Lafayette Metropolitan Expressway

Technical Memorandum 3

FINANCING

Submitted By:

HNTB

In association with:

Wilbur Smith Associates
C.H. Fenstermaker & Associates, Inc.
PENSCO

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INTRODUCTION

The Financing Technical Memorandum summarizes the following tasks outlined in the scope of services for the Lafayette Metropolitan Expressway (LME) Toll Feasibility Study: Toll Revenue Bonding Capacity and Pro Forma Analysis, Innovative Financing Options and Pro Forma of Combined Toll and Supplemental Funding Alternatives. The LME Toll Feasibility Study is being conducted by the Lafayette Metropolitan Expressway Commission (LMEC), which is responsible for pursuing alternative and innovate funding sources, including but not limited to tolls, to supplement public revenue sources for the construction, maintenance, and operation of a safe and efficient limited access highway system exclusively within Lafayette Parish.

METHODOLOGY AND ASSUMPTIONS

The financial assessment is intended to provide a general indication of the amount of capital funding that could be provided from toll financing for the project under the toll collection and governance assumptions of this study. The assessment estimates the amount of capital funding that can reasonably be expected to be achieved for the project based on the project's estimated toll revenues less the estimated annual costs of toll collection and maintenance of that project. While the financial assessment does provide an indication of the financial feasibility of implementing the project as a toll road, it is still preliminary in nature and should not be relied upon for assessing the actual amount of capital that can be raised for a project. Financial analysis in support of actual project financing would be done within future, more detailed studies, including an Investment Grade Study.

The toll-based financial feasibility for each project is reported as both a dollar amount and as a percentage of the estimated capital cost of each project.

The following specific assumptions relating to each project's construction, operation and financing were used in estimating the pro forma financing assessment for each project. Assumptions are general in nature and would require refinement for the specifics of the project should an Investment Grade Study be conducted.

METHODOLOGY FOR PRO FORMAS

The assumptions incorporated into the analyses include each project's capital costs, annual toll revenues, annual operations and maintenance costs for both roadway and toll collection, and renewal and replacement fund deposits.

Each project cost factors share the following characteristics:

- Project Capital Costs – provided in 2005 dollars, inflated at 5.0 percent annually to first year of construction;
- Annual Toll Revenues – provided in actual values for year of collection;
- Roadway and Toll Collection Operation and Maintenance Costs – provided in 2005 dollars, inflated at 3.00 percent from 2005 to the year of incurred expense; and
- Annual Renewal and Replacement Fund Deposit – provided in 2005 dollars.

Each project was evaluated utilizing the following financial methodology:

First, the total costs for each project assumed the combination of project costs and bond costs. Bond costs for each project included the following assumptions:

- Cost of Issuance – assumed at $2.00 per bond of estimated standard bond issuance expenses including legal fees, underwriting fees and rating agency fees, among others;
- Interest Earnings on Capitalized Interest and Construction Fund – 2.50 percent for three years; and
- Interest Rates – Current rates and, for market sensitivity analysis, current rates plus 150 bps.

Second, each project was stressed to maximize the amount of senior lien bonds that could be issued, subject to certain constraints. These constraints, as listed below, are those likely to be imposed on a start-up toll road bond program by rating agencies, bond insurers and/or investors.

- Principal Amortization Period – 30 years;
- Senior Lien Coverage Requirement – 1.75 times net revenues. Net revenues equal gross toll revenues less annual operation and maintenance expenses, plus annual debt service reserve fund interest earnings; and
- Interest Rates on Senior Lien Current Interest Bonds – rates as of February 7, 2005 and April 12, 2005.

The financial methodology employed is based on industry practice and comparable startup toll road methodologies. Startup toll roads' senior lien financial structure must be rated at least "investment grade" ("BBB-"or greater) by one of the three major rating agencies to obtain efficient, broad market access. In general, ratings agencies assign BBB- credit ratings to startup toll roads that meet a minimum senior lien coverage constraint of 1.75 times, have a reliable traffic and revenue study, and have a strong management team. The coverage for a toll road is calculated by dividing total net revenues by total debt service (i.e., the road must project at least $1.75 in annual net revenues for each $1.00 of annual bond debt service).

PROJECT SUMMARY

Five different projects were evaluated for financial feasibility. The projects are a combination of five different corridor alignments broken into segments. They are described below and summarized in *Table 3-1* and shown in Figure 3-1:

SYSTEM 1

The LME feasibility initially studied the financial feasibility of System 1 which is the entire Alternative 1 corridor including Segments B, C1 and D. During the financial analysis of this system, the revenue generated from the entire system was found to generate approximately 20 percent of its cost from tolls.

SYSTEM 2 AND 3

In coordination with the LMEC, HNTB then concentrated on Segment B due to the higher traffic volumes and revenue streams for this segment of the overall route. Segment B is located in the southwest quadrant of Lafayette Parish. System 2 includes Segment B only of Alternative 1 corridor. System 3 includes Segment B only of Alternative 3 corridor.

