

DEPARTMENT-OWNED FACILITIES



ALLIGATOR ALLEY

PAGE 17

- \$32.8 million total toll revenue
- 9.7 million total transactions
- SunPass® participation increased to 66.6 percent during the year



PINELLAS BAYWAY SYSTEM

PAGE 27

- \$5.1 million total toll revenue
- 9.9 million total transactions
- SunPass® participation increased to 71.1 percent during the year



SUNSHINE SKYWAY BRIDGE

PAGE 39

- \$26.7 million total toll revenue
- 22.2 million total transactions
- SunPass® participation increased to 64.3 percent during the year



WEKIVA PARKWAY

PAGE 49

- \$878 thousand total toll revenue
- 1.1 million total transactions
- SunPass® participation increased to 86.4 percent during the year

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ALLIGATOR ALLEY

2.1 BACKGROUND

Alligator Alley was originally constructed as a two-lane, controlled access, 78-mile toll facility connecting the southwestern coastal areas of Collier and Lee Counties (Naples and Fort Myers) to the southeastern coastal areas of Broward and Miami-Dade Counties (Fort Lauderdale and Miami).

During the late 1970's and early 1980's, the Department completed construction of the I-75 corridor on the west coast between Tampa and Naples. Additionally, from 1986 to 1992, the Department widened Alligator Alley to four lanes and made it a limited-access, tolled, interstate facility (I-75) that is part of the Strategic Intermodal System (SIS). The facility was constructed with a mainline plaza located at each end of the facility, and two intermediate toll-free interchanges. The East mainline plaza is located in Broward County near the US 27 interchange, while the West mainline plaza is located in Collier County near the CR 951 interchange. The two intermediate toll-free interchanges are located at SR 29, the route to Immokalee; and CR 833, serving the Miccosukee Indian Reservation.

The original toll configuration on Alligator Alley (payment made at the two mainline plazas in both directions) was converted to the one-stop toll configuration in May 1999. Under the one-stop toll configuration, a toll is collected at the West Plaza from vehicles traveling eastbound. The same toll is collected for the westbound traffic at the East plaza. With one-stop tolling, transactions on Alligator Alley decrease, but the total toll incurred to travel on the facility remains the same, thereby not impacting revenues.

The first toll rate increase since the facility opened to traffic in 1969 was implemented in February 2006. Toll rates were further adjusted in June 2012 (FY 2012) as toll indexing was implemented. SunPass® toll rates are indexed each year while cash rates are indexed every five years to pace with the rounding of the cash toll rate in quarter increments. Both SunPass® and cash toll rates were adjusted on October 29, 2017. For two-axle vehicles, the SunPass® toll increased from \$2.90 to \$2.94, while the cash toll increased from \$3.00 to \$3.25. **Figure 2.1** shows a detailed map of the facility with the most recent toll rates effective on October 29, 2017.

