

FORECAST SUMMARY

As the Turnpike's Traffic Engineering Consultant, URS Corporation (URS) annually updates forecasts of traffic and revenue for its Mainline and Expansion projects. These traffic and revenue forecasts are required by bond covenants. These forecasts along with the Turnpike's Five-Year Work Program provide the basis for the Department's Finance and Cash Forecast Plans.

Revenues from the existing Mainline represent the majority of total Turnpike System toll revenues (73 percent in FY 2009). Future revenue estimates for the existing Turnpike System are based on actual traffic and revenue performance and the recognition of major system events, such as toll rate increases and the opening of access and improvement projects. Historically, the revenue estimates for the Mainline have been very reliable. This trend is expected to continue.

Initial traffic and revenue estimates for expansion projects are based on forecasts of travel demand developed for the relevant metropolitan areas without actual traffic or revenue data to serve as a starting point. The computer simulation models of travel demand contain the latest transportation system and land use data forecasts provided by local and state agencies. Revenue estimates for all of the expansion projects (except Western Beltway, Part C) are now aided with actual traffic and revenue experience. Even though the traffic and revenue history on these facilities may be brief, much of the uncertainty has been eliminated.

URS will continue to monitor traffic and revenue conditions on all parts of the Turnpike System and update traffic and revenue estimates as conditions warrant. Improved methods of forecasting traffic and toll revenues based on this experience will be utilized. URS will refine the travel demand models to reflect the experience on Turnpike expansion projects and to account for the latest information on transportation and land use conditions in the vicinity of Turnpike projects.

7.1 COMBINED REVENUE FORECASTS

The revenue forecasts contained in this section are a result of analyses made of the individual components of the Turnpike System presented earlier in this Annual Report. The Turnpike System continued to experience a decline in traffic and revenue during FY 2009 due to the pervasive and persistent economic slowdown in the nation. Florida is specially hit hard by the economic downturn. The record unemployment rate at over 11 percent (the highest in over 30 years) and the home foreclosure rate that is among the highest in the nation, compounded by the loss in population and tourists are impacting the state's economy notably. Additionally, the economic uncertainty resulting from the decline in home value, consumer confidence and consumer spending has led to an 11 percent decline in revenues since the peak in FY 2007. The economic outlook for the state is expected to stay weak in the short term and lag behind a nationwide recovery.

According to Fishkind and Associates, the current national recession is expected to continue through the end of 2009, with a slow recovery in 2010. Although Florida is not expected to experience any further deterioration in 2010, the recovery is expected to gain some upward momentum in 2011. Additionally, future growth rates in Florida will not be as high as historical growth rates. Due to the declining revenues, some of the widening projects and new interchanges planned in prior year's forecast have been postponed or removed. The Turnpike's future revenues are projected with these expectations in mind.

7.1.1 MAINLINE

During the forecast period through FY 2020, toll revenues on the Mainline are projected to increase to \$474 million, up from \$428 million in FY 2009. The current combined toll revenue projections over the ten year forecast period are slightly higher (over half a percent) than the previous year's revenue forecast as adjusted in March 2009. This is due to the fact that

the FY 2009 actual revenues on the Mainline were slightly higher than the previous estimate. The following is a summary of major factors that impact the revenue forecast for each individual component of the Mainline:

- HEFT: The current ten year revenue forecast is similar to the prior year adjusted forecast. The forecast also includes the impact of the new interchange at NW 74th Street in FY 2010, and a widening project and the implementation of All-electronic tolling in FY 2011.
- Southern Coin System: The current ten year revenue forecast increased from the prior year adjusted forecast due to a higher than expected revenue growth in FY 2009, and a number of widening projects that will be complete between FY 2011 and FY 2013.
- Ticket System: The current revenue forecast is less than the prior year adjusted forecast due to lower than expected revenue growth in FY 2009.
- Northern Coin System: The current year revenue forecast increased from the prior year adjusted forecast due to a higher than expected revenue growth in FY 2009, and several ongoing widening projects that will be complete between FY 2011 and FY 2013.
- Beachline West Expressway: The current revenue forecast is less than the prior year adjusted forecast due in part to a significant decline in traffic observed during FY 2009 as a result of the continued economic slowdown and declining growth in the tourism industry. The forecast includes the impact of a widening project to be complete during FY 2011.
- Sawgrass Expressway: During the forecast period FY 2010 through FY 2020, toll revenues on the Sawgrass Expressway are projected to increase to \$54 million, up from \$48 million in FY 2009.
- Seminole Expressway: During the forecast period through FY 2020, toll revenues on the Seminole Expressway are projected to increase to \$37 million, up from \$32 million in FY 2009.
- Veterans Expressway: From FY 2010 through FY 2020, toll revenues on the Veterans Expressway are projected to increase to \$35 million, up from \$31 million in FY 2009.
- Southern Connector Extension: During the forecast period through FY 2020, toll revenues on the Southern Connector Extension are projected to increase to \$5 million, up from \$4 million in FY 2009.
- Polk Parkway: From FY 2010 through FY 2020, toll revenues on the Polk Parkway are projected to increase to \$26 million, up from \$21 million in FY 2009. The forecast includes the impact of the new Pace Road interchange and the widening on the northern section of this facility, both of which are expected to be complete in FY 2012.
- Suncoast Parkway: During the period FY 2010 through FY 2020, toll revenues on the Suncoast Parkway are projected to increase to \$27 million, up from \$20 million in FY 2009. The forecast incorporates the impact of the new Lutz-Lake Fern Road interchange in FY 2010.
- Western Beltway, Part C: From FY 2010 through FY 2020, toll revenues on Western Beltway, Part C are projected to increase substantially from nearly \$5 million to \$9 million. The increases throughout the forecast period are primarily attributed to expected ramp-up and new development in the corridor.

7.1.2 EXPANSION PROJECTS

Similar to the Mainline, the current combined expansion projects toll revenue projections over the ten year forecast period are slightly higher (nearly half a percent) than the previous year's revenue forecast as adjusted in March 2009. This is largely due to the fact that the FY 2009 actual revenues on expansion projects were slightly higher than the previous estimate.

7.1.3 CONCESSION REVENUE

- As discussed in the Concession Section of this report, the Turnpike signed a new 30-year Concession Agreement with Areas USA FLTP, LLC in April 2009. Unlike the prior agreement, the new

contract consolidates the operation of fuel, food and beverage, and other retail operations on all Turnpike Service Plazas under a single concessionaire. The projected concession revenues are based on a guaranteed monthly minimum payments from the concessionaire.

As provided in the contract, the monthly minimum of \$750 thousand in FY 2010 is expected to decrease to \$500 thousand after the renovation/construction of the service plazas commences in FY 2011. This significant decrease in monthly revenue is the primary reason for the decline in projected revenues. However, starting FY 2014, the contract allows for an annual escalation in payments of 3 percent commensurate with the Consumer Price Index.

Concession forecasts also include advertisement revenue from license agreements with Travelers Marketing LLC and Florida Logos, Inc. The forecast revenues from Travelers are based on required payments as stipulated in the contract for Road Ranger sponsorship and toll booth advertising which expires in December 2012. After this period, the forecast incorporates a constant amount. Additionally, the revenue stream from Florida Logos, Inc. for the highway logo sign program and the newly introduced Sponsor-A-Highway program are also included in the forecast. The Sponsor-A-Highway program contract ends in FY 2013 and the logo sign contract ends in FY 2016. Upon expiration

of the contracts, revenues are held constant through the remaining forecast period.

The toll revenue forecasts for Florida's Turnpike Mainline and Expansion projects are shown in **Table 7.1** and **Table 7.2**, respectively. The Turnpike system wide revenue forecast is presented in **Table 7.3**.

The forecast of total toll and concession revenue in **Table 7.3** indicates that revenues on the Turnpike System are expected to increase from approximately \$576 million in FY 2010 to \$676 million in FY 2020. This forecast, which is based on actual traffic and revenue decline observed during FY 2009, is similar to the FY 2008 Annual Report revenue forecast as revised in March 2009.