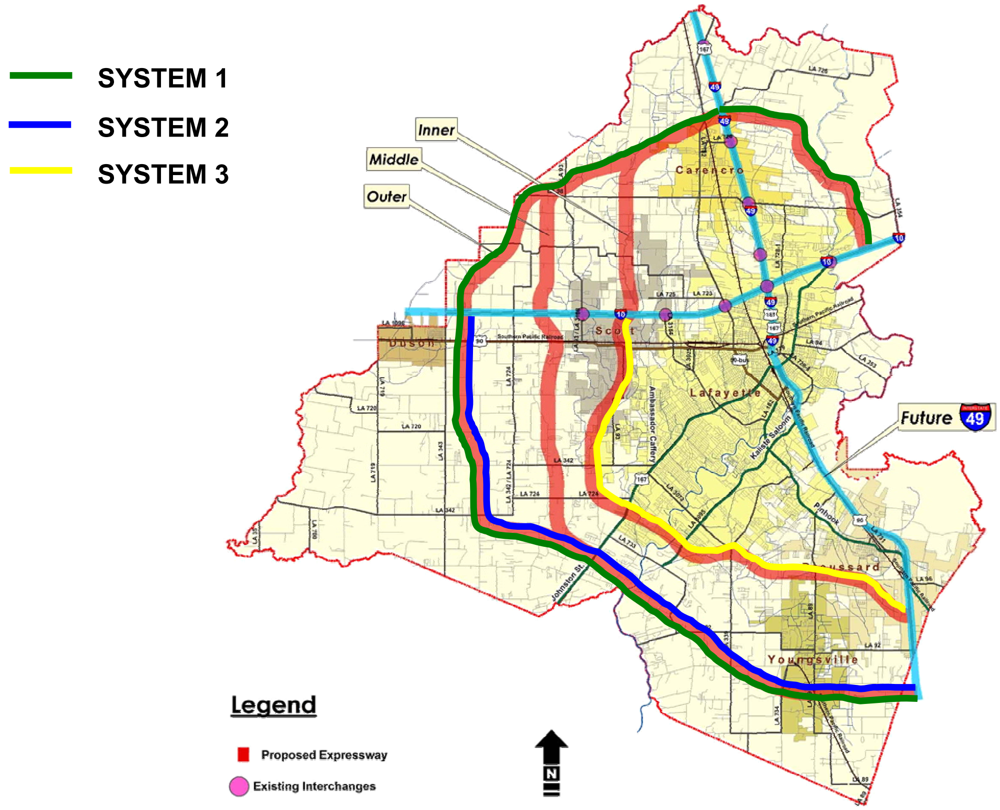
SYSTEM 4 AND 5

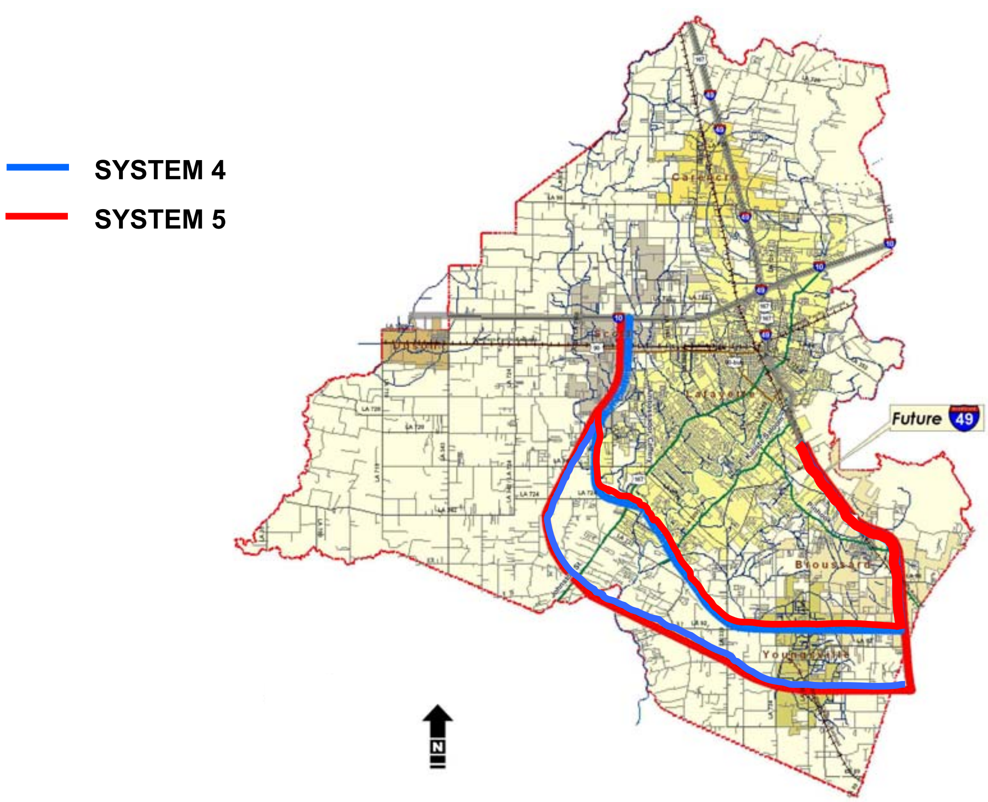
The LMEC provided additional guidance to identify two additional corridors in the southwest quadrant that were a combination of Segment B from Alternative 1 and Alternative 3. Also, inclusion of a portion of I-49 within Lafayette Parish was considered. Segment A2 includes the portion of I-49 from the Lafayette Regional Airport south to Segment B. System 4 was then defined to include the Segment B of either Alternative 4 or 5 (no I-49). System 5 was defined to include Segment A2 of I-49 and Segment B of either Alternative 4 or 5.

Table 3-1: Summary of Projects

System	Segments	Alternative
1	B, C1 and D	1
2	B Only	1
3	B Only	3
4	B Only	4 or 5
5	A2 and B	4 or 5

Figure 3-1: Systems Summary Map





TOLL FINANCING ASSESSMENT

Table 3-2 shows the financial feasibility for the five systems previously described. Pro formas were completed by Citigroup for Systems 2, 3 and 5. The pro formas are included as Appendix A.

Table 3-2: Project Financial Feasibility

System	Total 2012 Project Cost with COI[1]	Total Bond Proceeds	Excess/(Shortfall)	% of Project Cost[3]
System1[2]	--	--	--	<20%
System 2	$557.0M	$109.8M	($447.2M)	20%
System 3	$596.7M	$267.8M	($328.9M)	45%
System 4 [2]	--	--	--	40%
System 5 (Alt. 4)	$1.14B	$586.2M	($553.3M)	55%
System 5 (Alt. 5)	$1.09B	$614.3M	($477.1M)	65%

1: Cost of Issuance
2: Detailed pro formas unavailable for Systems 1 and 4. The percentage of project cost shown is estimated by HNTB based on available information from other analyses.
3: The percentage of project cost was derived by dividing the total bonded funds by the total construction cost inflated to opening year and rounded to nearest 5%.

Traditionally, any project that has an "excess" of funding (toll revenue bond proceeds can cover 100 percent of project costs) would be considered a feasible candidate for toll financing, while any project that has a "shortfall" of funding would not be considered a feasible toll financing candidate. As shown in the table, the System 5 project including Segments A2 and B of Alternative 5 has a financial feasibility of approximately 65 percent, meaning that 65 percent of the project's costs could be covered through toll revenue bond financing. This indicates that the magnitude of the gap in funding is large enough that refinements that could be made during a more detailed analysis would not likely be capable of making up the difference. Though it is not likely that this project could be funded solely from toll revenue bonds, it is possible that the toll bonding capacity could be leveraged with other non-toll revenue to complete the project. In recent years, toll projects have increasingly been funded from multiple sources rather than solely from tolls.

SENSITIVITY OF RESULTS TO ASSUMPTIONS

It is important to recognize that these results are a product of multiple assumptions, variations in which would have a significant impact on the proportion of the project's capital cost that is estimated can be funded from toll-based financing. Adjustments in any of these assumptions could lead to significant change in the estimated toll financing capacity for the project.

SUPPLEMENTAL FUNDING MECHANISMS

To develop the nation's transportation infrastructure, a variety of funding sources have been used. These include annual formula and discretionary funds from federal transportation programs, state funded programs, local funded programs, and private funding sources (bond program) supported by user fees (tolls) and/or special taxes. The following sections outline a number of funding options that are eligible to be utilized for the LMEC project, however the availability of the funds in the magnitude that may be required is in question.

DOTD FUNDS

In fiscal year 2000, the Department of Transportation and Development (DOTD) established a new project and program funding mechanism. This new structure assigned all project and programs into five categories: System Preservation, Capacity, Safety, Operation, and Miscellaneous. System preservation funds are for maintenance of the existing infrastructure, capacity funds are for expansion and construction of new highway facilities, safety funds are to address safety related projects, operation funds are used to enhance traffic operation and to provide motorist assistance, and the miscellaneous funding category is for urban, enhancement, and other minor category projects.

Since the implementation of this new system, the annual allocation of funds to capacity projects has been about $90 million for construction. This number consists of 80 percent in federal with 20 percent in state match. To qualify for this category of funding, a project must have support of the local MPO, the respective DOTD district, and must fit within the district's annual allocation. For example, District 03 annual allocation is $8.3 million. Therefore a project costing $17 million in the city of Lafayette will exhaust a two-year allocation for District 03.

FEDERALLY EARMARKED FUNDS

Federal government funding for the nation's transportation system is through a congressionally enacted 6-year transportation program. The last transportation authorization bill was passed in 1998, named as Transportation Equity Act of 21st Century or better known as TEA-21. As of this writing, TEA-21 has not been re-authorized. In the enactment process of such legislations, members of Congress also include funding for special projects over the life of the bill. This project specific funding is in addition to the recipient state's annual formula funding. Such allocations, referred to as "earmarked funding," are common practice by senior and powerful members of Congress. The earmarked funds, much like the regular program, require a 20 percent match by the recipient entity.

Congress can also provide earmarked funding during the annual budget and appropriation process. As the annual budget of the US Department of Transportation goes through congressional budget hearings and appropriation process, powerful members usually attach to the bill funding for their special projects. These funds also require a 20 percent match by the recipient entity.

STATE FUNDS

On a yearly basis, the Louisiana legislature funds a state construction program (separate from the DOTD program) through issuing general obligation bonds of approximately $250 million in value. The list is put together by the Division of Administration based on requests made by various state and local agencies. The final list is approved by both houses of the legislature and the final bill is signed by the governor.

Currently, the total cost of the backlog of unfunded projects exceeds the annual bond issue by several times. However, this mechanism remains a viable means to fund a transport project if the governor and legislature deem that project a priority.

LOCAL FUNDS

Traditionally, local funds are used for construction and maintenance of local roads and other public facilities. The regional and state highways are the responsibility of DOTD. The funding sources for local roads are form the municipality's annual budget, through general obligation bonds issued by the local entity, or from the funds that the local entity receives from the state. Property and sales taxes are the normal sources of revenue for local entities.

In Louisiana, local entities do not have the authority to levy gasoline taxes. All fuel taxes are collected at the state level and the available funds are appropriated by the legislature. One penny of gasoline tax at the state level is generating approximately $27 million. Similarly, one penny of sales tax, without exemptions, generates approximately $660 million annually at the state level. Taking a simple population ratio, one penny sales tax should generate approximately $29 million in Lafayette Parish.

Other possible sources of revenue available to a local community include:

- Levying additional property tax which will require a public vote.
- Imposing a traffic impact fee. This would apply to developments along a highway based on the volume of vehicular traffic that is generated.
- Property value increase fee. This fee applies to properties that are positively affected by the proposed highway.
- Creating a taxing district. This is similar to property value increase fee where special taxes are levied on properties on businesses that are positively affected by the construction of the new highway.

