,225)		14,395,706		80,604,736
7/1/2028	70,783,565	70,783,565	(14,414,867)		(12,964,800)	(9,469,708)	33,934,189	(7,459,362)	(265,311)	26,209,516	(37,650,913)	(26,209,516)	(11,441,397)		(11,441,397)	69,163,339
7/1/2029	74,412,678	74,412,678	(14,414,867)		(13,799,496)	(9,925,700)	36,272,614	(7,645,846)	(274,617)	28,352,150	(37,650,913)	(28,352,150)	(9,298,763)		(9,298,763)	59,864,576
7/1/2030	78,179,007	78,179,007	(14,414,867)		(14,665,752)	(10,398,574)	38,699,814	(7,836,993)	(284,223)	30,578,598	(37,650,913)	(30,578,598)	(7,072,315)		(7,072,315)	52,792,261
7/1/2031	82,087,144	82,087,144	(14,414,867)		(15,564,624)	(10,888,887)	41,218,766	(8,032,917)	(2,152,042)	31,033,807	(31,734,151)	(31,033,807)	(700,344)		(700,344)	52,091,916
7/1/2032	86,141,827	86,141,827	(22,889,867)		(14,547,951)	(11,397,217)	37,306,792	(8,233,740)	(342,225)	28,730,827	(31,734,151)	(28,730,827)	(3,003,324)		(3,003,324)	49,088,592
7/1/2033	90,347,939	90,347,939	(24,069,867)		(15,243,956)	(11,924,158)	39,109,957	(8,439,584)	(353,517)	30,316,857	(31,734,151)	(30,316,857)	(1,417,295)		(1,417,295)	47,671,297
7/1/2034	94,710,518	94,710,518	(25,289,867)		(15,966,750)	(12,470,323)	40,983,578	(8,650,573)	(365,160)	31,967,845	(31,734,151)	(31,734,151)		233,694		47,904,992
7/1/2035	99,234,758	99,234,758	(26,554,867)		(16,716,375)	(13,036,343)	42,927,173	(8,866,838)	(377,164)	33,683,172	(31,734,151)	(31,734,151)		1,949,021		49,854,012
7/1/2036	103,926,017	103,926,017	(27,869,867)		(17,492,914)	(13,622,870)	44,940,365	(9,088,509)	(389,540)	35,462,317	(31,734,151)	(31,734,151)		3,728,165		53,582,178
7/1/2037	108,789,817	108,789,817	(29,234,867)	(391,811)	(18,297,638)	(14,230,576)	46,634,924	(9,315,721)	(402,299)	36,916,904	(31,734,151)	(31,734,151)		5,182,752		58,764,930
7/1/2038	113,831,853	113,831,853	(30,647,517)		(19,132,397)	(14,860,153)	49,191,785	(9,548,614)	(415,452)	39,227,719	(31,734,151)	(31,734,151)		7,493,568		66,258,498
7/1/2039	119,057,997	119,057,997	(32,112,517)		(19,997,460)	(15,512,315)	51,435,705	(9,787,330)	(429,012)	41,219,363	(18,094,276)	(18,094,276)		23,125,087		89,383,585
7/1/2040	124,474,303	124,474,303	(33,632,517)		(20,893,611)	(16,187,797)	53,760,378	(10,032,013)	(442,990)	43,285,375	(18,094,276)	(18,094,276)		25,191,099		114,574,684
7/1/2041	130,087,014	130,087,014	(35,207,517)		(21,822,284)	(16,887,359)	56,169,854	(10,282,813)	(457,399)	45,429,642	(18,094,276)	(18,094,276)		27,335,366		141,910,050
7/1/2042	135,902,563	135,902,563	(36,842,505)	(3,776)	(22,783,813)	(17,611,780)	58,660,688	(10,539,884)	(472,252)	47,648,553	(18,094,276)	(18,094,276)		29,554,277		171,464,328
7/1/2043	141,927,586	141,927,586	(31,010,786)	(1,583,914)	(25,510,864)	(18,361,869)	65,460,153	(10,803,381)	(487,561)	54,169,211	(18,094,276)	(18,094,276)		36,074,936		207,539,263
7/1/2044	148,168,921	148,168,921	(32,383,698)	(1,639,155)	(26,630,601)	(19,138,454)	68,377,012	(11,073,465)	(503,340)	56,800,207	(18,094,276)	(18,094,276)		38,705,931		246,245,194
