

Department-operated Facilities



GARCON POINT BRIDGE

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- \$7.6 million total toll revenue
- 2.2 million total transactions
- SunPass® participation increased to 54.3 percent during the year



MID-BAY BRIDGE AND WALTER FRANCIS SPENCE PARKWAY

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- \$25.7 million total toll revenue
- 10.5 million total transactions
- SunPass® participation decreased to 63.8 percent during the year

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GARCON POINT BRIDGE



6.1 BACKGROUND

The Garcon Point Bridge is a 3.5-mile bridge that spans Pensacola/East Bay between Garcon Point (south of Milton) and Redfish Point (between Gulf Breeze and Navarre) in southwest Santa Rosa County. The bridge and roadway segments that comprise this facility are designated as SR 281 and provide access to the Gulf Breeze peninsula from areas north and east of Pensacola Bay. On the south side of the bay, the road continues as a one-mile, two-lane highway that connects to US 98. On the north side of the bay, SR 281 connects to I-10 approximately 7.5 miles north of the toll plaza. Overall, the distance between US 98 and I-10 is 12 miles.

Figure 6.1 shows a map of Garcon Point Bridge and the surrounding area. The toll plaza is located at the southern end of Garcon Point, and tolls are collected in both directions. Beyond the Gulf Breeze peninsula, south of Santa Rosa Sound, the Bob Sikes Bridge (SR 399) and Navarre Bridge provide access to the resort communities on Santa Rosa Island. The Santa Rosa Bay Bridge Authority, established in 1984, oversaw the financing and construction of the Garcon Point Bridge. Construction of this two-lane facility was financed by the Series 1996 Revenue Bonds. The two-lane bridge opened to traffic on May 14, 1999.

The Authority entered into a lease-purchase agreement with the Department, whereby the Department maintains and operates the bridge and remits all tolls collected to the Authority as lease payments. The term of the lease runs concurrently with the bonds. At that time the Department will own the bridge. Should the bonds, or any additional issuance of bonds, be outstanding in 2028, the lease term will be extended through the payoff date of the outstanding bonds.

As a result of low traffic levels and despite four toll rate increases, revenues were not enough to meet debt service. Consequently, in April 2011 bond debt service went into default as the Authority was not able to make its July 2011 debt service payment. As of FY 2019, the bonds remained in default. (It should be noted that the bond documents clearly advised investors that neither the State of Florida nor Santa Rosa County would have any responsibility for payment of the bond debt). The Department, however, continues to operate and maintain the Garcon Point Bridge. Further details can be found in **Section 6.7 - Revenue Sufficiency**.

When the Garcon Point Bridge opened to traffic in May 1999, the toll for passenger cars and other two-axle vehicles was set at \$2.00. Based on an



adopted toll rate program, tolls were increased every three years. Beginning July 1, 2001 (FY 2002), the toll rate was increased to \$2.50 for two-axle vehicles in FY 2002, to \$3.00 in FY 2005, to \$3.50 in FY 2008 and to \$3.75 on January 5, 2011 (FY 2011), reflecting the fourth scheduled toll rate increase. This rate is still in effect today. SunPass® users of two-axle vehicles receive a 50 percent rebate after they reach a threshold of 30 toll transactions per month on the Garcon Point Bridge. Vehicles with three or more axles pay an additional \$3.75 per axle calculated using the "N minus 1" method.

Table 6.1 shows historical transactions and revenue growth on the Garcon Point Bridge. Traffic and revenue in the last 10 years has grown from 1.3 million transactions and \$4.4 million in toll revenues to 2.2 million transactions and \$7.6 million in toll revenues in FY 2019. Traffic declined during the period of economic recession and also decreased as a result of toll increases. In addition, there was a decline in traffic and

revenue as a result of the BP Oil Spill that occurred in April 2010.

Compared to FY 2018, total transactions increased 1.8 percent while revenues increased 1.4 percent. Revenues were negatively impacted by \$0.2 million due to the suspension of tolls for eleven days beginning on October 8, 2018, to aid in the evacuation and recovery efforts due to Hurricane Michael.

Overall, the general increase in transactions and revenue can be attributed to an improving economy in Florida since the Great Recession. In fact, for FY 2019, hotel bed tax collections in Santa Rosa County were up 19 percent over FY 2018 collections with tax collections reaching \$3.9 million.

Historical operating and routine maintenance expenses from FY 2009 through FY 2019 are presented in **Table 6.2**. Total operating and maintenance expenses have increased from approximately \$1.1 million in FY 2009 to \$1.3 million in FY 2019.

**TABLE 6.1 - GARCON POINT BRIDGE
HISTORICAL TRANSACTIONS AND REVENUE GROWTH
FY 2009 THROUGH FY 2019**

| Fiscal Year | Transactions (000) | | | | Toll Revenue ⁽¹⁾ (\$000) | | Average Toll |
|-------------|--------------------|-------------|-------|----------------|-------------------------------------|----------------|--------------|
| | Toll Paying | Non Revenue | Total | Percent Change | Amount | Percent Change | |
| 2009 | 1,312 | 7 | 1,319 | - | \$4,369 | - | \$3.312 |
| 2010 | 1,264 | 4 | 1,268 | (3.9%) | 4,203 | (3.8%) | 3.315 |
| 2011 | 1,243 | 8 | 1,251 | (1.3) | 4,276 | 1.7 | 3.418 |
| 2012 | 1,268 | 22 | 1,290 | 3.1 | 4,592 | 7.4 | 3.560 |
| 2013 | 1,284 | 26 | 1,310 | 1.6 | 4,736 | 3.1 | 3.615 |
| 2014 | 1,421 | 19 | 1,440 | 9.9 | 5,224 | 10.3 | 3.628 |
| 2015 | 1,551 | 18 | 1,569 | 9.0 | 5,647 | 8.1 | 3.599 |
| 2016 | 1,719 | 18 | 1,737 | 10.7 | 6,324 | 12.0 | 3.641 |
| 2017 | 1,948 | 20 | 1,968 | 13.3 | 7,144 | 13.0 | 3.630 |
| 2018 | 2,032 | 123 | 2,155 | 9.5 | 7,469 | 4.5 | 3.466 |
| 2019 | 2,096 | 97 | 2,193 | 1.8 | 7,571 | 1.4 | 3.452 |

Source: FDOT Office of the Comptroller and Turnpike Enterprise Finance Office.

Note: The non-revenue class includes authorized vehicles that pass through a toll plaza without incurring a toll (i.e., law enforcement, emergency vehicles) and transactions reported during toll suspensions attributable to hurricanes.

(1) Toll revenue reported net of the SunPass discount since the facility opened. Per new reporting methodology, starting FY 2014 toll revenues exclude violation and miscellaneous revenues, which are immaterial to toll revenues reported within.

**TABLE 6.2 - GARCON POINT BRIDGE
HISTORICAL OPERATING AND ROUTINE
MAINTENANCE EXPENSES
FY 2009 THROUGH FY 2019**

| Fiscal Year | Operating Expense (\$000) | Routine Maintenance Expense (\$000) | Total O&M Expenses (\$000) |
|-------------|---------------------------|-------------------------------------|----------------------------|
| 2009 | 997 | 98 | \$1,095 |
| 2010 | 956 | 135 | 1,091 |
| 2011 | 969 | 160 | 1,129 |
| 2012 | 1,017 | 196 | 1,213 |
| 2013 | 987 | 148 | 1,135 |
| 2014 | 1,014 | 159 | 1,173 |
| 2015 | 1,123 | 102 | 1,225 |
| 2016 | 1,101 | 82 | 1,183 |
| 2017 | 1,128 | 141 | 1,269 |
| 2018 | 1,279 | 486 | 1,765 |
| 2019 | 1,264 | 78 | 1,342 |

Source: FDOT Office of the Comptroller.