PRIVATE FUNDS

One way to expedite construction of a highway is to borrow the needed funds. Government agencies, as well as private enterprises, borrow from the public by issuing bonds. Government agencies can issue general obligation or revenue bonds.

General obligation bonds are issued based on the faith and credit of the state or a municipality. These bonds are usually long term (20 to 30 years) and are serviced through the state's or a municipality's general funds. The state's credit rating, issued by the financial houses on Wall Street in New York establishes the attractiveness of the issued bonds.

Revenue bonds are issued by the state or its subdivision based on the anticipated future revenues as the consequence of building the project. One way to generate the needed revenue is through tolls. Toll bonds are usually long term (20-30 years) and must meet a set of stringent requirements.

To ensure the highest level of security for the investors, the bond rating agencies prefer processes that minimize investors' risk. On such process is design/build method of project development. In contrast, the traditional process of design/bid/build is a common practice. The design/build process minimizes adversarial relationships, ensures on-time completion of projects and prevents cost overruns. Currently, Louisiana laws do not allow for design/build with the exception of one specific project. Bond rating agencies also prefer additional revenue pledges such as allocating the gross revenues to retire bonds. In such a case, another agency must accept the cost of operation and maintenance of the facility.

The TEA-21 legislation, for the first time, allowed federal transportation fund recipients to issue bonds guaranteed by the annual federal allocation. This innovative funding plan is called a Grant Anticipation Revenue Vehicle or GARVEE. GARVEEs enable states to pay debt service and other bond-related expenses with future Federal-aid highway apportionments. In Louisiana, DOTD through the state's Bond Commission will issue bonds to be serviced through allocation of annual federal transportation funds dedicated to the state. These bonds are usually short term (10 to 12 years). By state legislation, the total value of GARVEE bonds that DOTD can issue is restricted to an amount that is serviceable by 10 percent of the federal annual allocation (approximately $50 million).

TIFIA – TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT

Another innovative financing mechanism introduced in TEA-21 allows for leveraging capital raised in the public markets with federal support. TIFIA can fund up to 1/3 of project costs and allows states to borrow directly from or use credit of U.S. Treasury in support of major transportation project. TIFIA operates as a federal line of credit or as a loan and can be utilized in conjunction with taxable and/or tax-exempt financing. TIFIA's requirements are not as restrictive as revenue bonds and thus facilitates implementation of projects that otherwise could not be done through ordinary bonding process. The pro forma analyses presented previously include some allowance for TIFIA bonds.

LA 1 FUNDING EXAMPLE

In Louisiana, the LA 1 south toll bridge project over the Intracoastal Waterway (first phase to begin construction later this year) is a relevant example of using toll revenue bonds and some of the supplemental sources to make a toll project feasible. For LA 1 (first phase cost of $238 million), toll revenue bonds including TIFIA loans of approximately $161.5 million were supplemented by O&M commitment from DOTD, $58.4 million equity commitment from DOTD, and $18.2 million from federal funds. DOTD has worked through the Louisiana Transportation Authority, created by the legislature as a statewide toll authority in 2001, in order to contribute to the LA 1 toll project.

However, given the magnitude of the difference between toll revenue bonds and construction costs for the LMEC project, it is clear that DOTD will not be able to provide supplemental revenues of the magnitude necessary to make the project financially feasible. Likewise, it is not likely that the other sources alone would suffice in order to make the project financially feasible. These factors mean that in addition to the Lafayette Loop, other needed toll projects and mega-projects across the state such as the Baton Rouge bypass and completion of I-49 also will not be financially feasible unless large dedicated funds are identified.

LA MOBILITY FUNDS

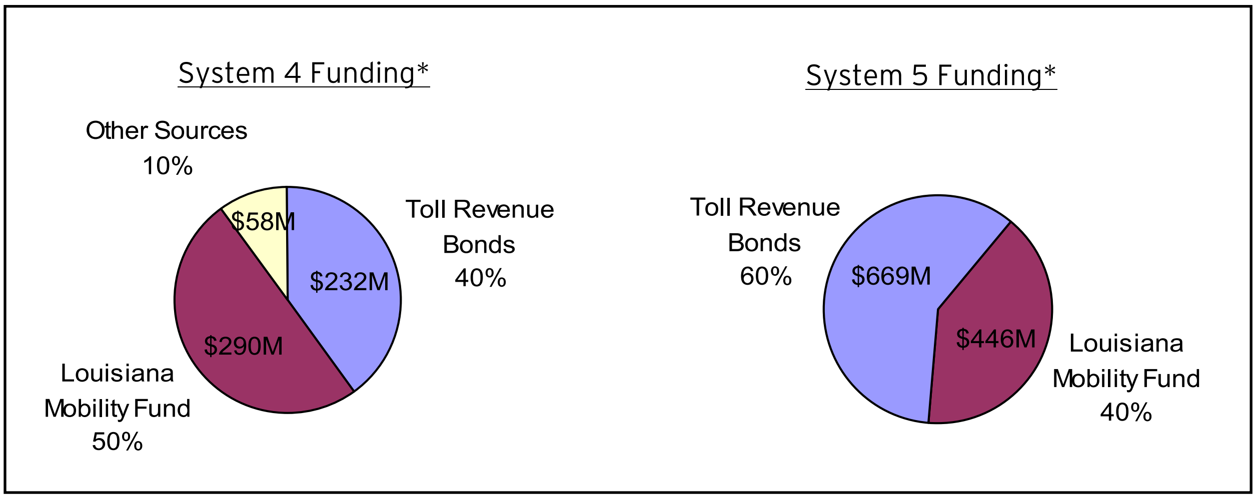
Given the above, procedures in use in other states were researched to determine potential applicability in Louisiana in order to make needed toll mega-projects financially feasible. In Texas, legislation was enacted in 2003 that created a new state level fund that is used to supplement toll revenues generated at the local project level. The Texas Mobility Fund model has been researched and refined for proposed legislation for Louisiana in the 2005 session. Such a structure will require creation of a new state level fund with revenue sources such as impaired driver surcharge fines and truck registration fees. The Mobility Fund will issue bonds in support of qualified projects. A qualified project must produce at least 50 percent of its cost from revenue sources (such as tolls or local) other than the Mobility Fund. Creation of such a mechanism will require legislative approval. A summary of the LMF legislation that has been filed in the 2005 Louisiana Legislative Session is provided as Appendix B.

IMPLEMENTATION PLAN

Each toll system was studied with regard to implementation costs estimates, traffic and revenue estimates, and the ability of toll revenue to cover the costs of implementation. The pro forma analyses prepared by Citigroup have been used as a guide by HNTB to judge the toll feasibility for each system. Results indicated that Systems 4 and 5 could be estimated to be toll funded in the range of 40 to 60 percent. These results indicate the need for supplemental funding.

The proposed Louisiana Mobility Fund legislation could fund up to 50 percent of the cost of the initial phase of the Lafayette Loop. Other sources, if needed, could include LADOTD funds, federally earmarked funds, state funds, local funds, private funds and TIFIA loans. *Figure 3-2* shows the possible funding packages for Systems 4 and 5 if the Mobility Fund is used as the means to bridge the funding gap.

Figure 3-2: Potential System Funding Packages



*Costs shown are total implementation costs and include the inflated construction cost, debt service reserve, bond insurance and cost of issuance.

Actual toll revenues and cost estimates will be more precisely determined after the final alignment is set during the EIS process. The two scenarios in *Figure 3-2* are presented for illustration purposes only to show viable funding potential. This information is intended to be used for planning purposes at this time and will be refined and updated as the project progresses.