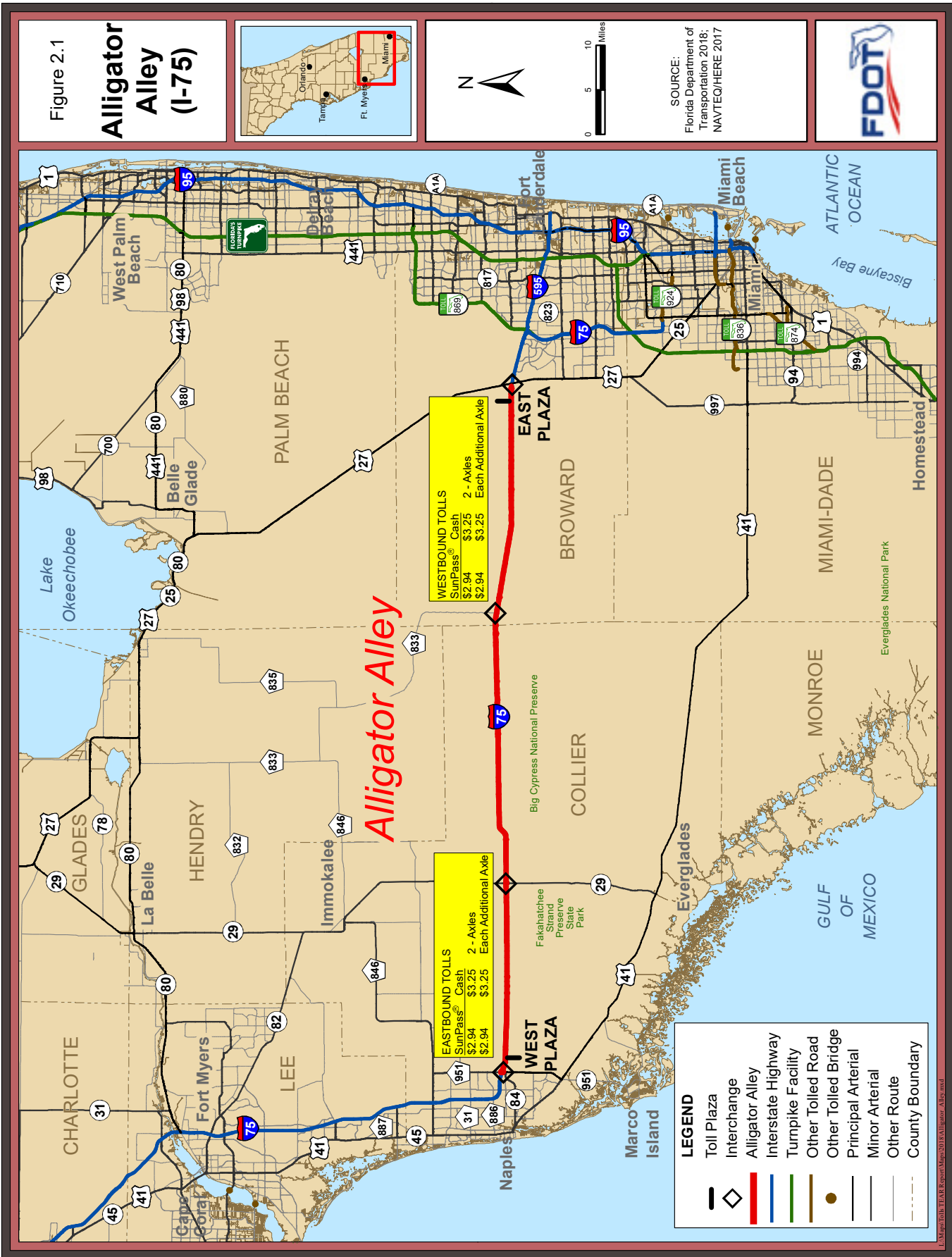
Alligator Alley annual traffic and toll revenue from FY 2008 through FY 2018 are presented in **Table 2.1**. For this period, revenues have increased by 49.6 percent overall while transactions grew by 22.7 percent overall. This

TABLE 2.1 - ALLIGATOR ALLEY HISTORICAL TRANSACTIONS AND REVENUE GROWTH FY 2008 THROUGH FY 2018

Fiscal Year	Transactions (000)				Toll Revenue ⁽¹⁾ (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2008	7,919	14	7,933	-	\$21,962	-	\$2.768
2009	7,193	76	7,269	(8.4%)	19,384	(11.7%)	2.667
2010	7,530	24	7,554	3.9	19,962	3.0	2.643
2011	7,449	22	7,471	(1.1)	19,737	(1.1)	2.642
2012	7,492	32	7,524	0.7	19,647	(0.5)	2.611
2013	7,529	37	7,566	0.6	25,115	27.8	3.319
2014	7,962	38	8,000	5.7	26,711	6.4	3.339
2015	8,471	39	8,510	6.4	28,535	6.8	3.353
2016	9,134	35	9,169	7.7	30,523	7.0	3.329
2017	9,453	146	9,599	4.7	32,200	5.5	3.355
2018	9,444	289	9,733	1.4	32,845	2.0	3.375

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) Per new revenue reporting methodology, starting FY 2014 toll revenue excludes violation and miscellaneous revenues, which are immaterial to toll revenues reported within.

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equates to an annual average growth rate of 4.1 percent for revenue and 2.1 percent for traffic. During the 10-year period, traffic and revenue were affected by both the toll rate adjustments and the downturn in the economy that was caused by the Great Recession. During FY 2018, tolls were suspended for fifteen days beginning on September 5, 2017, to aid in the evacuation and recovery efforts due to Hurricane Irma. This suspension resulted in an approximate \$1.3 million revenue loss.

Historical operating and routine maintenance expenses from FY 2008 through FY 2018 are shown in **Table 2.2**. Operating expenses have increased from \$3.5 million in FY 2008 to approximately \$5.1 million in FY 2018. FY 2018 operating expenses increased 3.1 percent (\$153 thousand) over FY 2017 operating expenses due to higher toll collection costs resulting from increased traffic growth.

During the same period, routine maintenance expenses increased from \$2.1 million to \$4.9 million. Combined, total O&M expenses increased from \$5.5 million in FY 2008 to \$10.0 million in FY 2018.