ENTERPRISE TOLL OPERATIONS

Maintenance activities that include roadside mowing and upkeep, guardrail repair, shoulder repair, bridge inspection and other routine maintenance items are provided in-house by the department. Toll facilities maintenance and bridge inspections are performed outside the scope of the Asset Maintenance Contract.

6.2 FY 2019 TRANSACTIONS AND TOLL REVENUE

Monthly transactions and toll revenue on the Garcon Point Bridge during FY 2019 are presented in **Table 6.3**. The second and third quarters generated a lower number of transactions and toll revenue as these are not the peak months for travel. Further, October 2018 was impacted by the reduction in toll revenues prompted by the previously mentioned Hurricane Michael suspension.

**TABLE 6.3 - GARCON POINT BRIDGE
MONTHLY TRANSACTIONS AND TOLL REVENUE
FY 2019**

| Month | Transactions (000) | Toll Revenue (\$000) |
|---------------------|-----------------------|-------------------------|
| July 2018 | 223 | \$800 |
| August | 199 | 666 |
| September | 168 | 608 |
| 1st Quarter Total | 590 | 2,074 |
| October | 189 | 416 |
| November | 163 | 617 |
| December | 152 | 511 |
| 2nd Quarter Total | 504 | 1,544 |
| January 2019 | 157 | 563 |
| February | 149 | 524 |
| March | 192 | 697 |
| 3rd Quarter Total | 498 | 1,784 |
| April | 189 | 682 |
| May | 205 | 749 |
| June | 207 | 738 |
| 4th Quarter Total | 601 | 2,169 |
| Annual Total | 2,193 | \$7,571 |

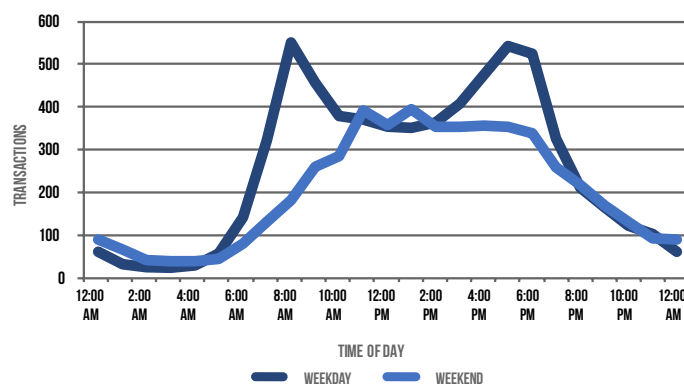
Source: FDOT Office of the Comptroller (Annual Toll Revenue) and Turnpike Enterprise Finance Office.

Note: Transactions represent toll-paying and non-revenue traffic at the mainline plaza.



Graph 6.1 shows the number of hourly weekday and weekend transactions of a typical week during FY 2019 on the Garcon Point Bridge. As indicated, weekday demand for travel on the facility is the highest during the morning and evening peak hours. The morning peak hour occurs from 8:00 a.m. to 10:00 a.m. and the afternoon peak occurs from 5:00 p.m. to 7:00 p.m. In addition, midday traffic volumes of nearly 400 vehicles per hour show the relative influence of non-commuters (tourist/recreational travelers) on the facility. The influence of tourists and recreational travelers is noticeably more pronounced on the weekends.

**GRAPH 6.1 - GARCON POINT BRIDGE
TYPICAL HOURLY TRANSACTIONS
FY 2019**



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, August 13, 2018.

Table 6.4 shows the monthly seasonal transaction variation in FY 2019. On average, approximately

6,000 vehicles use the bridge each day, up 100 vehicles per day from FY 2018. During the spring and summer months, transactions exceed the normal pattern observed on this facility due to tourists and seasonal residents with July exceeding the average by 20 percent. December was the lowest month at 18 percent below the average.

**TABLE 6.4 - GARCON POINT BRIDGE
SEASONAL TRANSACTION VARIATION
FY 2019**

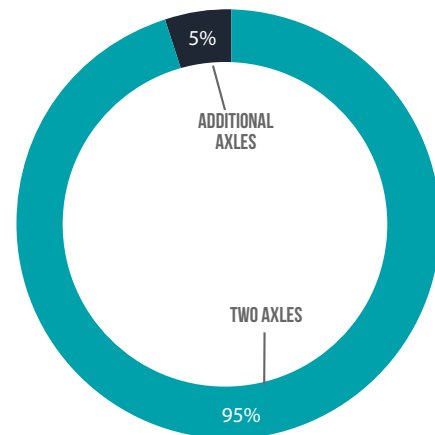
| Month | Average Daily Transactions | Seasonal Factor |
|--------------|----------------------------|-----------------|
| July 2018 | 7,200 | 1.20 |
| August | 6,400 | 1.07 |
| September | 5,600 | 0.93 |
| October | 6,100 | 1.02 |
| November | 5,400 | 0.90 |
| December | 4,900 | 0.82 |
| January 2019 | 5,100 | 0.85 |
| February | 5,300 | 0.88 |
| March | 6,200 | 1.03 |
| April | 6,300 | 1.05 |
| May | 6,600 | 1.10 |
| June | 6,900 | 1.15 |
| AADT | 6,000 | 1.00 |

Traffic and revenue contributions for trucks on the Garcon Point Bridge are shown in **Graph 6.2**. For FY 2019, trucks accounted for approximately five percent of traffic on the facility. Correspondingly, the revenue collected from truck traffic translated into eleven percent of the total revenue on the facility. The revenue percentage for trucks is calculated by the "N minus 1" toll method. In terms of actual revenues, trucks provided approximately \$829 thousand of the total revenues, while passenger vehicles comprised the remaining \$6.7 million.

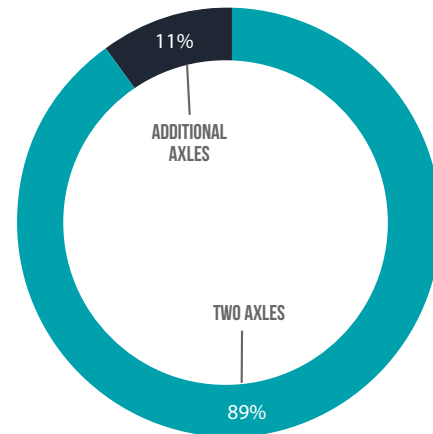
6.3 SUNPASS®

SunPass® was implemented on the Garcon Point Bridge concurrent with the opening of the facility. The toll plaza has five lanes,

**GRAPH 6.2 - GARCON POINT BRIDGE
TRANSACTIONS BY AXLE CLASS
FY 2019**



REVENUE CONTRIBUTION BY AXLE CLASS FY 2019



and tolls are collected in both directions with SunPass® technology available in all lanes (see **Appendix A** for the lane configurations). A discount is provided to users of SunPass® beyond the threshold of 30 transactions on the Garcon Point Bridge toll facility per month. As such, drivers of two-axle vehicles are given a 50 percent retroactive discount once they exceed the threshold.