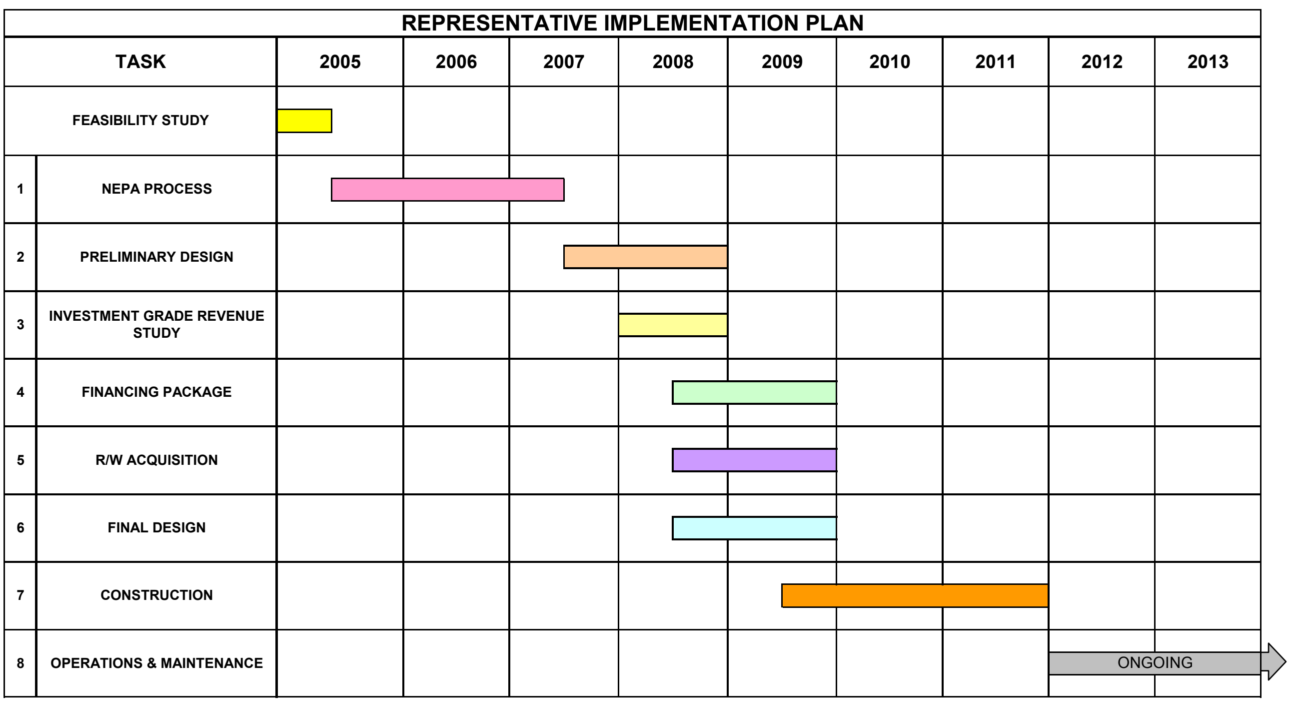
IMPLEMENTATION PROCESS

The next step in development of the LMEC loop project is an Environmental Impact Statement (EIS) and Record of Decision (ROD). This document is required under federal NEPA legislation in order to qualify for federal funds of any kind, and has become a standard of practice for any substantial highway project even if it does not use federal funds. The EIS and ROD will identify the precise location of the toll facility, its engineering design features, its right-of-way footprint, any environmental impacts, and commitments and mitigation measures to offset any impacts. The EIS phase of project development is where the community and involved state and federal agencies will have input to the project development.

The expenses that will be necessary to prepare the EIS and secure a ROD should be considered project related expenditures and typically are included in the total development cost of the project. If a financing package is identified, then the project can move directly from the EIS phase into the design, construction and operational phases. If delays occur while developing a funding package, the EIS and ROD can be utilized to begin a corridor preservation phase. This tool is used to preserve undeveloped rights-of-way so that future development of the project will not be inhibited when funds do become available. Corridor preservation is currently being practiced on the I-49 Connector and should be considered a planning tool that will help guide investment and development decisions in Lafayette.

A representative implementation schedule for the continuation of the LMEC toll road project is shown in *Figure 3-3* below. The NEPA process could begin as early as July 2005. Construction of the toll road could begin in early 2010 and will be fully operational in 2012.

Figure 3-3: Implementation Process



The schedule shown is for a new loop in the southwest quadrant (Segment B). The I-49 section (Segment A2), if included in the toll system, could be accelerated by approximately one year because the NEPA process (EIS and ROD) are scheduled to be completed mid-2005. If implemented as a toll facility, a supplemental EIS would need to be prepared for I-49 and is estimated to take up to one year.

APPENDIX A

Louisiana Metropolitan Expressway Toll Commission

LME Expansion Project - Segment B

Cash Flow Analysis - Assumptions for Systems 2 and 3

Series 2009	
Dated	1/1/2009
Delivery	1/1/2009
First Interest Payment	7/1/2012
First Principal Payment	1/1/2013
All-in Cost of Issuance ($/bond)	$2.00
Bond Insurance Premium (Sr. only)	150 bps
Rates as of:	2/7/2005

Assumed Ratings	
Senior Bond Ratings	AAA
Senior Underlying Ratings	BBB-
Subordinate Ratings	BB+

Target Debt Service Coverage	
Senior Lien	1.75x
Subordinate Lien	1.30x

Earnings Rates	
Construction Fund	2.50%
Capitalized Interest Fund	2.50%
Debt Service Reserve Funds	4.00%

Assumed Annual Inflation Rates until 2012	
Toll Revenues	0%
O&M	3.00%
Maintenance Reserve	3.00%
Construction Costs	5.00%

Louisiana Metropolitan Expressway Toll Commission
LME Expansion Project - Segment B
Cash Flow Analysis - Alternative 1 - System 2

	Net Revenues					Series 2009			
	Toll Revenues	Total DSRF Earnings	Maintenance Reserve	O&M	Net Revenues Available For Debt Service	Senior Debt Service	Senior Coverage	Sub Debt Service	Sub Coverage
2012	11,229,000	414,461	1,013,416	6,333,850	4,296,194	2,667,250	1.61x	170,777	1.51x
2013	11,916,000	414,461	1,043,819	6,523,866	4,762,776	2,667,250	1.79x	995,262	1.30x
2014	12,646,000	414,461	1,075,133	6,719,582	5,265,746	2,952,250	1.78x	1,095,262	1.30x
2015	13,420,000	414,461	1,107,387	6,921,169	5,805,904	3,263,000	1.78x	1,200,262	1.30x
2016	13,684,000	414,461	1,140,609	7,128,804	5,829,047	3,277,500	1.78x	1,205,262	1.30x
2017	14,937,000	414,461	1,174,827	7,342,669	6,833,965	3,849,750	1.78x	1,405,262	1.30x
2018	15,665,000	414,461	1,210,072	7,562,949	7,306,440	4,121,750	1.77x	1,495,262	1.30x
2019	16,429,000	414,461	1,246,374	7,789,837	7,807,250	4,407,000	1.77x	1,595,262	1.30x
2020	16,444,000	414,461	1,283,765	8,023,532	7,551,163	4,259,000	1.77x	1,545,262	1.30x
2021	17,212,000	414,461	1,322,278	8,264,238	8,039,944	4,538,500	1.77x	1,645,262	1.30x
2022	18,015,000	414,461	1,361,946	8,512,165	8,555,349	4,834,250	1.77x	1,745,262	1.30x
2023	18,857,000	414,461	1,402,805	8,767,530	9,101,125	5,144,500	1.77x	1,855,262	1.30x
2024	19,737,000	414,461	1,444,889	9,030,556	9,676,015	5,472,500	1.77x	1,970,262	1.30x
2025	20,659,000	414,461	1,488,236	9,301,473	10,283,752	5,821,250	1.77x	2,085,262	1.30x
2026	21,623,000	414,461	1,532,883	9,580,517	10,924,061	6,188,500	1.77x	2,210,262	1.30x
2027	22,633,000	414,461	1,578,869	9,867,933	11,600,659	6,572,000	1.77x	2,350,262	1.30x
2028	23,690,000	414,461	1,626,235	10,163,971	12,314,255	6,981,500	1.76x	2,490,349	1.30x
2029	24,796,000	414,461	1,675,022	10,468,890	13,066,549	7,412,750	1.76x	2,636,919	1.30x
2030	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,798,619	1.30x
2031	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,798,619	1.30x
2032	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,793,619	1.30x
2033	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,796,831	1.30x
2034	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,797,081	1.30x
2035	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,794,063	1.30x
2036	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,794,063	1.30x
2037	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,794,063	1.30x
2038	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,794,063	1.30x
2039	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,794,375	1.30x
2040	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,795,000	1.30x
2041	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,795,000	1.30x
2042	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,795,000	1.30x
2043	25,954,000	414,461	1,725,273	10,782,956	13,860,231	7,863,000	1.76x	2,795,000	1.30x
2044	25,954,000	10,775,974	1,725,273	10,782,956	24,221,745	12,453,000	1.95x	6,175,000	1.30x
						206,965,500		75,007,365	