In addition to routine maintenance expenses, renewal and replacement and capital improvement periodic costs totaling \$11.2 million were incurred primarily for a safety project, fencing and parking facility.

Maintenance of Alligator Alley, along with other portions of I-75, has been under private contract since the beginning of FY 2001, with the Department providing oversight through its Asset Management Coordinator. Maintenance activities include rest area preservation, mowing, canal and guardrail system upkeep, litter removal and repairs due to accidents. Road Ranger service is included under a separate contract, providing roadside assistance to stranded motorists as well as roadway debris removal.

TABLE 2.2 - ALLIGATOR ALLEY HISTORICAL OPERATING AND ROUTINE MAINTENANCE EXPENSES FY 2008 THROUGH FY 2018

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense ⁽¹⁾ (\$000)	Total O&M Expenses (\$000)
2008	\$3,460	\$2,089	\$5,549
2009	3,696	3,265	6,961
2010	3,085	3,262	6,347
2011	3,690	3,369	7,059
2012	3,781	3,409	7,190
2013	3,644	3,719	7,363
2014	4,007	4,252	8,259
2015	4,245	4,173	8,418
2016	4,507	4,225	8,732
2017	4,910	3,672	8,582
2018	5,063	4,910	9,973

Source: FDOT Office of the Comptroller.
 (1) Operating expense restated from FY 2014 through FY 2017.

2.2 FY 2018 TRANSACTIONS, REVENUES AND EXPENSES

Monthly transactions and toll revenue on Alligator Alley during FY 2018 are presented in **Table 2.3** and show the East and West mainline plazas, as well as system totals. Total transactions at the East plaza were just over 5.1 million for the year compared to 4.6 million at the West plaza, totaling approximately 9.7 million transactions on the facility for FY 2018. The corresponding revenues were

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**TABLE 2.3 - ALLIGATOR ALLEY
MONTHLY TRANSACTIONS AND TOLL REVENUE
FY 2018**

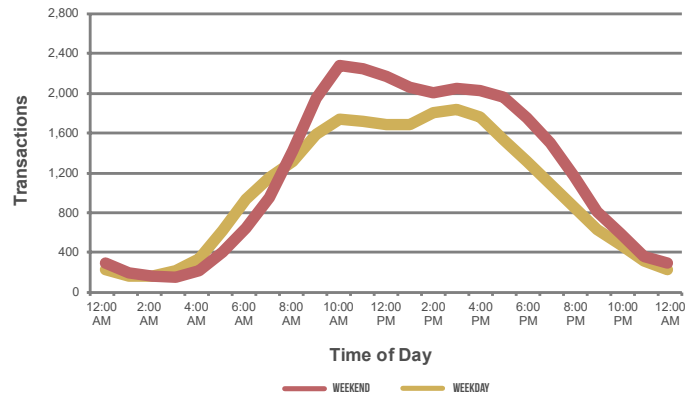
Month	Transactions(000)			Toll Revenue(\$000)		
	East Plaza	West Plaza	Total	East Plaza	West Plaza	Total
July 2017	448	409	857	\$1,514	\$1,365	\$2,879
August	400	360	760	1,385	1,232	2,617
September	353	277	630	675	599	1,274
1st Quarter Total	1,201	1,046	2,247	3,574	3,196	6,770
October	396	354	750	1,384	1,224	2,608
November	434	397	831	1,549	1,386	2,935
December	461	415	876	1,622	1,439	3,061
2nd Quarter Total	1,291	1,166	2,457	4,555	4,049	8,604
January 2018	432	390	822	1,549	1,362	2,911
February	423	379	802	1,494	1,329	2,823
March	494	448	942	1,737	1,535	3,272
3rd Quarter Total	1,349	1,217	2,566	4,780	4,226	9,006
April	441	399	840	1,556	1,376	2,932
May	421	381	802	1,501	1,323	2,824
June	430	391	821	1,439	1,270	2,709
4th Quarter Total	1,292	1,171	2,463	4,496	3,969	8,465
Annual Total	5,133	4,600	9,733	\$17,405	\$15,440	\$32,845

Source: FDOT Office of the Comptroller (Annual Toll Revenue) and Turnpike Enterprise Finance Office.
Note: Transactions represent toll-paying and non-revenue traffic at mainline plazas.

approximately \$17.4 million and \$15.4 million at the East and West plazas, respectively, for a system-wide total of \$32.8 million. The third quarter of FY 2018 (i.e., January through March) was the peak period for travel on the facility.