Table 6.5 shows the SunPass® transactions on Garcon Point Bridge during FY 2019. SunPass® usage totaled 1.2 million transactions in FY 2019, resulting in a SunPass® participation rate of 54 percent. On a daily basis, approximately 3,300 vehicles out of 6,000 utilize SunPass®. The monthly SunPass® participation ranged

ENTERPRISE TOLL OPERATIONS

**TABLE 6.5 - GARCON POINT BRIDGE
TRANSACTIONS BY PAYMENT METHOD
FY 2019**

| Month | Transactions (000) | | | Percent SunPass® |
|-------------------|--------------------|--------------|---------------|------------------|
| | SunPass® | Non-SunPass® | Total | |
| July 2018 | 103 | 120 | 223 | 46.2% |
| August | 104 | 95 | 199 | 52.3 |
| September | 93 | 75 | 168 | 55.4 |
| October | 103 | 86 | 189 | 54.5 |
| November | 96 | 67 | 163 | 58.9 |
| December | 90 | 62 | 152 | 59.2 |
| January 2019 | 96 | 61 | 157 | 61.1 |
| February | 91 | 58 | 149 | 61.1 |
| March | 104 | 88 | 192 | 54.2 |
| April | 104 | 85 | 189 | 55.0 |
| May | 106 | 99 | 205 | 51.7 |
| June | 101 | 106 | 207 | 48.8 |
| Total | 1,191 | 1,002 | 2,193 | |
| Percentage | 54.3% | 45.7% | 100.0% | |

Source: Turnpike Enterprise Finance Office.

Note: SunPass and Cash transactions represent toll-paying and non-revenue transactions.

from 46 percent in July 2018 to 61 percent in January and February 2019, peaking during the winter months due to a lower percentage of tourists.

Revenue attributable to SunPass® for FY 2019 totaled \$3.9 million, as shown in **Table 6.6**. This amount represents 52 percent of all toll revenue. The SunPass® revenue amount is net of the SunPass® discount for the facility, which for FY 2019, amounted to approximately \$583 thousand. The monthly SunPass® revenue

**TABLE 6.6 - GARCON POINT BRIDGE
GROSS TOLL REVENUE BY PAYMENT METHOD
FY 2019**

| Month | Gross Toll Revenue (\$000) | | | Percent SunPass® |
|-------------------|----------------------------|----------------|----------------|------------------|
| | SunPass® | Non-SunPass® | Total | |
| July 2018 | \$340 | \$460 | \$800 | 42.5% |
| August | 307 | \$359 | 666 | 46.1 |
| September | 319 | \$289 | 608 | 52.5 |
| October | 224 | \$192 | 416 | 53.8 |
| November | 362 | \$255 | 617 | 58.7 |
| December | 275 | \$236 | 511 | 53.8 |
| January 2019 | 334 | \$229 | 563 | 59.3 |
| February | 303 | \$221 | 524 | 57.8 |
| March | 365 | \$332 | 697 | 52.4 |
| April | 365 | \$317 | 682 | 53.5 |
| May | 368 | \$381 | 749 | 49.1 |
| June | 355 | \$383 | 738 | 48.1 |
| Total | \$3,917 | \$3,654 | \$7,571 | |
| Percentage | 51.7% | 48.3% | 100.0% | |

Source: FDOT Office of the Comptroller (Annual Toll Revenue) and Turnpike Enterprise Finance Office.

contribution ranged from a low of 43 percent to a high of 59 percent during FY 2019.

6.4 FY 2019 EXPENSES AND LIABILITIES

A comparison between actual and budgeted operating and routine maintenance expenses in FY 2019 are shown in **Table 6.7**. Actual operating and routine maintenance expenses were 1.8 percent, or \$24 thousand, lower than the FY 2019 budget.

**TABLE 6.7 - GARCON POINT BRIDGE
OPERATING AND ROUTINE
MAINTENANCE EXPENSES
FY 2019**

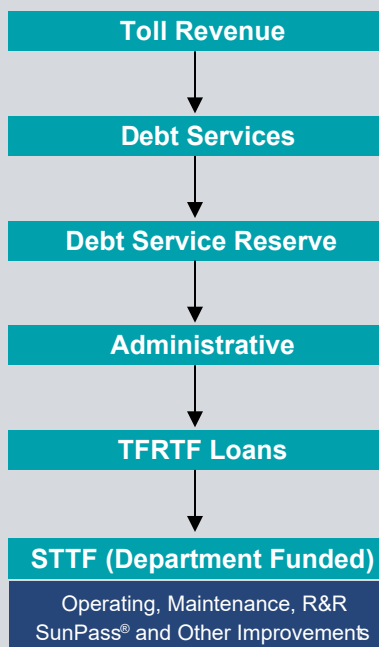
| Type of Expense | Budget (\$000) | Actual (\$000) | Over/ (Under) (\$000) | Variance |
|---------------------|----------------|----------------|-----------------------|---------------|
| Operating | \$1,217 | \$1,264 | \$47 | 3.9% |
| Routine Maintenance | 149 | 78 | (71) | (47.7) |
| Total | \$1,366 | \$1,342 | (\$24) | (1.8%) |

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2018 Enterprise Toll Operations Traffic Engineer's Annual Report.



As shown in **Figure 6.2**, Garcon Point Bridge has liabilities payable to the Department for Toll Facility Revolving Trust Fund (TFRTF) loans and an advance from the STTF. As of June 30, 2019, the TFRTF balance was approximately \$7.9 million, to be repaid when sufficient funds become available.

**FIGURE 6.2 - GARCON POINT BRIDGE
FLOW OF FUNDS
REVENUE BONDS, SERIES 1996**



The second liability is for the costs of operating and maintaining the toll facility. The Department, in accordance with the Lease-Purchase Agreement between the Department and the Santa Rosa Bay Bridge Authority, pays operating and maintenance expenses on the bridge. These costs are considered long-term receivables by the Department. This liability is to be paid subsequent to the payment of the TFRTF loans. An analysis of long-term liabilities for FY 2019 is presented in **Table 6.8**. The long-term liability balance as of June 30, 2019 was approximately \$29.8 million.

**TABLE 6.8 - GARCON POINT BRIDGE
LONG-TERM LIABILITY
FY 2019**

| Transaction | Amount (\$000) |
|---|----------------|
| Balance, July 1, 2018 | \$27,766 |
| Additions: Costs for FY 2019 ⁽¹⁾ | 2,008 |
| Reductions | (16) |
| Balance, June 30, 2019 | \$29,758 |

(1) Costs for FY 2019 include the following: Toll Operations (TOBC - Direct & Indirect), Total Routine Maintenance and Other DSBC Costs (Capital Costs Direct & Capital Costs Indirect).

6.5 NOTEWORTHY EVENTS

As noted earlier, despite the adopted toll rate increase program, the Santa Rosa Bay Bridge Authority is in debt service payment default and remains in default at the present time.

6.6 EXPENSE FORECASTS

Projected operating and routine maintenance expenses for FY 2020 through FY 2030 are shown in **Table 6.9**. Budgeted operating expenses for FY 2020 are approximately \$1.3 million. The operating expense budget is developed by the Turnpike Enterprise Finance Office.

**TABLE 6.9 - GARCON POINT BRIDGE
PROJECTED OPERATING AND ROUTINE MAINTENANCE
EXPENSES
FY 2020 THROUGH FY 2030**

| Fiscal Year | Operating Expense (\$000) | Routine Maintenance Expense (\$000) | Total Operating & Routine Maintenance Expenses (\$000) |
|-------------|---------------------------|-------------------------------------|--|
| 2020 | \$1,309 | \$135 | \$1,444 |
| 2021 | 1,342 | 136 | 1,478 |
| 2022 | 1,376 | 136 | 1,512 |
| 2023 | 1,410 | 138 | 1,548 |
| 2024 | 1,445 | 208 | 1,653 |
| 2025 | 1,481 | 98 | 1,579 |
| 2026 | 1,518 | 100 | 1,618 |
| 2027 | 1,556 | 103 | 1,659 |
| 2028 | 1,595 | 106 | 1,701 |
| 2029 | 1,635 | 109 | 1,744 |
| 2030 | 1,676 | 112 | 1,788 |

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2020 and inflated at 2.5 percent annually.