Sources and Uses of Funds

Sources	Senior	Subordinate	Total
Principal Amount - Current Interest Bonds	53,345,000	16,255,000	69,600,000
Principal Amount - Capital Appreciation Bonds	28,348,227	7,477,991	35,826,218
Original Issue Discount/Premium	4,420,836	-	4,420,836
Total	**86,114,064**	**23,732,991**	**109,847,054**

Uses			
Deposit to Construction Fund (Net Funded)	412,441,516	119,819,854	532,261,370
Deposit to Capitalized Interest Fund	8,514,080	2,473,456	10,987,535
Deposit to Debt Service Reserve Fund	8,028,984	2,332,529	10,361,513
Bond Insurance (150 bps)	3,184,500	-	3,184,500
Cost of Issuance	163,386	47,466	210,852
Total	**432,332,467**	**124,673,304**	**557,005,771**
Shortfall	**(346,218,403)**	**(100,940,314)**	**(447,158,717)**

Louisiana Metropolitan Expressway Toll Commission
LME Expansion Project - Segment B
Cash Flow Analysis - Alternative 3 - System 3

Year	Toll Revenues	Total DSRF Earnings	Maintenance Reserve	O&M	Revenues Available For Debt Service	Senior Debt Service	Debt Service Coverage	Sub Debt Service	Sub Coverage
2012	19,651,000	987,749	1,013,416	6,333,850	13,291,483	7,648,750	1.74x	441,714	1.64x
2013	20,193,000	987,749	1,043,819	6,523,866	13,613,065	7,648,750	1.78x	2,821,578	1.30x
2014	20,749,000	987,749	1,075,133	6,719,582	13,942,034	7,833,750	1.78x	2,886,578	1.30x
2015	21,321,000	987,749	1,107,387	6,921,169	14,280,193	8,029,500	1.78x	2,951,578	1.30x
2016	21,909,000	987,749	1,140,609	7,128,804	14,627,336	8,230,000	1.78x	3,021,578	1.30x
2017	23,135,000	987,749	1,174,827	7,342,669	15,605,254	8,784,500	1.78x	3,216,578	1.30x
2018	24,430,000	987,749	1,210,072	7,562,949	16,644,729	9,379,750	1.77x	3,421,578	1.30x
2019	25,797,000	987,749	1,246,374	7,789,837	17,748,538	10,012,250	1.77x	3,636,578	1.30x
2020	26,474,000	987,749	1,283,765	8,023,532	18,154,452	10,243,500	1.77x	3,716,578	1.30x
2021	27,855,000	987,749	1,322,278	8,264,238	19,256,233	10,871,750	1.77x	3,936,578	1.30x
2022	29,308,000	987,749	1,361,946	8,512,165	20,421,638	11,536,250	1.77x	4,171,578	1.30x
2023	30,836,000	987,749	1,402,805	8,767,530	21,653,414	12,243,250	1.77x	4,411,578	1.30x
2024	32,445,000	987,749	1,444,889	9,030,556	22,957,304	12,988,500	1.77x	4,666,578	1.30x
2025	34,137,000	987,749	1,488,236	9,301,473	24,335,041	13,772,750	1.77x	4,941,578	1.30x
2026	35,917,000	987,749	1,532,883	9,580,517	25,791,350	14,606,500	1.77x	5,231,578	1.30x
2027	37,790,000	987,749	1,578,869	9,867,933	27,330,948	15,484,500	1.77x	5,536,578	1.30x
2028	39,761,000	987,749	1,626,235	10,163,971	28,958,544	16,416,500	1.76x	5,855,035	1.30x
2029	41,835,000	987,749	1,675,022	10,468,890	30,678,837	17,401,500	1.76x	6,194,294	1.30x
2030	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,250	1.76x	6,555,794	1.30x
2031	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,250	1.76x	6,555,794	1.30x
2032	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,250	1.76x	6,558,338	1.30x
2033	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,250	1.76x	6,558,119	1.30x
2034	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,250	1.76x	6,555,750	1.30x
2035	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,250	1.76x	6,555,313	1.30x
2036	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,250	1.76x	6,555,313	1.30x
2037	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,250	1.76x	6,555,313	1.30x
2038	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,250	1.76x	6,558,750	1.30x
2039	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,436,500	1.76x	6,555,625	1.30x
2040	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,750	1.76x	6,555,000	1.30x
2041	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,750	1.76x	6,555,000	1.30x
2042	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,750	1.76x	6,555,000	1.30x
2043	44,017,000	987,749	1,725,273	10,782,956	32,496,520	18,438,750	1.76x	6,555,000	1.30x
2044	44,017,000	25,681,485	1,725,273	10,782,956	57,190,255	29,342,250	1.95x	14,650,000	1.30x
						490,610,250		177,493,815	

Sources and Uses of Funds

Sources	Senior	Subordinate	Total
Principal Amount - Current Interest Bonds	152,975,000	45,945,000	198,920,000
Principal Amount - Capital Appreciation Bonds	45,662,061	12,485,421	58,147,482
Original Issue Discount/Premium	10,729,570	-	10,729,570
Total	**209,366,631**	**58,430,421**	**267,797,052**

Uses			
Deposit to Construction Fund (Net Funded)	411,460,949	121,033,993	532,494,942
Deposit to Capitalized Interest Fund	24,271,391	7,139,592	31,410,983
Deposit to Debt Service Reserve Fund	19,080,947	5,612,788	24,693,735
Bond Insurance (150 bps)	7,588,616	-	7,588,616
Cost of Issuance	397,274	116,861	514,135
Total	**462,799,178**	**133,903,235**	**596,702,412**
Shortfall	**(253,432,547)**	**(75,472,813)**	**(328,905,360)**

Louisiana Metropolitan Expressway Toll Commission

LME Expansion Project - Segments A2 and B

Cash Flow Analysis - Assumptions for System 5, Alternatives 4 and 5

Series 2006	
Dated	1/1/2006
Delivery	1/1/2006
First Interest Payment	1/1/2009
First Principal Payment	1/1/2009
All-in Cost of Issuance ($/bond)	$5.00
Bond Insurance Premium (Sr. only)	150 bps
Rates as of:	4/12/2005

Series 2009	
Dated	1/1/2009
Delivery	1/1/2009
First Interest Payment	1/1/2012
First Principal Payment	1/1/2012
All-in Cost of Issuance ($/bond)	$5.00
Bond Insurance Premium (Sr. only)	150 bps
Rates as of:	4/12/2005

Assumed Ratings	
Senior Bond Ratings	AAA
Senior Underlying Ratings	BBB-
Subordinate Ratings	BB+

Assumed Ratings	
Senior Bond Ratings	AAA
Senior Underlying Ratings	BBB-
Subordinate Ratings	BB+

Target Debt Service Coverage	
Senior Lien	1.75x
Subordinate Lien	1.30x

Target Debt Service Coverage	
Senior Lien	1.75x
Subordinate Lien	1.30x

Earnings Rates	
Construction Fund	2.50%
Capitalized Interest Fund	2.50%
Debt Service Reserve Funds	4.00%

Earnings Rates	
Construction Fund	2.50%
Capitalized Interest Fund	2.50%
Debt Service Reserve Funds	4.00%

Assumed Annual Inflation Rates until 2030	
Toll Revenues	0%
O&M	3.00%
Maintenance Reserve	3.00%
Construction Costs	5.00%

Assumed Annual Inflation Rates until 2030	
Toll Revenues	0%
O&M	3.00%
Maintenance Reserve	3.00%
Construction Costs	5.00%

Louisiana Metropolitan Expressway Toll Commission
LME Expansion Project - System 5 - Phase A2, Alternative 4
Cash Flow Analysis - Series 2006