Transactions on Alligator Alley vary by time of day. **Graph 2.1** shows the number of hourly weekday and weekend transactions of a typical week at the mainline plazas during FY 2018. Travel demand on the facility increases during the early morning hours and remains relatively high throughout the midday period, tapering off during the evening hours. For Alligator Alley, there is no clear morning or evening peak periods typical of commuter facilities. Instead, Alligator Alley serves long-distance trips between the southeastern and southwestern coasts of Florida. Due to recreational travel, weekend transactions tend to exceed weekday

**GRAPH 2.1 - ALLIGATOR ALLEY
TYPICAL HOURLY TRANSACTIONS
FY 2018**



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, January 15, 2018.

transactions.

The monthly seasonal transaction variation in FY 2018 is analyzed in **Table 2.4**. On average, 26,700 vehicles traveled through the East and West toll plazas each day. The seasonal transaction analysis identifies periods of the year when traffic exceeds or falls below the normal pattern observed on the facility under average conditions. Based on average daily transactions at the East and West plazas, March

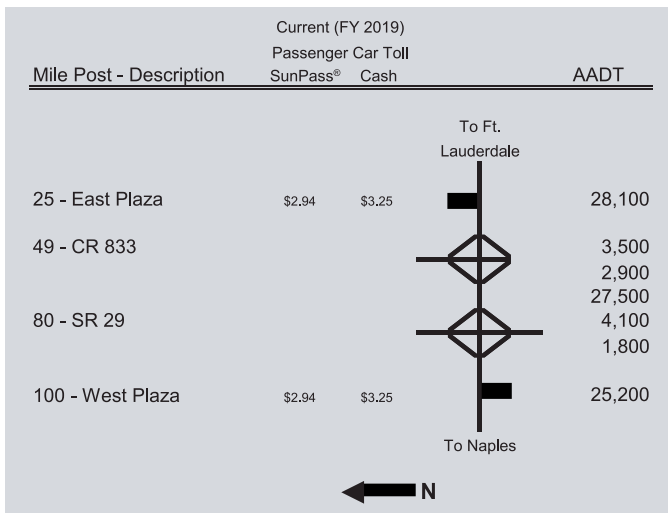
**TABLE 2.4 - ALLIGATOR ALLEY
SEASONAL TRANSACTION VARIATION
FY 2018**

Month	Average Daily Transactions			Seasonal Factor
	East Plaza	West Plaza	Total	
July 2017	14,400	13,200	27,600	1.03
August	12,900	11,600	24,500	0.92
September	11,800	9,200	21,000	0.79
October	12,800	11,400	24,200	0.91
November	14,500	13,200	27,700	1.04
December	14,900	13,400	28,300	1.06
January 2018	13,900	12,600	26,500	0.99
February	15,100	13,500	28,600	1.07
March	15,900	14,500	30,400	1.14
April	14,700	13,300	28,000	1.05
May	13,600	12,300	25,900	0.97
June	14,300	13,000	27,300	1.02
AA DT	14,100	12,600	26,700	1.00

was the highest month at 14 percent above the average for the facility, while September was the lowest month at 21 percent below the average. September is typically the lowest month in south Florida due to fewer seasonal residents and tourists at that time of year.

The FY 2018 two-way annual average daily traffic (AADT) profile for the facility is presented in **Figure 2.2**. Total two-way traffic volumes at the East mainline location averaged approximately 28,100 vehicles per day. Corresponding volumes at the West plaza averaged 25,200 vehicles per day. The East mainline location had slightly more transactions per day due to the CR 833 and SR 29 ramps to and from the east having higher

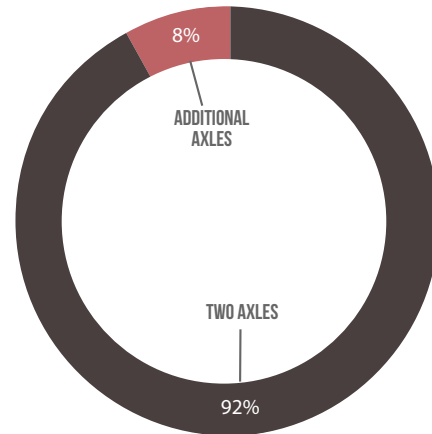
FIGURE 2.2 - ALLIGATOR ALLEY TWO-WAY AADT PROFILE FY 2018



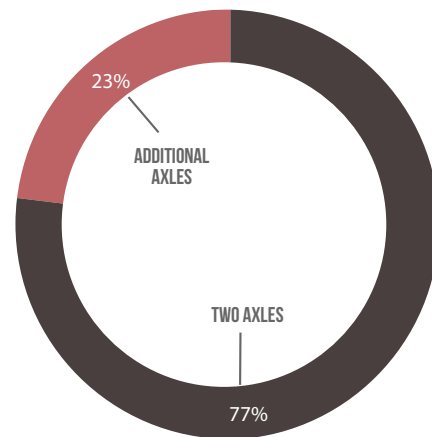
volumes than the respective ramps to and from the west.