ENTERPRISE TOLL OPERATIONS

Appendix C contains a detailed description of the FY 2020 operating expense budget. Subsequent to FY 2020, operating expenses are projected to grow at 2.5 percent annually. The routine maintenance expense forecast is provided by the Department's Office of Project Finance through FY 2025. Subsequent to FY 2025, routine maintenance expenses were increased at approximately 2.5 percent annually.

6.7 REVENUE SUFFICIENCY

The bond year for the Garcon Point Bridge as reported herein runs from July 1 to June 30, corresponding to the Department's fiscal year.

Each year, an amount of principal and accrued interest on the outstanding bonds becomes due and payable. This amount is known as the annual debt service. As a test of the ability of a facility to repay the annual debt service, a "coverage" ratio calculation is performed. In accordance with the Series 1996 Bond Resolution, gross revenues are required to provide 120 percent of the Annual Net Debt Service Requirement (or a 1.2 coverage ratio).

As of January 1, 2013, the Bank of New York Mellon, as trustee for the Authority's bondholders, declared the principal of all of the bonds outstanding to be due and payable immediately. Subsequent to acceleration of the bonds, the trustee has made periodic distributions of available revenues to the bondholders. On December 20, 2018, the trustee filed suit against the Department, seeking an order requiring the Department to increase tolls charged for use of the Authority's facility. The Department filed a counterclaim regarding its authority to adjust tolls in the manner requested by the trustee. On December 13, 2019, the Court entered a final judgment on the Department's counterclaim, requiring the

Department to adjust the Authority's toll rates in the manner recommended by a February 15, 2019 traffic and revenue report obtained by the Department.

MID-BAY BRIDGE AUTHORITY SYSTEM



7.1 BACKGROUND

The Mid-Bay Bridge Authority ("Authority") System includes the 3.6-mile, limited access, two-lane, fixed span Mid-Bay Bridge ("Bridge"), the 11-mile Walter Francis Spence Parkway ("Parkway") and the 0.8-mile Danny Wuerffel Way. The Bridge traverses Choctawhatchee Bay, connecting Niceville and Destin in southeast Okaloosa County. The Bridge opened to traffic in June 1993 with one mainline toll plaza located on the north side of the bay.

Figure 7.1 shows a map of the Bridge and the roadway segments which run from US 98 to SR 85. The Parkway completely opened to traffic in January 2014.

The bridge and roadway segments are designated as SR 293. On the north side of the bay, the Parkway is four lanes from the bridge to Range Road and two lanes from Range Road to SR 85, except for the section of roadway through and in the immediate vicinity of the All-Electronic Toll (AET) gantry, where it widens to four lanes. On the south side of the bay, SR 293 continues as a four-lane arterial approach (Danny Wuerffel Way) for approximately one mile and intersects with US 98. Overall, SR 293 is 15.5 miles in length. The Parkway has full grade-separated interchanges at Lakeshore Drive, SR 20, Range Road, SR 285, SR 85 and at-grade intersections at Forest Road and Town Center Boulevard (both are located between Range Road and SR 285, north of the toll gantry).

The Authority was established in 1986 as a dependent special district in Okaloosa County to plan, construct, operate, and maintain a bridge traversing Choctawhatchee Bay, and other transportation facilities that become part of its System. The Authority entered into a Lease -Purchase Agreement with the Department whereby the Department maintains and operates the System and remits all tolls collected to the Authority. The lease term runs concurrently with the bonds and when the bonds mature and are fully paid, the Department will obtain ownership of the facility.

The Authority operates on the Okaloosa County fiscal year which runs from October 1 to September 30 each year. However, for consistency across all Department-owned and Department-operated facilities, all FY 2019 data for this facility is reported according to the Department's fiscal year ending June 30, 2019, unless otherwise noted.

Tolls are collected in both directions on the Bridge and Parkway with Parkway tolls one-half those on the bridge. Further, tolls on the Parkway are collected using AET technology. Customers have the option of paying with SunPass® or TOLL-BY-PLATE® (TBP) upon receiving a statement sent to them via US mail.



Currently, two-axle tolls on both the Bridge and the Parkway are as follows:

Bridge:

- Cash \$4.00
- SunPass® (infrequent customers, those making 31-or-less trips per month per account): \$3.00
- SunPass® (frequent customers, those making 32-or-more trips per month per account): \$2.00

Parkway:

- TOLL-BY-PLATE® \$2.00
- SunPass® (infrequent customers, those making 31-or-less trips per month per account): \$1.50
- SunPass® (frequent customers, those making 32-or-more trips per month per account): \$1.00

Three-or-more axle vehicles (regardless of the payment method) pay tolls calculated using the “N minus 1” method and increase at the rate of \$4.00 per axle over the \$4.00 cash two-axle toll on the Bridge and \$2.00 per axle over the \$2.00 TOLL-BY-PLATE® two-axle toll on the Parkway.

7.2 FY 2019 TRANSACTIONS AND TOLL REVENUES

The annual change in traffic and revenue for the facility from FY 2009 through FY 2019 is presented in **Table 7.1**. Traffic and toll revenue have grown from 6.8 million transactions and \$12.6 million in FY 2009 to 10.5 million transactions and \$25.7 million in FY 2019. During this period, toll revenues increased due to higher traffic, toll rate increases, and the opening of the Parkway.

Transactions and revenue during FY 2010 and FY 2011 were affected by the BP oil spill, which began with the explosion of the Deepwater Horizon drilling platform on April 20, 2010.

In FY 2018 there was an increase of 4.4 percent in transactions and 3.0 percent decrease in toll revenue, respectively, from FY 2017. The revenue

decrease of \$1.1 million is attributable to a 15-day toll suspension beginning on September 5, 2017, to aid in the evacuation and recovery efforts due to Hurricane Irma. Further, the revenue decrease is also impacted due to FY 2018 being a full year of implementation of the lower threshold frequent-user discount program that began January 2017.

In FY 2019 there was a decrease in revenues of 3.1 percent primarily prompted by the 11-day toll suspension beginning on October 8, 2018 for Hurricane Michael that resulted in a revenue loss of \$0.8 million. Additionally, the 8-day Bridge closure starting January 8, 2019 due to detection of corrosion on the post-tensioning tendons of the Bridge, as well as restrictions on multi-axle vehicles and intermittent closures for final repairs resulted in a revenue loss of \$1.0 million. The state FY 2019 total revenue loss for Hurricane Michael and bridge repairs is estimated at \$1.8 million. Most currently, for calendar year 2019

**TABLE 7.1 - MID-BAY BRIDGE AUTHORITY
HISTORICAL TRANSACTIONS AND REVENUE GROWTH
STATE FY 2009 THROUGH STATE FY 2019**

| Fiscal Year | Transactions (000) | | | | Toll Revenue ⁽¹⁾ (\$000) | | Average Toll |
|---------------------|--------------------|-------------|--------|----------------|-------------------------------------|----------------|--------------|
| | Toll Paying | Non Revenue | Total | Percent Change | Amount | Percent Change | |
| 2009 | 6,789 | 50 | 6,839 | - | 12,586 | - | \$1.840 |
| 2010 ⁽²⁾ | 6,755 | 4 | 6,759 | (1.2%) | 12,867 | 2.2% | 1.904 |
| 2011 | 6,476 | 13 | 6,489 | (4.0) | 15,472 | 20.2 | 2.384 |
| 2012 | 6,491 | 30 | 6,521 | 0.5 | 15,699 | 1.5 | 2.407 |
| 2013 | 6,523 | 42 | 6,565 | 0.7 | 15,797 | 0.6 | 2.406 |
| 2014 ⁽³⁾ | 7,644 | 43 | 7,687 | 17.1 | 17,015 | 7.7 | 2.213 |
| 2015 | 9,720 | 54 | 9,774 | 27.1 | 19,934 | 17.2 | 2.039 |
| 2016 ⁽²⁾ | 9,984 | 52 | 10,036 | 2.7 | 25,351 | 27.2 | 2.526 |
| 2017 ⁽²⁾ | 10,105 | 54 | 10,159 | 1.2 | 27,289 | 7.6 | 2.686 |
| 2018 | 10,104 | 500 | 10,604 | 4.4 | 26,475 | (3.0) | 2.497 |
| 2019 | 10,134 | 389 | 10,523 | (0.8) | 25,660 | (3.1) | 2.438 |

Source: FDOT Office of the Comptroller and Turnpike Enterprise Finance Office.