7/1/2045	154,633,617	154,633,617	(33,805,915)	(1,700,849)	(27,790,372)	(19,942,393)	71,394,089	(11,350,302)	(519,604)	59,524,183	(18,094,276)	(18,094,276)		41,429,907		287,675,101
7/1/2046	161,328,943	161,328,943	(35,277,903)	(1,010,535)	(28,991,739)	(20,774,567)	75,274,199	(11,634,059)	(536,367)	63,103,773	(18,094,276)	(18,094,276)		45,009,498		332,684,599
7/1/2047	168,262,389	168,262,389	(36,807,560)	(1,034,434)	(30,234,611)	(21,635,885)	78,549,899	(11,924,911)	(553,642)	66,071,346	(74,581,340)	(66,071,346)	(8,509,993)		(8,509,993)	324,174,606
7/1/2048	175,441,677	175,441,677	(38,385,200)	(1,056,784)	(31,522,990)	(22,527,286)	81,949,418	(12,223,034)	(571,447)	69,154,937	(74,581,340)	(69,154,937)	(5,426,402)		(5,426,402)	318,748,204
7/1/2049	182,874,766	182,874,766	(40,021,185)		(32,856,324)	(23,449,734)	86,547,524	(12,528,610)	(589,795)	73,429,119	(74,581,340)	(73,429,119)	(1,152,221)		(1,152,221)	317,595,983
7/1/2050	190,569,858	190,569,858	(41,722,034)		(34,234,999)	(24,404,225)	90,208,600	(12,841,825)	(608,704)	76,758,071	(74,581,340)	(74,581,340)		2,176,731		319,772,714
7/1/2051	195,334,104	195,334,104	(42,732,569)		(35,098,353)	(25,014,330)	92,488,852	(13,162,870)	(453,201)	78,872,780	(74,581,340)	(74,581,340)		4,291,441		324,064,155
7/1/2052	200,217,457	200,217,457	(43,767,003)		(25,240,764)	(25,639,689)	105,570,001	(13,491,942)	(464,531)	91,613,528	(74,581,340)	(74,581,340)		17,032,188		341,096,343
7/1/2053	205,222,893	205,222,893	(44,823,787)			(26,280,681)	134,118,425	(13,829,241)	(476,144)	119,813,040	(74,581,340)	(74,581,340)		45,231,701		386,328,044
7/1/2054	210,353,465	210,353,465				(26,937,698)	183,415,768	(14,174,972)	(488,048)	168,752,748	(74,581,340)	(74,581,340)		94,171,408		480,499,452
7/1/2055	215,612,302	215,612,302				(27,611,140)	188,001,162	(14,529,346)	(500,249)	172,971,566	(74,581,340)	(74,581,340)		98,390,227		578,889,679
7/1/2056	221,002,610	221,002,610				(28,301,419)	192,701,191	(14,892,580)	(512,755)	177,295,856	(74,581,340)	(74,581,340)		102,714,516		681,604,195
7/1/2057	226,527,675	226,527,675				(29,008,954)	197,518,721	(15,264,894)	(525,574)	181,728,252	(74,581,340)	(74,581,340)		107,146,913		788,751,108
7/1/2058	232,190,867	232,190,867				(29,734,178)	202,456,689	(15,646,517)	(538,714)	186,271,458	(74,581,340)	(74,581,340)		111,690,119		900,441,227
Total	5,077,364,025	5,077,364,025	(932,482,692)	(8,421,258)	(659,986,641)	(660,197,119)	2,816,276,316	(406,237,640)	(22,087,262)	2,387,951,414	(1,487,510,187)	(1,439,488,133)	(48,022,055)	948,463,282	(48,022,055)	

V. Debt Service

Date	Senior CIB Principal	Senior CIB Interest	Senior CIB DS	Senior CAB Principal	Senior CAB Accretion	Senior CAB DS	Senior Total DS
7/1/2013		7,317,453	7,317,453				7,317,453
7/1/2014		14,634,906	14,634,906				14,634,906
7/1/2015		14,634,906	14,634,906				14,634,906
7/1/2016		14,634,906	14,634,906				14,634,906
7/1/2017		14,634,906	14,634,906				14,634,906
7/1/2018		14,634,906	14,634,906				14,634,906
7/1/2019		14,634,906	14,634,906				14,634,906
7/1/2020		14,634,906	14,634,906				14,634,906
7/1/2021		14,634,906	14,634,906				14,634,906