The “N minus 1” method of toll collection was implemented on Alligator Alley concurrent with one-stop tolling. This method results in a more equitable toll structure for passenger cars relative to trucks. **Graph 2.2** shows the truck transactions and revenue contributions for FY 2018. Since Alligator Alley is part of the interstate highway system, the

GRAPH 2.2 - ALLIGATOR ALLEY TRANSACTIONS BY AXLE CLASS FY 2018



REVENUE CONTRIBUTION BY AXLE CLASS FY 2018



truck percentages are the greatest of the nine Department-owned and Department-operated toll facilities. Trucks accounted for eight percent of traffic on the facility and 23 percent of the revenue. In terms of actual revenue contributions, two-axle vehicles provided approximately \$25.1 million while vehicles with three or more axles provided \$7.7 million in revenue for FY 2018.

The Department monitors the cost associated with the collection of tolls from customers by comparing the annual operating expense budget for the facility to the actual performance for the year. **Table 2.5** provides a comparison

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**TABLE 2.5 - ALLIGATOR ALLEY
OPERATING AND ROUTINE MAINTENANCE EXPENSES
FY 2018**

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$4,950	\$5,063	\$113	2.3%
Routine Maintenance	4,076	4,910	834	20.5
Total	\$9,026	\$9,973	\$947	10.5%

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2017 Enterprise Toll Operations Traffic Engineer's Annual Report.

between the FY 2018 actual and budgeted operating and routine maintenance expenses. Actual operating expenses were 2.3 percent more than the FY 2018 budget primarily due to higher costs associated with increased traffic growth. However, actual routine maintenance expenses were 20.5 percent higher due to timing differences that resulted in FY 2016 and FY 2017 budgeted expenses paid in FY 2018.

2.3 SUNPASS®

SunPass® technology was implemented on Alligator Alley beginning in October 1999 (see **Appendix A** for current lane configurations). **Table 2.6** shows transactions by payment method on Alligator Alley for FY 2018. SunPass® accounted for 66.6 percent of the total transactions in FY 2018, an increase from the 64.1 percent realized in FY 2017. Non-SunPass® transactions constituted the remaining 33.4 percent. Monthly SunPass® percentages ranged from approximately 64 percent to over 68 percent during the year. SunPass® participation on Alligator Alley is lower than most other Florida toll facilities due to fewer commuters using the facility.

Table 2.7 shows gross toll revenue by payment method. Revenue attributable to SunPass® was approximately \$22.8 million, representing 69.3 percent of the total revenue in FY 2018. Monthly SunPass® revenue percentages ranged from 67 to 72 percent during the year.

**TABLE 2.6 - ALLIGATOR ALLEY
TRANSACTIONS BY PAYMENT METHOD
FY 2018**

Month	Transactions (000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	579	278	857	67.6%
August	520	240	760	68.4
September	401	229	630	63.7
October	505	245	750	67.3
November	558	273	831	67.1
December	574	302	876	65.5
January 2018	539	283	822	65.6
February	523	279	802	65.2
March	615	327	942	65.3
April	562	278	840	66.9
May	547	255	802	68.2
June	560	261	821	68.2
Total	6,483	3,250	9,733	
Percentage	66.6%	33.4%	100.0%	

Source: Turnpike Enterprise Finance Office.

**TABLE 2.7 - ALLIGATOR ALLEY
GROSS TOLL REVENUE BY PAYMENT METHOD
FY 2018**

Month	Gross Toll Revenue (\$000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	\$2,018	\$861	\$2,879	70.1%
August	1,865	752	2,617	71.3
September	901	373	1,274	70.7
October	1,830	778	2,608	70.2
November	2,020	915	2,935	68.8
December	2,059	1,002	3,061	67.3
January 2018	1,976	935	2,911	67.9
February	1,908	915	2,823	67.6
March	2,215	1,057	3,272	67.7
April	2,046	886	2,932	69.8
May	1,975	849	2,824	69.9
June	1,951	758	2,709	72.0
Total	\$22,764	\$10,081	\$32,845	
Percentage	69.3%	30.7%	100.0%	

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

2.4 NOTEWORTHY EVENTS

In 2007, the Legislature amended Section 338.165,

Florida Statutes, to require the Turnpike System and other FDOT-owned facilities to index toll rates on existing toll facilities to the annual Consumer Price Index (CPI) from the prior calendar year. Toll rate adjustments for inflation may be made no more frequently than once a year (i.e., SunPass® toll rates) and must be made no less frequently than once every five years (i.e., cash toll rates) as necessary to accommodate cash toll rate schedules. Toll rates may be adjusted beyond these limits as directed by bond documents, covenants, or governing body authorization or pursuant to Department administrative rule.