Notes: The non-revenue class includes authorized vehicles that pass through a toll plaza without incurring a toll (i.e., law enforcement, emergency vehicles) and transactions reported during toll suspensions attributable to hurricanes. These data will not match the audited data maintained by the Mid-Bay Bridge Authority because of the difference in fiscal years.

(1) Per new revenue reporting methodology, starting FY 2014 toll revenues exclude miscellaneous and violation revenues, which are immaterial to toll revenues reported herein.

(2) Tolls increased June 2010, October 1, 2015, and frequent user discount modified on January 1, 2017.

(3) The Spence Parkway opened to traffic on January 4, 2014. Toll collection on the facility started on January 6, 2014.

ENTERPRISE TOLL OPERATIONS

(through July 2019), hotel bed tax collection in Okaloosa and Walton counties combined were up 13 percent compared to the same calendar year period in 2018.

Monthly transactions and toll revenue on the Bridge and the Parkway facilities during FY 2019 are presented in **Table 7.2**. The first quarter, which includes the peak season, experienced the highest revenue of any quarter.

Graph 7.1 shows the number of hourly (Central Standard Time) weekday and weekend transactions of a typical week during FY 2019

**TABLE 7.2 - MID-BAY BRIDGE AUTHORITY
MONTHLY TRANSACTIONS AND TOLL REVENUE
STATE FY 2019**

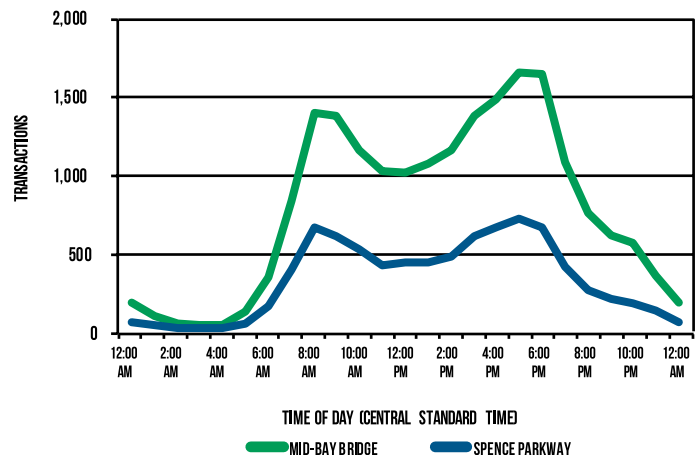
| Month | Transactions (000) | | | Toll Revenue (\$000) | | |
|---------------------|--------------------|----------------|---------------|----------------------|----------------|-----------------|
| | Mid-Bay Bridge | Spence Parkway | Total | Mid-Bay Bridge | Spence Parkway | Total |
| July 2018 | 777 | 364 | 1,141 | \$2,652 | \$575 | \$3,227 |
| August | 676 | 305 | 981 | 1,999 | 428 | 2,427 |
| September | 585 | 253 | 838 | 1,764 | 367 | 2,131 |
| 1st Quarter Total | 2,038 | 922 | 2,960 | 6,415 | 1,370 | 7,785 |
| October | 634 | 284 | 918 | 1,207 | 250 | 1,457 |
| November | 557 | 225 | 782 | 1,748 | 329 | 2,077 |
| December | 557 | 208 | 765 | 1,585 | 276 | 1,861 |
| 2nd Quarter Total | 1,748 | 717 | 2,465 | 4,540 | 855 | 5,395 |
| January 2018 | 371 | 163 | 534 | 1,024 | 211 | 1,235 |
| February | 474 | 190 | 664 | 1,354 | 251 | 1,605 |
| March | 635 | 287 | 922 | 1,904 | 399 | 2,303 |
| 3rd Quarter Total | 1,480 | 640 | 2,120 | 4,282 | 861 | 5,143 |
| April | 622 | 277 | 899 | 1,866 | 376 | 2,242 |
| May | 699 | 319 | 1,018 | 2,126 | 422 | 2,548 |
| June | 719 | 342 | 1,061 | 2,190 | 357 | 2,547 |
| 4th Quarter Total | 2,040 | 938 | 2,978 | 6,182 | 1,155 | 7,337 |
| Annual Total | 7,306 | 3,217 | 10,523 | \$21,419 | \$4,241 | \$25,660 |

Source: FDOT Office of the Comptroller (Annual Toll Revenue) and Turnpike Enterprise Finance Office.

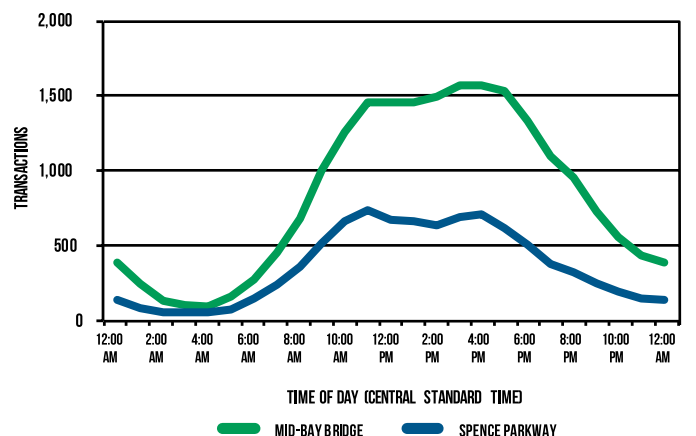
Note: Transactions represent toll-paying and non-revenue traffic at Mid-Bay Bridge and the Spence Parkway plazas.

for the Bridge and the Parkway. As expected, the demand for travel on the facilities during weekdays is highest during the morning and evening peak hours. Almost 1,500 vehicles used the Bridge during the morning peak hour from 7:00 a.m. to 8:00 a.m. while, during the same time period, almost 700 vehicles used the Parkway. In the evening peak period approximately 1,700 vehicles used the Bridge and over 700 vehicles used the Parkway facility from 4:00 p.m. to 5:00 p.m. On weekends, there is no clear morning or evening peak periods indicating that a large number of non-commuters, many associated

**GRAPH 7.1 - MID-BAY BRIDGE AUTHORITY
TYPICAL HOURLY WEEKDAY TRANSACTIONS
STATE FY 2019**



**TYPICAL HOURLY WEEKEND TRANSACTIONS
STATE FY 2019**



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, September 10, 2018.