7/1/2022		14,634,906	14,634,906				14,634,906
7/1/2023		14,634,906	14,634,906				14,634,906
7/1/2024		14,634,906	14,634,906				14,634,906
7/1/2025		14,634,906	14,634,906				14,634,906
7/1/2026		14,634,906	14,634,906				14,634,906
7/1/2027		14,634,906	14,634,906				14,634,906
7/1/2028		14,634,906	14,634,906				14,634,906
7/1/2029		14,634,906	14,634,906				14,634,906
7/1/2030		14,634,906	14,634,906				14,634,906
7/1/2031		14,634,906	14,634,906				14,634,906
7/1/2032		14,634,906	14,634,906	2,849,380	5,625,620	8,475,000	23,109,906
7/1/2033		14,634,906	14,634,906	2,994,402	6,660,598	9,655,000	24,289,906
7/1/2034		14,634,906	14,634,906	3,136,024	7,738,976	10,875,000	25,509,906
7/1/2035		14,634,906	14,634,906	3,250,485	8,889,515	12,140,000	26,774,906
7/1/2036		14,634,906	14,634,906	3,340,607	10,114,393	13,455,000	28,089,906
7/1/2037		14,634,906	14,634,906	3,415,121	11,404,879	14,820,000	29,454,906
7/1/2038		14,634,906	14,634,906	3,493,772	12,741,228	16,235,000	30,869,906
7/1/2039		14,634,906	14,634,906	3,573,099	14,126,901	17,700,000	32,334,906
7/1/2040		14,634,906	14,634,906	3,638,730	15,581,270	19,220,000	33,854,906
7/1/2041		14,634,906	14,634,906	3,691,528	17,103,472	20,795,000	35,429,906
7/1/2042		14,634,906	14,634,906	3,732,801	18,697,199	22,430,000	37,064,906
7/1/2043	16,980,000	14,257,950	31,237,950				31,237,950
7/1/2044	19,165,000	13,455,531	32,620,531				32,620,531
7/1/2045	21,500,000	12,552,768	34,052,768				34,052,768
7/1/2046	23,990,000	11,542,890	35,532,890				35,532,890
7/1/2047	26,650,000	10,418,682	37,068,682				37,068,682
7/1/2048	29,480,000	9,172,596	38,652,596				38,652,596
7/1/2049	32,495,000	7,796,751	40,291,751				40,291,751
7/1/2050	35,710,000	6,282,600	41,992,600				41,992,600
7/1/2051	38,365,000	4,638,135	43,003,135				43,003,135
7/1/2052	41,165,000	2,872,569	44,037,569				44,037,569
7/1/2053	44,115,000	979,353	45,094,353				45,094,353
Total	329,615,000	518,382,099	847,997,099	37,115,949	128,684,051	165,800,000	1,013,797,099

VI. Debt Service Coverage

Date	Downtown Pledged Revenue	Senior CIB DS	Senior CAB DS	Senior Total DS	Senior Bond Cap. Int	DSRF Income/ Release	Net Senior DS	TIFIA Repayment	Senior Coverage	Aggregate Coverage
	SM Not Tolled								SM Not Tolled	SM Not Tolled
7/1/2013		7,317,453		7,317,453	(7,317,453)					
7/1/2014		14,634,906		14,634,906	(14,634,906)					
7/1/2015		14,634,906		14,634,906	(14,634,906)					
7/1/2016		14,634,906		14,634,906	(14,634,906)					
7/1/2017		14,634,906		14,634,906	(14,634,906)					
7/1/2018	41,336,584	14,634,906		14,634,906	(14,634,906)					
7/1/2019	43,713,575	14,634,906		14,634,906		(220,039)	14,414,867	11,205,506	3.03	1.71
7/1/2020	46,183,580	14,634,906		14,634,906		(220,039)	14,414,867	11,205,506	3.20	1.80
7/1/2021	48,864,367	14,634,906		14,634,906		(220,039)	14,414,867	11,205,506	3.39	1.91
7/1/2022	51,650,329	14,634,906		14,634,906		(220,039)	14,414,867	11,205,506	3.58	2.02
7/1/2023	54,545,049	14,634,906		14,634,906		(220,039)	14,414,867	11,205,506	3.78	2.13
7/1/2024	57,552,223	14,634,906		14,634,906		(220,039)	14,414,867	11,205,506	3.99	2.25