For the prior calendar year, CPI of 1.3 percent prompts a \$0.04 increase at the east and west toll plazas for two-axle toll rates for SunPass® customers. Furthermore, cash toll rates, last increased in 2012, experience the fifth-year CPI increase (6.6 percent for prior 5-year period rounded to the quarter) of \$0.25 for two-axle vehicles. This most recent indexing is effective as of October 29, 2017 (FY 2018).

2.5 TRAFFIC, REVENUE AND EXPENSE FORECASTS

The ratio between historical traffic growth and population growth is used along with projected population growth as a guideline to estimate future traffic on Alligator Alley. Historical population growth focused on the four counties that have a significant regional impact on Alligator Alley traffic. These counties are Broward, Collier, Lee and Miami-Dade. Since Alligator Alley is part of the interstate system, the statewide population growth was also considered.

From FY 2010 (i.e., post-recession) through FY 2018, the annual compounded

traffic growth rate on the Alligator Alley was approximately 3.2 percent, whereas, the historical annual compounded population growth rate for the same period for the four counties was 1.3 percent.

Future population estimates have been calculated based on medium projections from the most recent publication by the Bureau of Economic and Business Research (BEBR), College of Business Administration at the University of Florida. The corresponding estimated annual population growth rate through 2030 for the four counties is 1.3 percent, as previously shown in **Table 1.3**. The historical ratio of traffic growth to population growth for the period FY 2010 to FY 2017 was estimated at 2.5. This ratio was applied to projected population growth rates to obtain a general guideline to estimate future annual traffic growth on the Alligator Alley. Traffic profiles are provided in **Appendix B**.

TABLE 2.8 - ALLIGATOR ALLEY TRAFFIC AND GROSS TOLL REVENUE FORECASTS FY 2019 THROUGH FY 2029

Fiscal Year	Total Traffic (000)	Toll Revenue (\$000)			Toll Revenue Comparisons (\$000)		
		Revenue with Constant Tolls ⁽¹⁾	Indexing Impact	Gross Toll Revenue	2017 Annual Report Forecast	Variance	
						Amount	Percent
2019	10,022	\$35,038	0	\$35,038	\$35,314	(\$276)	(0.8%)
2020	10,305	36,115	\$334	36,449	36,387	62	0.2
2021	10,534	36,909	683	37,592	37,431	161	0.4
2022	10,748	37,648	1,057	38,705	38,515	190	0.5
2023	10,966	38,401	2,227	40,628	40,434	194	0.5
2024	11,181	39,092	2,647	41,739	41,590	149	0.4
2025	11,371	39,756	3,084	42,840	42,724	116	0.3
2026	11,554	40,392	3,537	43,929	43,837	92	0.2
2027	11,731	40,998	4,021	45,019	44,953	66	0.1
2028	11,906	41,613	5,308	46,921	46,865	56	0.1
2029	12,081	42,196	5,826	48,022	N/A	N/A	N/A

Note: Total traffic corresponds to the gross toll revenue.
 N/A The FY 2017 Traffic Engineer's Annual Report forecast went through FY 2028.
 (1) Toll revenue forecast without indexing.

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The traffic and gross toll revenue forecasts for FY 2019 through FY 2029 are shown in **Table 2.8**. The forecast table includes the impact that indexing will have on revenue. Overall, the gross toll revenue forecast is slightly above the forecast presented in the 2017 Annual Report due in large part to FY 2018 actual revenues exceeding last year’s projection despite a \$1.3 million revenue reduction prompted by the 15-day toll suspension starting on September 5, 2017 due to Hurricane Irma. Transactions in FY 2019 and thereafter are not expected to be impacted by the annual indexing of SunPass® toll rates. Further, the cash toll rate indexing that occurs every five years (FY 2023 and FY 2028) is expected to have minimal impact on traffic. A summary of the economic factors affecting traffic and revenue is included in the Overview chapter of this report. In addition, **Appendix A** includes all the indexed toll rate schedules.