	Net Revenues					Series 2006			
Year	Toll Revenues	Total DSRF Earnings	Maintenance Reserve	O&M	Revenues Available For Debt Service	Net Senior Debt Service	Debt Service Coverage	Net Sub Debt Service	Sub Coverage
2009	13,820,000	728,955	869,456	3,062,767	10,616,732	3,060,087	3.47x	1,554,913	2.30x
2010	14,351,000	728,955	895,539	3,154,650	11,029,765	4,753,331	2.32x	1,890,968	1.66x
2011	14,902,000	728,955	922,405	3,249,290	11,459,260	6,456,750	1.77x	2,234,904	1.32x
2012	15,475,000	728,955	950,078	3,346,769	11,907,109	6,711,750	1.77x	2,324,904	1.32x
2013	16,074,000	728,955	978,580	3,447,172	12,377,203	6,981,750	1.77x	2,414,904	1.32x
2014	16,696,000	728,955	1,007,937	3,550,587	12,866,431	7,261,750	1.77x	2,509,904	1.32x
2015	17,342,000	728,955	1,038,175	3,657,104	13,375,675	7,551,750	1.77x	2,614,904	1.32x
2016	17,820,000	728,955	1,069,321	3,766,817	13,712,817	7,741,750	1.77x	2,684,904	1.32x
2017	18,284,000	728,955	1,101,400	3,879,822	14,031,732	7,926,750	1.77x	2,744,904	1.31x
2018	18,760,000	728,955	1,134,442	3,996,217	14,358,296	8,111,750	1.77x	2,809,904	1.31x
2019	19,249,000	728,955	1,168,476	4,116,103	14,693,376	8,301,750	1.77x	2,874,904	1.31x
2020	19,754,000	728,955	1,203,530	4,239,586	15,039,839	8,501,750	1.77x	2,944,904	1.31x
2021	20,670,000	728,955	1,239,636	4,366,774	15,792,545	8,931,750	1.77x	3,094,904	1.31x
2022	21,628,000	728,955	1,276,825	4,497,777	16,582,353	9,381,750	1.77x	3,252,100	1.31x
2023	22,631,000	728,955	1,315,130	4,632,710	17,412,115	9,856,750	1.77x	3,411,188	1.31x
2024	23,681,000	728,955	1,354,583	4,771,692	18,283,680	10,356,750	1.77x	3,581,028	1.31x
2025	24,779,000	728,955	1,395,221	4,914,842	19,197,891	10,876,750	1.77x	3,765,083	1.31x
2026	25,928,000	728,955	1,437,078	5,062,288	20,157,589	11,426,000	1.76x	3,956,203	1.31x
2027	27,130,000	728,955	1,480,190	5,214,156	21,164,609	12,001,000	1.76x	4,156,203	1.31x
2028	28,388,000	728,955	1,524,596	5,370,581	22,221,778	12,606,000	1.76x	4,362,083	1.31x
2029	29,704,000	728,955	1,570,333	5,531,698	23,330,923	13,241,000	1.76x	4,580,243	1.31x
2030	31,253,000	728,955	1,617,443	5,697,649	24,666,862	14,001,000	1.76x	4,848,443	1.31x
2031	31,253,000	728,955	1,617,443	5,697,649	24,666,862	14,002,500	1.76x	4,846,883	1.31x
2032	31,253,000	728,955	1,617,443	5,697,649	24,666,862	14,004,500	1.76x	4,847,989	1.31x
2033	31,253,000	728,955	1,617,443	5,697,649	24,666,862	14,001,250	1.76x	4,848,316	1.31x
2034	31,253,000	728,955	1,617,443	5,697,649	24,666,862	14,001,250	1.76x	4,847,743	1.31x
2035	31,253,000	728,955	1,617,443	5,697,649	24,666,862	14,003,250	1.76x	4,845,295	1.31x
2036	31,253,000	728,955	1,617,443	5,697,649	24,666,862	14,001,000	1.76x	4,850,000	1.31x
2037	31,253,000	728,955	1,617,443	5,697,649	24,666,862	14,003,500	1.76x	4,845,000	1.31x
2038	31,253,000	728,955	1,617,443	5,697,649	24,666,862	14,004,250	1.76x	4,845,000	1.31x
2039	31,253,000	728,955	1,617,443	5,697,649	24,666,862	14,002,000	1.76x	4,850,000	1.31x
2040	31,253,000	18,952,824	1,617,443	5,697,649	42,890,731	22,165,500	1.94x	7,670,000	1.44x
						344,228,669		119,908,624	

Sources and Uses of Funds

Sources	Senior	Subordinate	Total
Principal Amount - Current Interest Bonds	134,240,000	36,645,000	170,885,000
Principal Amount - Capital Appreciation Bonds	18,853,225	5,607,405	24,460,631
Original Issue Discount/Premium	4,632,409	-	4,632,409
Total	**157,725,634**	**42,252,405**	**199,978,040**

Uses			
Deposit to Construction Fund (Net Funded)	352,551,288	97,301,105	449,852,393
Deposit to Capitalized Interest Fund	24,727,406	6,824,550	31,551,957
Deposit to Debt Service Reserve Fund	14,282,126	3,941,743	18,223,869
Bond Insurance (150 bps)	5,522,944	-	5,522,944
Cost of Issuance	765,466	211,262	976,728
Total	**397,849,230**	**108,278,660**	**506,127,891**
Shortfall	**(240,123,596)**	**(66,026,255)**	**(306,149,851)**

Total Project Cost	$ 459,130,888
% of Project funded with Bond Proceeds	43.56%

Louisiana Metropolitan Expressway Toll Commission
LME Expansion Project - System 5 - Phase B, Alternative 4
Cash Flow Analysis - Series 2009

	Net Revenues					Series 2009			
Year	**Toll Revenues**	**Total DSRF Earnings**	**Maintenance Reserve**	**O&M**	**Revenues Available For Debt Service**	**Net Senior Debt Service**	**Debt Service Coverage**	**Net Sub Debt Service**	**Sub Coverage**
2012	24,935,000	1,538,276	861,404	5,797,880	19,813,992	5,557,538	3.57x	2,917,462	2.34x
2013	26,165,000	1,538,276	887,246	5,971,816	20,844,214	8,934,098	2.33x	3,579,902	1.67x
2014	27,456,000	1,538,276	913,863	6,150,971	21,929,442	12,341,750	1.78x	4,272,220	1.32x
2015	28,811,000	1,538,276	941,279	6,335,500	23,072,497	12,991,750	1.78x	4,502,220	1.32x
2016	29,606,000	1,538,276	969,517	6,525,565	23,649,193	13,321,750	1.78x	4,612,220	1.32x
2017	31,556,000	1,538,276	998,603	6,721,332	25,374,341	14,306,750	1.77x	4,957,220	1.32x
2018	33,635,000	1,538,276	1,028,561	6,922,972	27,221,743	15,366,750	1.77x	5,317,220	1.32x
2019	35,850,000	1,538,276	1,059,418	7,130,661	29,198,197	16,491,750	1.77x	5,712,220	1.31x
2020	36,791,000	1,538,276	1,091,200	7,344,581	29,893,495	16,891,750	1.77x	5,847,220	1.31x
2021	38,607,000	1,538,276	1,123,936	7,564,918	31,456,421	17,781,750	1.77x	6,157,220	1.31x
2022	40,512,000	1,538,276	1,157,654	7,791,866	33,100,755	18,721,750	1.77x	6,482,220	1.31x
2023	42,512,000	1,538,276	1,192,384	8,025,622	34,832,270	19,711,750	1.77x	6,827,220	1.31x
2024	44,610,000	1,538,276	1,228,156	8,266,391	36,653,730	20,751,750	1.77x	7,187,220	1.31x
2025	46,812,000	1,538,276	1,265,000	8,514,382	38,570,893	21,851,750	1.77x	7,562,220	1.31x
2026	49,123,000	1,538,276	1,302,950	8,769,814	40,588,512	23,001,750	1.76x	7,964,556	1.31x
2027	51,547,000	1,538,276	1,342,039	9,032,908	42,710,329	24,216,750	1.76x	8,383,455	1.31x
2028	54,091,000	1,538,276	1,382,300	9,303,895	44,943,080	25,491,750	1.76x	8,825,590	1.31x
2029	56,761,000	1,538,276	1,423,769	9,583,012	47,292,495	26,831,750	1.76x	9,291,118	1.31x
2030	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,526,750	1.76x	9,871,118	1.31x
2031	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,526,750	1.76x	9,871,118	1.31x
2032	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,526,750	1.76x	9,875,198	1.31x
2033	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,526,750	1.76x	9,871,758	1.31x
2034	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,527,500	1.76x	9,874,518	1.31x
2035	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,524,250	1.76x	9,874,518	1.31x
2036	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,527,750	1.76x	9,872,460	1.31x
2037	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,526,500	1.76x	9,871,902	1.31x
2038	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,523,500	1.76x	9,876,948	1.31x
2039	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,526,500	1.76x	9,875,000	1.31x
2040	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,527,750	1.76x	9,875,000	1.31x
2041	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,524,750	1.76x	9,875,000	1.31x
2042	59,722,000	1,538,276	1,423,769	9,583,012	50,253,495	28,525,000	1.76x	9,875,000	1.31x
2043	59,722,000	39,995,172	1,423,769	9,583,012	88,710,390	45,790,500	1.94x	15,850,000	1.44x
2044						-			
						731,195,636		254,608,249	