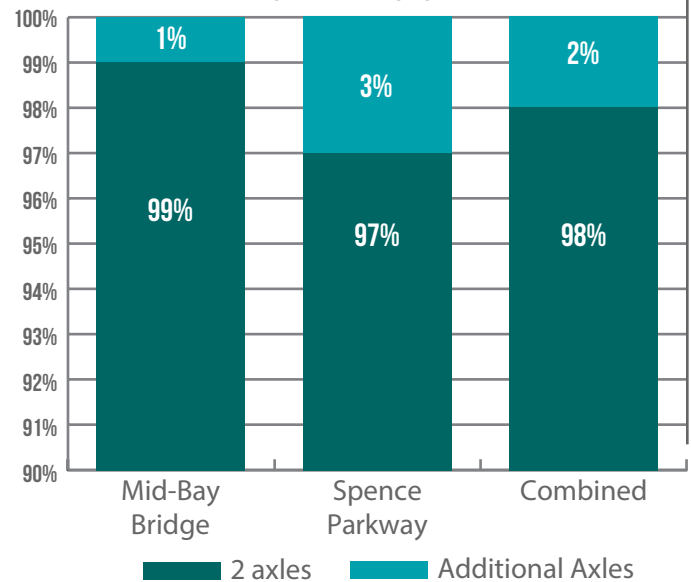
with recreational travel, use each of the facilities. On Saturdays, however, during the peak (summer) season, traffic tends to peak during the early morning in the northbound direction as tourists check-out of their accommodations and begin their trip home, while in the southbound direction traffic tends to peak in the late morning to late afternoon as tourists arrive to check-in to their accommodations.

The monthly transaction variations for the Bridge and the Parkway in FY 2019 are analyzed in **Table 7.3**. The overall two-way Annual Average Daily Traffic (AADT) for the combined Bridge and Parkway for FY 2019 was 28,800. The peak season occurs between May and August with July at 28 percent above the average for the combined facilities. January was the lowest month at 40 percent below the average. The decline in January 2019 was also due to 8-day Bridge closure related to the detection of corrosion on the bridge tendons. Typically, the lowest transaction levels occur from November through February, as it is the off-season for tourists and seasonal

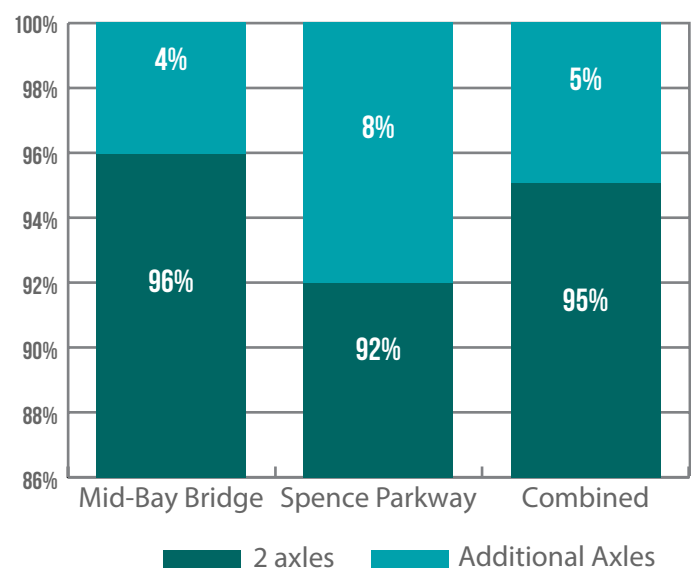
residents in northwest Florida.

The traffic and revenue contributions from trucks on the Bridge, the Parkway and the combined facilities are shown in **Graph 7.2**. For FY 2019, trucks accounted for approximately one percent of traffic on the Bridge, three percent on the Parkway and two percent on the combined facilities. Correspondingly, the revenue collected from

**GRAPH 7.2 MID-BAY BRIDGE AUTHORITY
TRANSACTIONS BY AXLE CLASS
STATE FY 2019**



**REVENUE CONTRIBUTION BY AXLE CLASS
STATE FY 2019**



**TABLE 7.3 - MID-BAY BRIDGE AUTHORITY
SEASONAL TRANSACTION VARIATION
STATE FY 2019**

| Month | Average Daily Transactions | | | Seasonal Factor |
|--------------|----------------------------|----------------|---------------|-----------------|
| | Mid-Bay Bridge | Spence Parkway | Total | |
| July 2018 | 25,100 | 11,700 | 36,800 | 1.28 |
| August | 21,800 | 9,800 | 31,600 | 1.10 |
| September | 19,500 | 8,400 | 27,900 | 0.97 |
| October | 20,500 | 9,200 | 29,700 | 1.03 |
| November | 18,600 | 7,500 | 26,100 | 0.91 |
| December | 18,000 | 6,700 | 24,700 | 0.86 |
| January 2019 | 12,000 | 5,300 | 17,300 | 0.60 |
| February | 16,900 | 6,800 | 23,700 | 0.82 |
| March | 20,500 | 9,300 | 29,800 | 1.03 |
| April | 20,700 | 9,200 | 29,900 | 1.04 |
| May | 22,600 | 10,300 | 32,900 | 1.14 |
| June | 24,000 | 11,400 | 35,400 | 1.23 |
| AADT | 20,000 | 8,800 | 28,800 | 1.00 |

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truck traffic amounted to four percent of the total on the Bridge, eight percent on the Parkway and five percent on the combined facilities. In terms of actual amounts, vehicles with three or more axles provided approximately \$841 thousand on the Bridge, \$320 thousand on the Parkway and \$1.2 million total.

As described in **Section 7.1**, the Bridge was closed for eight days starting January 8, 2019 due to detection of corrosion on the bridge tendons. Upon reopening, traffic was limited to 2-axle vehicles and 2-axle vehicles pulling single-axle trailers. After permanent repairs, traffic was subsequently open to all axle classes on June 27, 2019. As such, FY 2019 multi-axle vehicle traffic mix and multi-axle revenue contribution on the Bridge were lower compared to FY 2018.

7.3 SUNPASS®

The Mid-Bay Bridge toll plaza is an eight-lane plaza. Toll collection on the Parkway is accomplished via AET at a four-lane toll gantry (See **Appendix A** for the toll plaza configurations).

The percentage of SunPass® transactions on the System during FY 2019 is shown in **Table 7.4**. As indicated, SunPass® transactions totaled approximately 6.7 million, resulting in a participation rate of nearly 64 percent. Individually, the SunPass® participation rate on the Bridge during FY 2019 was 66 percent while on the Parkway the participation rate was 60 percent. On a monthly basis, the highest SunPass® participation rate occurred during the winter months (November through February) when commuters constitute a larger share of the total volume on both the Bridge and the Parkway.

Table 7.5 shows SunPass® revenue on the Bridge and the Parkway is approximately \$14.6 million,

**TABLE 7.4 - MID-BAY BRIDGE AUTHORITY
TRANSACTIONS BY PAYMENT METHOD
STATE FY 2019**

| Month | Transactions (000) | | | Percent SunPass® |
|-------------------|--------------------|--------------|---------------|------------------|
| | SunPass® | Non-SunPass® | Total | |
| July 2017 | 633 | 508 | 1,141 | 55.5% |
| August | 615 | 366 | 981 | 62.7 |
| September | 548 | 290 | 838 | 65.4 |
| October | 567 | 351 | 918 | 61.8 |
| November | 560 | 222 | 782 | 71.6 |
| December | 565 | 200 | 765 | 73.9 |
| January 2018 | 403 | 131 | 534 | 75.5 |
| February | 492 | 172 | 664 | 74.1 |
| March | 581 | 341 | 922 | 63.0 |
| April | 570 | 329 | 899 | 63.4 |
| May | 606 | 412 | 1,018 | 59.5 |
| June | 578 | 483 | 1,061 | 54.5 |
| Total | 6,718 | 3,805 | 10,523 | |
| Percentage | 63.8% | 36.2% | 100.0% | |

Source: Turnpike Enterprise Finance Office.

Notes: Non-SunPass® transactions represent toll-paying and non-revenue transactions.