**TABLE 2.9 - ALLIGATOR ALLEY
PROJECTED OPERATING AND MAINTENANCE EXPENSES
FY 2019 THROUGH FY 2029**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense (\$000)	Total Operating & Routine Maintenance Expenses (\$000)	Periodic Maintenance Expense ⁽¹⁾ (\$000)	Total O&M Expenses (\$000)
2019	\$5,129	\$5,527	\$10,656	\$5,860	\$16,516
2020	5,257	6,942	12,199	5,835	18,034
2021	5,388	6,980	12,368	4,088	16,456
2022	5,523	6,402	11,925	25,241	37,166
2023	5,661	6,562	12,223	39,675	51,898
2024	5,803	6,726	12,529	15,375	27,904
2025	5,948	6,894	12,842	5,713	18,555
2026	6,097	7,066	13,163	5,856	19,019
2027	6,249	7,243	13,492	6,003	19,495
2028	6,405	7,424	13,829	6,153	19,982
2029	6,565	7,610	14,175	6,307	20,482

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2019.
 (1) Periodic maintenance expenses include installation of guardrails and cable barrier, rest area construction and other Department-funded R&R and improvements in the 5-year Work Program and are reported on a cash basis. FY 2022 through FY 2024 include resurfacing of the entire roadway. Periodic maintenance expenses beyond FY 2023 have not been fully programmed. However, a minimal level of preservation (excluding extraordinary expenses) has been estimated based on FY 2023 expenses increased at 2.5 percent annually.

Projected operating and maintenance expenses during the same forecast period are shown in **Table 2.9**. The operating expenses for FY 2019 presented in this table represent the budgeted amount for that fiscal year (see **Appendix C** for a detailed description of the FY 2019 operating expense budget). Subsequent to FY 2019, operating expenses are projected to grow at 2.5 percent annually. The routine maintenance expense forecast is provided by the Office of Project Finance through FY 2024. Subsequent to FY 2024, routine maintenance expenses are increased at 2.5 percent annually.

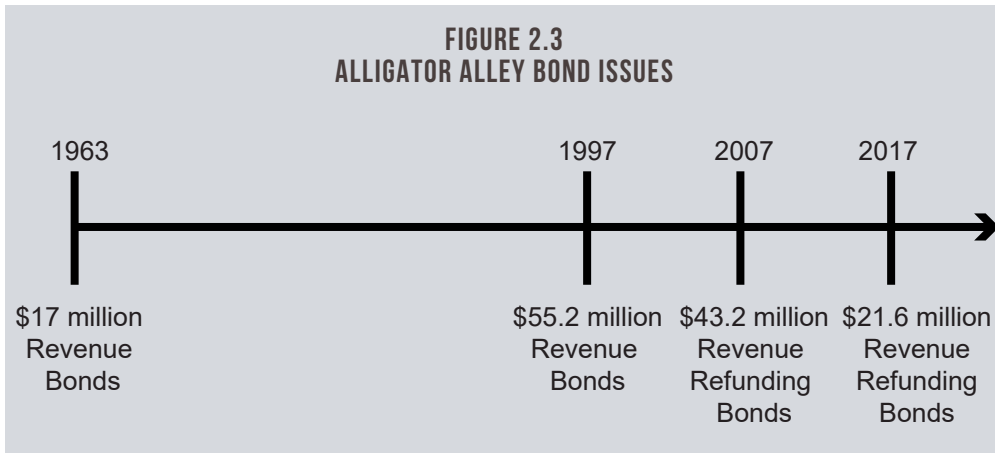
Periodic maintenance expenses are based on information provided by the Office of Project Finance based on the five-year Work Program and include rest area, safety project, and lighting projects. Total operating and maintenance expenses are

projected to increase from \$16.5 million in FY 2019 to \$20.5 million in FY 2029 due to the year in which the commitments are programmed and how the commitments are paid out over time.

2.6 REVENUE SUFFICIENCY

A timeline of Alligator Alley bond issues is shown in **Figure 2.3**. As of July 1, 2018, bonds in the principal amount of \$19.9 million are outstanding from the 2017A Series. Each





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

year, an amount of principal and accrued interest (annual debt service) on the outstanding bonds becomes due and payable. As a test of the ability of a facility to repay the annual debt service, a “coverage” calculation is performed. In accordance with the Bond Resolution, gross revenues are first required to provide 100 percent of the administrative, operating and routine maintenance expenses. The amount of revenues remaining (net revenues) is then available for the payment of debt service. Both renewal and replacement and other expenses funded by the Department are not included in the operating and routine maintenance expenses for debt service calculations. The Bond Resolution requires that net revenues be at least 120 percent (1.2 times) of the annual debt service.