The revenue forecasts presented in this report are subject to significant economic uncertainties and contingencies beyond the control of URS. As such, if the economy does not recover as expected, these forecasts may require adjustments.

Table 7.1
Florida's Turnpike Mainline
Toll Revenue Forecast (\$000)
FY 2010 through FY 2020

Fiscal Year	HEFT	Southern Coin	Ticket	Northern Coin	Beachline West Expressway	Total
2010	\$94,510	\$92,925	\$129,212	\$78,527	\$13,418	\$408,592
2011	94,854	93,362	129,830	78,915	13,685	410,646
2012	95,402	94,030	130,985	79,640	13,969	414,026
2013	96,261	94,986	132,426	80,516	14,290	418,479
2014	97,339	96,126	134,187	81,563	14,633	423,848
2015	99,023	97,789	136,522	82,982	14,984	431,300
2016	100,924	99,667	139,048	84,483	15,344	439,466
2017	102,862	101,580	141,620	86,089	15,712	447,863
2018	104,837	103,531	144,240	87,751	16,089	456,448
2019	106,850	105,518	146,908	89,462	16,476	465,214
2020	108,901	107,544	149,627	91,206	16,871	474,149

Note: The above revenue forecasts reflect the construction of the following interchange: HEFT: NW 74th Street (FY 2010). The forecasts also include the impact of various widenings currently programmed through FY 2020. All-electronic tolling on the HEFT is scheduled for implementation in February 2011.

Table 7.2
Florida's Turnpike Expansion Projects
Toll Revenue Forecast (\$000)
FY 2010 through FY 2020

Fiscal Year	Sawgrass Expressway	Seminole Expressway	Veterans Expressway	Southern Connector Extension	Polk Parkway	Suncoast Parkway	Western Beltway, Part C	Total
2010	\$46,033	\$31,045	\$29,589	\$4,266	\$20,925	\$19,712	\$5,040	\$156,610
2011	46,394	31,430	30,012	4,328	21,064	20,493	5,523	159,244
2012	46,878	31,883	30,450	4,396	21,358	21,466	6,386	162,817
2013	47,427	32,393	30,913	4,474	21,742	22,239	6,961	166,149
2014	48,090	32,976	31,407	4,558	22,177	22,950	7,394	169,552
2015	48,975	33,606	31,976	4,659	22,732	23,639	7,806	173,393
2016	49,911	34,278	32,583	4,766	23,323	24,254	8,079	177,194
2017	50,914	34,964	33,209	4,880	23,952	24,836	8,298	181,053
2018	51,937	35,663	33,847	4,997	24,614	25,432	8,496	184,986
2019	52,981	36,376	34,497	5,117	25,293	26,042	8,675	188,981
2020	54,046	37,104	35,159	5,240	25,991	26,667	8,857	193,064

Note: The above revenue forecasts reflect the construction of the following interchanges: Polk Parkway – Pace Road (FY 2012); Suncoast Parkway – Lutz Lake Fern (FY 2010). The forecasts also include the impact of various widenings currently programmed through FY 2020.

Table 7.3
Summary of Florida's Turnpike System
Toll and Concession Revenue Forecast (\$000)
FY 2010 through FY 2020

Fiscal Year	Mainline	Expansion Projects	Total Toll Revenue	Gross Concession Revenue	Total Gross Revenue
2010	\$408,592	\$156,610	\$565,202	\$10,435	\$575,637
2011	410,646	159,244	569,890	7,435	577,325
2012	414,026	162,817	576,843	7,435	584,278
2013	418,479	166,149	584,628	7,435	592,063
2014	423,848	169,552	593,400	7,615	601,015
2015	431,300	173,393	604,693	7,800	612,493
2016	439,466	177,194	616,660	7,991	624,651
2017	447,863	181,053	628,916	8,188	637,104
2018	456,448	184,986	641,434	8,391	649,825
2019	465,214	188,981	654,195	8,599	662,794
2020	474,149	193,064	667,213	8,814	676,027