57 percent of all revenue collected on the System. The SunPass® revenue amount is net of the SunPass® rebates for the two facilities (for

**TABLE 7.5 - MID-BAY BRIDGE AUTHORITY
GROSS TOLL REVENUE BY PAYMENT METHOD
STATE FY 2019**

| Month | Gross Toll Revenue (\$000) | | | Percent SunPass® |
|-------------------|----------------------------|-----------------|-----------------|------------------|
| | SunPass® ⁽¹⁾ | Non-SunPass® | Total | |
| July 2018 | \$1,642 | \$1,585 | \$3,227 | 50.9% |
| August | 1,277 | \$1,150 | 2,427 | 52.6 |
| September | 1,206 | \$925 | 2,131 | 56.6 |
| October | 820 | \$637 | 1,457 | 56.3 |
| November | 1,376 | \$701 | 2,077 | 66.2 |
| December | 1,228 | \$633 | 1,861 | 66.0 |
| January 2019 | 827 | \$408 | 1,235 | 67.0 |
| February | 1,068 | \$537 | 1,605 | 66.5 |
| March | 1,286 | \$1,017 | 2,303 | 55.8 |
| April | 1,253 | \$989 | 2,242 | 55.9 |
| May | 1,349 | \$1,199 | 2,548 | 52.9 |
| June | 1,252 | \$1,295 | 2,547 | 49.2 |
| Total | \$14,584 | \$11,076 | \$25,660 | |
| Percentage | 56.8% | 43.2% | 100.0% | |

Source: FDOT Office of the Comptroller (Annual Toll Revenue) and Turnpike Enterprise Finance Office.

(1) SunPass® revenues are net of the frequent user rebate amounts.

those eligible accounts incurring 32-or-more transactions per calendar month per facility) which, for FY 2019, amounted to \$2.3 million. SunPass® revenue percentage is lower than the SunPass® transaction percentage due to the lower (discounted) toll paid by two-axle SunPass® customers.

7.4 FY 2019 EXPENSES AND LIABILITIES

Historical operating and routine maintenance expenses from FY 2009 through FY 2019 are presented in **Table 7.6**. Operating expenses have increased from approximately \$2.2 million in FY 2009 to \$3.1 million in FY 2019. The significant increase noted from FY 2014 through FY 2019 is due to the opening of the Parkway and overall growth in traffic transactions. During the same period, routine maintenance expenses increased from \$195 thousand to \$738 thousand. The significant increase in maintenance expenses for FY 2019 is due to the expanded footprint of

**TABLE 7.6 - MID-BAY BRIDGE AUTHORITY
FLORIDA DEPARTMENT OF TRANSPORTATION
HISTORICAL OPERATING AND ROUTINE
MAINTENANCE EXPENSES
STATE FY 2009 THROUGH STATE FY 2019**

| Fiscal Year | Operating Expense (\$000) | Routine Maintenance Expense ⁽¹⁾ (\$000) | Total O&M Expenses (\$000) |
|---------------------|---------------------------|--|----------------------------|
| 2009 | \$2,155 | \$195 | \$2,350 |
| 2010 | 1,971 | 167 | 2,138 |
| 2011 | 2,061 | 202 | 2,263 |
| 2012 | 2,124 | 187 | 2,311 |
| 2013 | 2,045 | 314 | 2,359 |
| 2014 | 2,348 | 261 | 2,609 |
| 2015 ⁽²⁾ | 2,795 | 312 | 3,107 |
| 2016 | 2,969 | 220 | 3,189 |
| 2017 | 3,191 | 281 | 3,472 |
| 2018 | 3,270 | 281 | 3,551 |
| 2019 | 3,086 | 738 | 3,824 |

Source: FDOT Office of the Comptroller.

(1) Operating expense restated from FY 2014 through FY 2017.

(2) Operating and maintenance expense increase due to full-year opening of the Spence Parkway.

the Parkway and Bridge maintenance activities required by the asset maintenance contract, as well as a small portion of repair work related to the corrosion on the bridge tendons as described in **Section 7.2**. Combined, total O&M expenses increased from \$2.4 million in FY 2009 to \$3.8 million in FY 2019. FY 2019 operating and routine maintenance expenses increased by approximately 7.7 percent, or \$273 thousand, from FY 2018.

Maintenance of the Bridge has been performed under a private Asset Maintenance Contract since FY 2005. Maintenance activities include roadside mowing and upkeep, guardrail repair, shoulder repair, bridge inspection and other routine maintenance. In addition to routine maintenance expenses, approximately \$324 thousand in periodic maintenance and capital improvement expenses were incurred during FY 2019 for toll system enhancement, dynamic message signs and bridge repairs.

A comparison between actual and budgeted operating and routine maintenance expenses for FY 2019 is presented in **Table 7.7**. Actual operating expenses of \$3.1 million were less than the FY 2019 budget by \$193 thousand. Actual routine maintenance expenses were \$62 thousand lower than the FY 2019 budget. Overall, operating and routine maintenance expenses for FY 2019 were \$255 thousand lower than budgeted amounts.

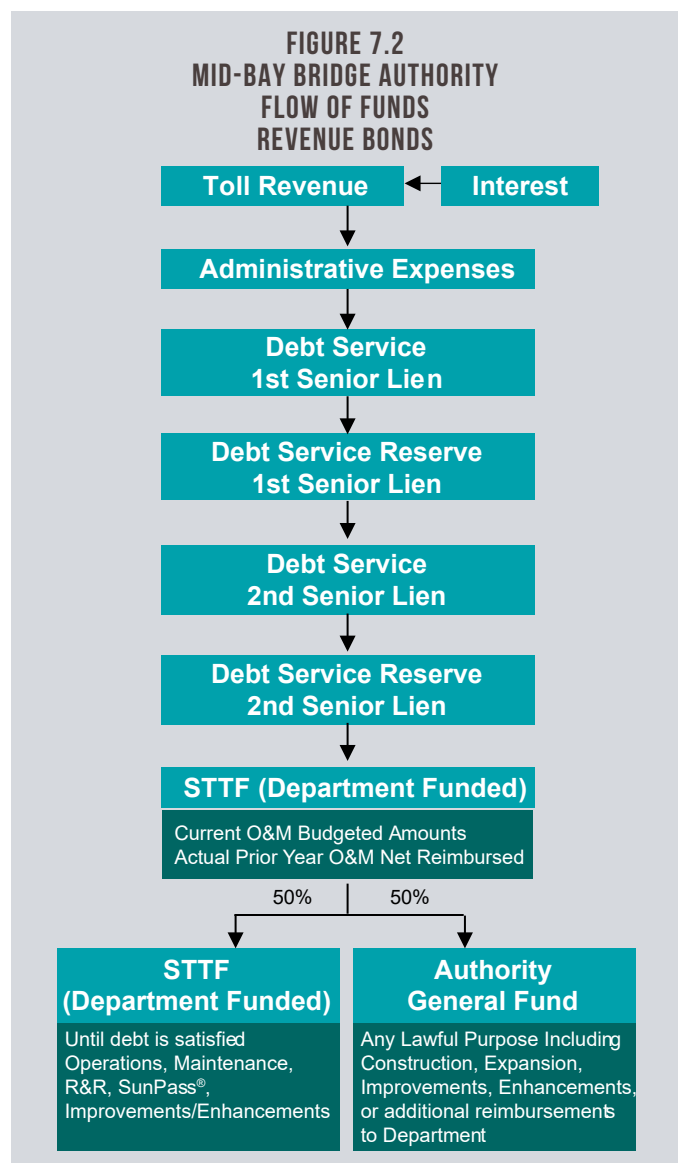
**TABLE 7.7 - MID-BAY BRIDGE AUTHORITY
FLORIDA DEPARTMENT OF TRANSPORTATION
OPERATING AND ROUTINE MAINTENANCE EXPENSES
STATE FY 2019**

| Type of Expense | Budget (\$000) | Actual (\$000) | Over/ (Under) (\$000) | Variance |
|---------------------|----------------|----------------|-----------------------|---------------|
| Operating | \$3,279 | \$3,086 | (\$193) | (5.9%) |
| Routine Maintenance | 800 | 738 | (62) | (7.8) |
| Total | \$4,079 | \$3,824 | (\$255) | (6.3%) |

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2018 Enterprise Toll Operations Traffic Engineer's Annual Report.