Sources and Uses of Funds

Sources	**Senior**	**Subordinate**	**Total**
Principal Amount - Current Interest Bonds	256,200,000	70,080,000	326,280,000
Principal Amount - Capital Appreciation Bonds	63,667,684	17,208,852	80,876,536
Original Issue Discount/Premium	7,130,313	-	7,130,313
Total	**326,997,997**	**87,288,852**	**414,286,849**

Uses			
Deposit to Construction Fund (Net Funded)	371,539,217	101,389,522	472,928,739
Deposit to Capitalized Interest Fund	47,312,538	12,911,142	60,223,680
Deposit to Debt Service Reserve Fund	30,212,258	8,244,638	38,456,896
Bond Insurance (150 bps)	11,654,899	-	11,654,899
Cost of Issuance	1,599,338	436,444	2,035,783
Total	**462,318,250**	**122,981,746**	**585,299,997**
Shortfall	**(135,320,253)**	**(35,692,895)**	**(171,013,148)**

Total Project Cost	$ 482,683,199
% of Project funded with Bond Proceeds	85.83%

Louisiana Metropolitan Expressway Toll Commission
LME Expansion Project - System 5 - Phase A2, Alternative 5
Cash Flow Analysis - Series 2006

	Net Revenues					Series 2006			
Year	**Toll Revenues**	**Total DSRF Earnings**	**Maintenance Reserve**	**O&M**	**Revenues Available For Debt Service**	**Net Senior Debt Service**	**Debt Service Coverage**	**Net Sub Debt Service**	**Sub Coverage**
2009	15,129,000	776,712	904,234	3,492,037	11,509,441	3,374,314	3.41x	1,700,686	2.27x
2010	15,592,000	776,712	931,361	3,596,798	11,840,553	5,119,109	2.31x	2,030,251	1.66x
2011	16,069,000	776,712	959,302	3,704,702	12,181,708	6,863,750	1.77x	2,376,302	1.32x
2012	16,576,000	776,712	988,081	3,815,843	12,548,788	7,073,750	1.77x	2,446,302	1.32x
2013	17,085,000	776,712	1,017,723	3,930,319	12,913,670	7,278,750	1.77x	2,521,302	1.32x
2014	17,609,000	776,712	1,048,255	4,048,228	13,289,229	7,493,750	1.77x	2,596,302	1.32x
2015	18,150,000	776,712	1,079,702	4,169,675	13,677,335	7,718,750	1.77x	2,671,302	1.32x
2016	18,651,000	776,712	1,112,093	4,294,765	14,020,853	7,913,750	1.77x	2,741,302	1.32x
2017	19,398,000	776,712	1,145,456	4,423,608	14,605,647	8,248,750	1.77x	2,856,302	1.32x
2018	20,175,000	776,712	1,179,820	4,556,317	15,215,575	8,593,750	1.77x	2,981,302	1.31x
2019	20,983,000	776,712	1,215,215	4,693,006	15,851,491	8,958,750	1.77x	3,101,302	1.31x
2020	21,534,000	776,712	1,251,671	4,833,796	16,225,245	9,173,750	1.77x	3,176,302	1.31x
2021	22,507,000	776,712	1,289,221	4,978,810	17,015,681	9,623,750	1.77x	3,331,302	1.31x
2022	23,523,000	776,712	1,327,898	5,128,174	17,843,640	10,098,750	1.77x	3,497,665	1.31x
2023	24,585,000	776,712	1,367,735	5,282,020	18,711,958	10,593,750	1.77x	3,669,977	1.31x
2024	25,696,000	776,712	1,408,767	5,440,480	19,623,465	11,113,750	1.77x	3,851,770	1.31x
2025	26,856,000	776,712	1,451,030	5,603,695	20,577,988	11,661,250	1.76x	4,036,510	1.31x
2026	28,069,000	776,712	1,494,561	5,771,805	21,579,346	12,230,750	1.76x	4,237,646	1.31x
2027	29,337,000	776,712	1,539,397	5,944,960	22,629,355	12,830,750	1.76x	4,442,646	1.31x
2028	30,662,000	776,712	1,585,579	6,123,308	23,729,824	13,460,750	1.76x	4,658,446	1.31x
2029	32,120,000	776,712	1,633,147	6,307,008	24,956,558	14,160,750	1.76x	4,904,766	1.31x
2030	33,744,711	776,712	1,682,141	6,496,218	26,343,064	14,955,750	1.76x	5,178,566	1.31x
2031	33,744,711	776,712	1,682,141	6,496,218	26,343,064	14,953,000	1.76x	5,181,326	1.31x
2032	33,744,711	776,712	1,682,141	6,496,218	26,343,064	14,955,000	1.76x	5,176,326	1.31x
2033	33,744,711	776,712	1,682,141	6,496,218	26,343,064	14,952,000	1.76x	5,180,104	1.31x
2034	33,744,711	776,712	1,682,141	6,496,218	26,343,064	14,955,750	1.76x	5,176,683	1.31x
2035	33,744,711	776,712	1,682,141	6,496,218	26,343,064	14,954,750	1.76x	5,175,414	1.31x
2036	33,744,711	776,712	1,682,141	6,496,218	26,343,064	14,953,000	1.76x	5,180,000	1.31x
2037	33,744,711	776,712	1,682,141	6,496,218	26,343,064	14,954,250	1.76x	5,180,000	1.31x
2038	33,744,711	776,712	1,682,141	6,496,218	26,343,064	14,957,000	1.76x	5,175,000	1.31x
2039	33,744,711	776,712	1,682,141	6,496,218	26,343,064	14,954,750	1.76x	5,175,000	1.31x
2040	33,744,711	20,194,513	1,682,141	6,496,218	45,760,865	23,651,250	1.93x	8,190,000	1.44x
						366,781,672		127,798,103	

Sources and Uses of Funds

Sources	**Senior**	**Subordinate**	**Total**
Principal Amount - Current Interest Bonds	142,890,000	39,035,000	181,925,000
Principal Amount - Capital Appreciation Bonds	19,859,760	5,869,067	25,728,827
Original Issue Discount/Premium	4,938,117	-	4,938,117
Total	**167,687,878**	**44,904,067**	**212,591,945**
Uses			
Deposit to Construction Fund (Net Funded)	352,574,138	97,278,255	449,852,393
Deposit to Capitalized Interest Fund	26,321,950	7,262,454	33,584,404
Deposit to Debt Service Reserve Fund	15,218,802	4,198,999	19,417,801
Bond Insurance (150 bps)	5,884,384	-	5,884,384
Cost of Issuance	813,749	224,520	1,038,269
Total	**400,813,022**	**108,964,228**	**509,777,250**
Shortfall	**(233,125,144)**	**(64,060,161)**	**(297,185,306)**

Total Project Cost	$ 476,740,753
% of Project funded with Bond Proceeds	44.59%

Louisiana Metropolitan Expressway Toll Commission
LME Expansion Project - System 5 - Phase B, Alternative 5
Cash Flow Analysis - Series 2009