7/1/2025	60,675,666	14,634,906		14,634,906		(220,039)	14,414,867	11,386,022	4.21	2.35
7/1/2026	63,919,310	14,634,906		14,634,906		(220,039)	14,414,867	12,160,640	4.43	2.41
7/1/2027	67,287,215	14,634,906		14,634,906		(220,039)	14,414,867	12,964,800	4.67	2.46
7/1/2028	70,783,565	14,634,906		14,634,906		(220,039)	14,414,867	13,799,496	4.91	2.51
7/1/2029	74,412,678	14,634,906		14,634,906		(220,039)	14,414,867	14,665,752	5.16	2.56
7/1/2030	78,179,007	14,634,906		14,634,906		(220,039)	14,414,867	15,564,624	5.42	2.61
7/1/2031	82,087,144	14,634,906		14,634,906		(220,039)	14,414,867	14,547,951	5.69	2.83
7/1/2032	86,141,827	14,634,906	8,475,000	23,109,906		(220,039)	22,889,867	15,243,956	3.76	2.26
7/1/2033	90,347,939	14,634,906	9,655,000	24,289,906		(220,039)	24,069,867	15,966,750	3.75	2.26
7/1/2034	94,710,518	14,634,906	10,875,000	25,509,906		(220,039)	25,289,867	16,716,375	3.74	2.25
7/1/2035	99,234,758	14,634,906	12,140,000	26,774,906		(220,039)	26,554,867	17,492,914	3.74	2.25
7/1/2036	103,926,017	14,634,906	13,455,000	28,089,906		(220,039)	27,869,867	18,297,638	3.73	2.25
7/1/2037	108,789,817	14,634,906	14,820,000	29,454,906		(220,039)	29,234,867	19,132,397	3.72	2.25
7/1/2038	113,831,853	14,634,906	16,235,000	30,869,906		(222,389)	30,647,517	19,997,460	3.71	2.25
7/1/2039	119,057,997	14,634,906	17,700,000	32,334,906		(222,389)	32,112,517	20,893,611	3.71	2.25
7/1/2040	124,474,303	14,634,906	19,220,000	33,854,906		(222,389)	33,632,517	21,822,284	3.70	2.24
7/1/2041	130,087,014	14,634,906	20,795,000	35,429,906		(222,389)	35,207,517	22,783,813	3.69	2.24
7/1/2042	135,902,563	14,634,906	22,430,000	37,064,906		(222,401)	36,842,505	25,510,864	3.69	2.18
7/1/2043	141,927,586	31,237,950		31,237,950		(227,164)	31,010,786	26,630,601	4.58	2.46
7/1/2044	148,168,921	32,620,531		32,620,531		(236,833)	32,383,698	27,790,372	4.58	2.46
7/1/2045	154,633,617	34,052,768		34,052,768		(246,853)	33,805,915	28,991,739	4.57	2.46
7/1/2046	161,328,943	35,532,890		35,532,890		(254,987)	35,277,903	30,234,611	4.57	2.46
7/1/2047	168,262,389	37,068,682		37,068,682		(261,122)	36,807,560	31,522,990	4.57	2.46
7/1/2048	175,441,677	38,652,596		38,652,596		(267,396)	38,385,200	32,856,324	4.57	2.46
7/1/2049	182,874,766	40,291,751		40,291,751		(270,566)	40,021,185	34,234,999	4.57	2.46
7/1/2050	190,569,858	41,992,600		41,992,600		(270,566)	41,722,034	35,098,353	4.57	2.48
7/1/2051	195,334,104	43,003,135		43,003,135		(270,566)	42,732,569	25,240,764	4.57	2.87
7/1/2052	200,217,457	44,037,569		44,037,569		(270,566)	43,767,003	0	4.57	4.57
7/1/2053	205,222,893	45,094,353		45,094,353		(270,566)	44,823,787		4.58	4.58
Total	5,077,364,025	847,997,099	165,800,000	1,013,797,099	(80,491,983)	(8,139,877)	932,482,692	648,781,135		

VII. TIFIA Loan Schedule

Date	Loan Draw Amt	Loan Amount Beg. Balance	Interest Due	Payment	Interest Payments	Principal Payments	Current Year Unpaid Interest	Loan End. Balance
7/1/2014	75,925,773	75,925,773	2,356,520				2,356,520	
7/1/2015	80,851,410	159,133,704	4,939,058				4,939,058	164,072,762