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As reflected in **Figure 7.2**, moneys in excess of the current operating and maintenance liability to the Department shall be applied as follows: 50 percent of the annual amount deposited shall be transferred to the Department until all outstanding amounts due to the Department are fully repaid. The remaining 50 percent is to be used by the Authority for any lawful purpose at such time as the Authority shall determine.



An analysis of the FY 2019 State Transportation Trust Fund (STTF) long-term liability is presented in **Table 7.8**. FY 2019 additions to

the liability totaled approximately \$4.1 million. During FY 2019, \$6.6 million reimbursed to the Department comprised of \$3.7 million for operating and maintenance expenses, and \$2.9 million applied to the long-term liability.

**TABLE 7.8 - MID-BAY BRIDGE AUTHORITY
STTF LONG-TERM LIABILITY
STATE FY 2019**

| Transaction | Amount (\$000) |
|---------------------------|----------------|
| Balance, July 1, 2018 | \$4,862 |
| Additions ⁽¹⁾ | 4,148 |
| Reductions ⁽²⁾ | (6,636) |
| Balance, June 30, 2019 | \$2,374 |

Source: FDOT Office of the Comptroller.

(1) Additions represent increases in the long-term liability due to O&M expenses and improvements.

(2) Reductions represent monthly wires for O&M and annual reimbursements from revenue fund.

7.5 NOTEWORTHY EVENTS

On October 8, 2018 (FY 2019), tolls were suspended for 11 days due to Hurricane Michael evacuation and recovery efforts. Based on the Department's estimate, the toll suspension resulted in a \$0.8 million loss in revenue collections. Additionally, on January 8, 2019 (FY 2019), the Bridge was closed for approximately 8 days upon detection of corrosion on the bridge tendons. Upon reopening, the Bridge was limited to 2-axle vehicles and 2-axle vehicles pulling single-axle trailers. After permanent repairs, the Bridge was subsequently reopened to all axle classes on June 27, 2019, incurring a total revenue loss of \$1.0 million.

7.6 EXPENSE FORECASTS

The Department's projected operating and maintenance expenses for FY 2020 through FY 2030 are shown in **Table 7.9**. The operating expenses in FY 2020 represent the budget amount for that fiscal year (see **Appendix C** for a detailed description of the operating expense budget). Subsequent to FY 2020, operating expenses are projected to grow at

**TABLE 7.9 - MID-BAY BRIDGE AUTHORITY
FLORIDA DEPARTMENT OF TRANSPORTATION
PROJECTED OPERATING AND MAINTENANCE EXPENSES
STATE FY 2020 THROUGH STATE FY 2030**

| Fiscal Year | Operating Expense (\$000) | Maintenance Expenses | | Total O&M Expenses (\$000) |
|-------------|---------------------------|----------------------|---------------------------------|----------------------------|
| | | Routine (\$000) | Periodic ⁽¹⁾ (\$000) | |
| 2020 | \$3,096 | \$782 | \$119 | \$3,997 |
| 2021 | 3,173 | 781 | 163 | 4,117 |
| 2022 | 3,252 | 781 | 98 | 4,131 |
| 2023 | 3,333 | 784 | 100 | 4,217 |
| 2024 | 3,416 | 849 | 102 | 4,367 |
| 2025 | 3,501 | 723 | 104 | 4,328 |
| 2026 | 3,589 | 741 | 107 | 4,437 |
| 2027 | 3,679 | 760 | 110 | 4,549 |
| 2028 | 3,771 | 779 | 113 | 4,663 |
| 2029 | 3,865 | 798 | 116 | 4,779 |
| 2030 | 3,962 | 818 | 119 | 4,899 |

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2020 and inflated at 2.5 percent annually.

(1) Periodic maintenance expenses were provided by the FDOT Project Finance Office based on estimated expenditures from the 5-Year Work Program and are reported on a cash basis. Periodic maintenance expenses beyond FY 2024 include a minimal level of preservation (excluding extraordinary expenses such as major bridge repairs) that are based on FY 2024 expenses increased at 2.5 percent annually.

2.5 percent annually to allow for inflation.

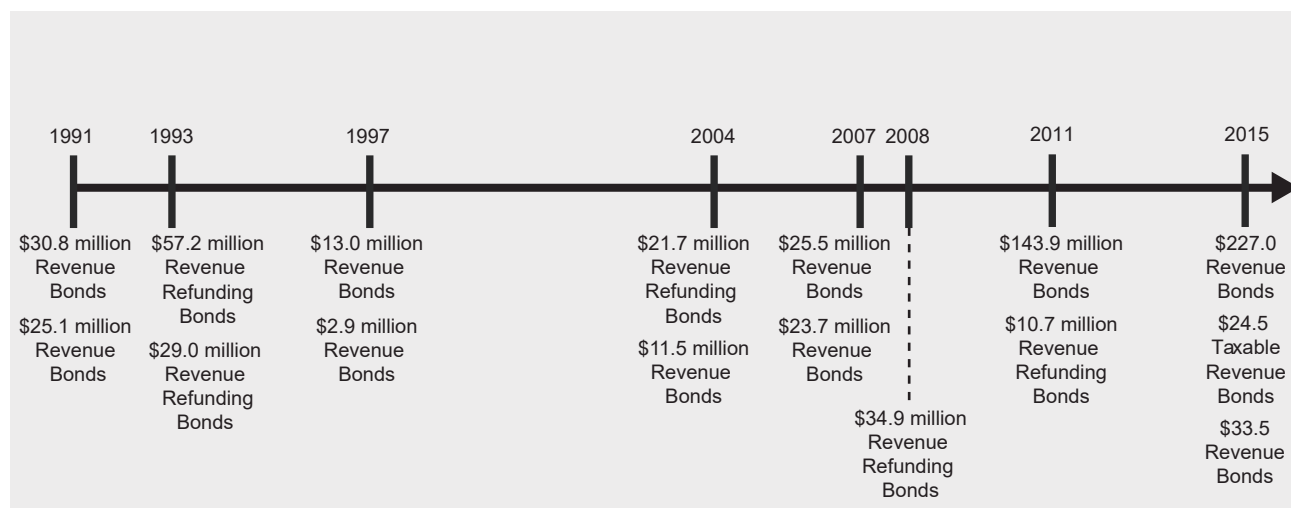
Routine and Periodic Maintenance expenses are provided by the Department's Office of Project Finance through FY 2025. Subsequent years have been increased at 2.5 percent annually through FY 2030.

7.7 REVENUE SUFFICIENCY

In June 2015, the Authority refinanced all outstanding debt with issuance of the Series 2015 Revenue Bonds. The total amount of the bond issue was \$285,040,000.

As of October 1, 2019, bonds in the principal amount of \$267.4 million remained outstanding from the Series 2015 Revenue Bonds. A timeline of Mid-Bay Bridge bond sales for the facility is shown in **Figure 7.3**.

**FIGURE 7.3
MID-BAY BRIDGE AUTHORITY BOND ISSUES**



Note: A list of projects funded by each bond issue is included in **Table 1.4** of this report.

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