	Net Revenues					Series 2009			
Year	**Toll Revenues**	**Total DSRF Earnings**	**Maintenance Reserve**	**O&M**	**Revenues Available For Debt Service**	**Net Senior Debt Service**	**Debt Service Coverage**	**Net Sub Debt Service**	**Sub Coverage**
2012	23,100,000	1,392,143	962,745	6,048,650	17,480,748	4,812,841	3.63x	2,562,159	2.37x
2013	24,386,000	1,392,143	991,628	6,230,109	18,556,406	7,930,888	2.34x	3,182,415	1.67x
2014	25,743,000	1,392,143	1,021,376	6,417,013	19,696,754	11,084,000	1.78x	3,836,779	1.32x
2015	27,176,000	1,392,143	1,052,018	6,609,523	20,906,603	11,774,000	1.78x	4,076,779	1.32x
2016	27,925,000	1,392,143	1,083,578	6,807,809	21,425,756	12,069,000	1.78x	4,181,779	1.32x
2017	29,604,000	1,392,143	1,116,086	7,012,043	22,868,015	12,894,000	1.77x	4,466,779	1.32x
2018	31,385,000	1,392,143	1,149,568	7,222,404	24,405,171	13,774,000	1.77x	4,766,779	1.32x
2019	33,272,000	1,392,143	1,184,055	7,439,076	26,041,012	14,709,000	1.77x	5,091,779	1.32x
2020	34,145,000	1,392,143	1,219,577	7,662,249	26,655,318	15,059,000	1.77x	5,211,779	1.31x
2021	35,886,000	1,392,143	1,256,164	7,892,116	28,129,863	15,899,000	1.77x	5,506,779	1.31x
2022	37,715,000	1,392,143	1,293,849	8,128,880	29,684,415	16,789,000	1.77x	5,811,779	1.31x
2023	39,637,000	1,392,143	1,332,665	8,372,746	31,323,733	17,724,000	1.77x	6,141,779	1.31x
2024	41,658,000	1,392,143	1,372,645	8,623,928	33,053,571	18,714,000	1.77x	6,481,779	1.31x
2025	43,782,000	1,392,143	1,413,824	8,882,646	34,877,673	19,759,000	1.77x	6,836,779	1.31x
2026	46,013,000	1,392,143	1,456,239	9,149,126	36,799,779	20,854,000	1.76x	7,221,979	1.31x
2027	48,359,000	1,392,143	1,499,926	9,423,599	38,827,618	22,014,000	1.76x	7,620,996	1.31x
2028	50,824,000	1,392,143	1,544,924	9,706,307	40,964,913	23,234,000	1.76x	8,045,797	1.31x
2029	53,415,000	1,392,143	1,591,271	9,997,496	43,218,376	24,524,000	1.76x	8,486,597	1.31x
2030	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,919,000	1.76x	8,971,597	1.31x
2031	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,919,000	1.76x	8,971,597	1.31x
2032	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,919,000	1.76x	8,970,877	1.31x
2033	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,919,000	1.76x	8,970,197	1.31x
2034	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,917,250	1.76x	8,972,957	1.31x
2035	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,914,250	1.76x	8,972,957	1.31x
2036	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,914,250	1.76x	8,972,349	1.31x
2037	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,918,750	1.76x	8,970,142	1.31x
2038	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,915,500	1.76x	8,971,783	1.31x
2039	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,917,750	1.76x	8,970,000	1.31x
2040	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,918,000	1.76x	8,970,000	1.31x
2041	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,919,000	1.76x	8,970,000	1.31x
2042	56,201,000	1,392,143	1,639,009	10,297,421	45,656,713	25,918,250	1.76x	8,970,000	1.31x
2043	56,201,000	36,195,727	1,639,009	10,297,421	80,460,296	41,543,250	1.94x	14,385,000	1.44x
						662,089,979		230,540,745	

Sources and Uses of Funds

Sources	**Senior**	**Subordinate**	**Total**
Principal Amount - Current Interest Bonds	229,825,000	62,865,000	292,690,000
Principal Amount - Capital Appreciation Bonds	58,789,183	15,793,846	74,583,029
Original Issue Discount/Premium	6,384,222	-	6,384,222
Total	**294,998,405**	**78,658,846**	**373,657,250**
Uses			
Deposit to Construction Fund (Net Funded)	415,321,638	113,191,668	528,513,306
Deposit to Capitalized Interest Fund	42,455,839	11,570,905	54,026,744
Deposit to Debt Service Reserve Fund	27,349,702	7,453,882	34,803,583
Bond Insurance (150 bps)	10,547,723	-	10,547,723
Cost of Issuance	1,443,071	393,294	1,836,365
Total	**497,117,972**	**132,609,749**	**629,727,721**
Shortfall	**(202,119,567)**	**(53,950,903)**	**(256,070,470)**

Total Project Cost	$ 539,414,234
% of Project funded with Bond Proceeds	69.27%

APPENDIX B

LOUISIANA MOBILITY FUND 2005

OVERVIEW

BACKGROUND

State legislation was enacted in Louisiana in 1997, 2001, and 2003 regarding the creation of toll authorities to plan, design, construct, and operate toll roads. This legislation includes a bill that permits the formation of local toll authorities for any Parish or contiguous Parishes in the state (1997), the Louisiana Transportation Authority which has statewide jurisdiction for toll roads (2001), and the LMEC toll authority charged specifically with implementing a loop around Lafayette (2003). These acts by the legislature indicate an understanding of the need for highway improvements in Louisiana and the lack of funding that is available from traditional sources to implement these improvements.

However, new start up toll roads are difficult to fully finance by the bonded revenue that is generated by tolls. True across the country, this is due to numerous factors which include bond coverage requirements and sometimes lower traffic streams in the early years. Therefore, little activity has occurred in the actual development of toll roads in Louisiana despite all of the enabling legislation (an exception is the LA 1 south project where project toll revenues are being supplemented with O & M and cash from DOTD as well as TIFIA loans).

GOALS

The goal is to enact legislation in Louisiana creating a state level Mobility Fund (LMF) to provide funding leverage for mega transportation projects across Louisiana, taking advantage of the toll enabling legislation previously passed. Money from the fund would be used to bridge the funding gap between local project toll revenues (and other project level revenues) and the cost of the project. Only toll projects would qualify for the state level supplemental funding (this will provide project level revenue that enables the state level fund to be leveraged to a larger total program). The LMF will enable new projects to go forward or existing systems could be expanded.

PROPOSED LEGISLATION

The legislation covers funding sources, revenue streams, the individual projects in the capital improvements program, and administration of the program. The legislation is proposed to have two primary components.

1. Louisiana Mobility Fund

The first component of the legislation will be the LMF, which would be created for the purpose of generating and collecting a new annual revenue stream. Two sources are currently being proposed: increases in truck registration fees and surcharges on moving violations and DWIs statewide. The first source would bring Louisiana’s truck fees in line with the national average. The second source is referred to as the Driver Responsibility Act and is patterned after similar successful legislation in Texas. These two sources could generate $150 million to $200 million annually, which would yield bonded funds of $1.5 to $2.5 billion. When matched with local project toll funds and other potential project funds (estimated at 50% on average), this is estimated to yield a leveraged program in the range of $3 to $5 billion. A first tier set of projects with statewide appeal, including the completion of I-49 and several urban area bypasses, are envisioned under the program. A second tier of projects may qualify under the program depending on the availability of funding. As initial bonds are paid off, a third tier set of projects may be identified and the LMF will become an economic engine for continued transportation projects into the future.

Candidate projects would come from the Louisiana Statewide Transportation Plan, most recently updated in 2003 by LDOTD. The LMEC project is currently included in the statewide transportation plan list of projects.

2. Mobility Fund Administration

The second primary component of the legislation will be to set up a procedure to administer the funds generated by the LMF. This component envisions amending existing legislation in place for the Louisiana Transportation Authority (LTA), which has statewide authority to implement and operate toll roads. The LTA is governed by a board that includes the Governor, the DOTD Secretary, the DED Secretary, Senate President, House Speaker, Senate and House Transportation Committee Chairmen, a member of the Louisiana Planning Council, and an at large business leader. The amended legislation would provide for fiduciary administration of the LMF. Other existing (and future) Louisiana toll agencies would continue to exist and operate under their enabling legislation and will in no way be affected by amending the LTA legislation. The responsibilities of LTA would consist of the administration of the LMF as set forth by rules in the enabling LMF legislation. The LTA toll agency function as well as other existing and future toll agencies would have equal access to the funds being administered by the LTA in accomplishment of the qualified projects listed in the statewide transportation plan.

Impacts to General Fund

No general fund revenue streams or Transportation Trust Fund revenue streams initially would be impacted by the proposed legislation. It is possible that existing truck fees that are deposited in the general fund could be transferred to the LMF over a phased period of years as a part of the funding stream for the LMF.