7/1/2016	82,327,299	246,400,061	7,647,558				7,647,558	254,047,620
7/1/2017	85,578,315	339,625,935	10,541,024				10,541,024	350,166,959
7/1/2018		350,166,959	10,868,188				10,868,188	361,035,147
7/1/2019		361,035,147	11,205,506	(11,205,506)	(11,205,506)			361,035,147
7/1/2020		361,035,147	11,205,506	(11,205,506)	(11,205,506)			361,035,147
7/1/2021		361,035,147	11,205,506	(11,205,506)	(11,205,506)			361,035,147
7/1/2022		361,035,147	11,205,506	(11,205,506)	(11,205,506)			361,035,147
7/1/2023		361,035,147	11,205,506	(11,205,506)	(11,205,506)			361,035,147
7/1/2024		361,035,147	11,205,506	(11,205,506)	(11,205,506)			361,035,147
7/1/2025		361,035,147	11,205,506	(11,205,506)	(11,205,506)			361,035,147
7/1/2026		361,035,147	11,205,506	(11,386,022)	(11,205,506)	(180,516)		360,854,631
7/1/2027		360,854,631	11,199,903	(12,160,640)	(11,199,903)	(960,737)		359,893,894
7/1/2028		359,893,894	11,170,084	(12,964,800)	(11,170,084)	(1,794,716)		358,099,178
7/1/2029		358,099,178	11,114,381	(13,799,496)	(11,114,381)	(2,685,115)		355,414,063
7/1/2030		355,414,063	11,031,043	(14,665,752)	(11,031,043)	(3,634,709)		351,779,354
7/1/2031		351,779,354	10,918,232	(15,564,624)	(10,918,232)	(4,646,392)		347,132,962
7/1/2032		347,132,962	10,774,021	(14,547,951)	(10,774,021)	(3,773,929)		343,359,033
7/1/2033		343,359,033	10,656,889	(15,243,956)	(10,656,889)	(4,587,067)		338,771,966
7/1/2034		338,771,966	10,514,520	(15,966,750)	(10,514,520)	(5,452,230)		333,319,736
7/1/2035		333,319,736	10,345,298	(16,716,375)	(10,345,298)	(6,371,077)		326,948,659
7/1/2036		326,948,659	10,147,558	(17,492,914)	(10,147,558)	(7,345,357)		319,603,303
7/1/2037		319,603,303	9,919,579	(18,297,638)	(9,919,579)	(8,378,059)		311,225,243
7/1/2038		311,225,243	9,659,548	(19,132,397)	(9,659,548)	(9,472,850)		301,752,393
7/1/2039		301,752,393	9,365,537	(19,997,460)	(9,365,537)	(10,631,923)		291,120,470
7/1/2040		291,120,470	9,035,553	(20,893,611)	(9,035,553)	(11,858,058)		279,262,412
7/1/2041		279,262,412	8,667,512	(21,822,284)	(8,667,512)	(13,154,772)		266,107,640
7/1/2042		266,107,640	8,259,225	(22,783,813)	(8,259,225)	(14,524,588)		251,583,052
7/1/2043		251,583,052	7,808,423	(25,510,864)	(7,808,423)	(17,702,441)		233,880,611
7/1/2044		233,880,611	7,258,990	(26,630,601)	(7,258,990)	(19,371,611)		214,509,000
7/1/2045		214,509,000	6,657,750	(27,790,372)	(6,657,750)	(21,132,621)		193,376,379
7/1/2046		193,376,379	6,001,854	(28,991,739)	(6,001,854)	(22,989,886)		170,386,493
7/1/2047		170,386,493	5,288,313	(30,234,611)	(5,288,313)	(24,946,298)		145,440,195
7/1/2048		145,440,195	4,514,051	(31,522,990)	(4,514,051)	(27,008,939)		118,431,256
7/1/2049		118,431,256	3,675,770	(32,856,324)	(3,675,770)	(29,180,554)		89,250,702
7/1/2050		89,250,702	2,770,088	(34,234,999)	(2,770,088)	(31,464,911)		57,785,791
7/1/2051		57,785,791	1,793,507	(35,098,353)	(1,793,507)	(33,304,846)		24,480,945
7/1/2052		24,480,945	759,819	(25,240,764)	(759,819)	(24,480,945)		
7/1/2053								
7/1/2054								
7/1/2055								
	$324,682,798		$335,303,843	($659,986,641)	($298,951,494)	($361,035,147)	$36,352,349	