Table 2.10 provides a forecast of the sufficiency of Alligator Alley to meet annual debt service requirements through FY 2029. Generally, revenues used for debt service analysis on the facility include gross toll revenue and other income derived from (or in connection with) the operation of Alligator Alley. However, a conservative approach was taken for this analysis and only gross toll revenue was used in the calculation of net revenue (i.e., gross toll revenue less operating and routine

maintenance expenses). As shown in the table, Alligator Alley significantly exceeds the 1.2 minimum debt service coverage requirement.

As indicated in **Figure 2.4**, revenues remaining after the fulfillment of the annual debt service requirement are used next to fund renewal and

replacements.

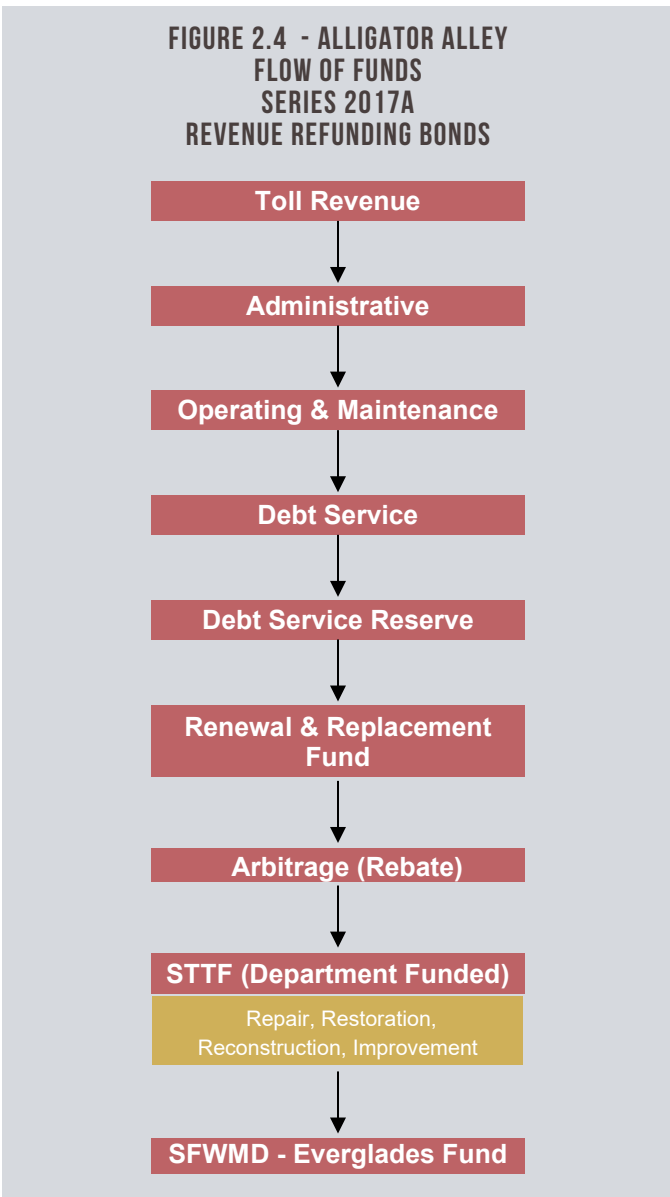
The excess revenues remaining after all of these obligations have been determined and met are transferred to the South Florida Water Management District (SFWMD) to fund environmental projects designed to restore the Florida Everglades from the effects of the construction of Alligator Alley in accordance

TABLE 2.10 - ALLIGATOR ALLEY NET TOLL REVENUE FORECAST AND DEBT SERVICE COVERAGE FY 2018 THROUGH FY 2029

Fiscal Year	Gross Toll Revenue (\$000)	Operating & Routine Maintenance Expenses ⁽¹⁾ (\$000)	Net Toll Revenue ⁽²⁾ (\$000)	Debt Service ⁽³⁾	
				Payment (\$000)	Coverage Ratio
2018	\$32,845	\$9,973	\$22,872	\$2,796	8.2
2019	35,038	10,656	24,382	2,799	8.7
2020	36,449	12,199	24,250	2,799	8.7
2021	37,592	12,368	25,224	2,799	9.0
2022	38,705	11,925	26,780	2,794	9.6
2023	40,628	12,223	28,405	2,795	10.2
2024	41,739	12,529	29,210	2,795	10.5
2025	42,840	12,842	29,998	2,795	10.7
2026	43,929	13,163	30,766	2,790	11.0
2027	45,019	13,492	31,527	2,793	11.3
2028	46,921	13,829	33,092	-	-
2029	48,022	14,175	33,847	-	-

(1) Periodic maintenance are not included in the operating and routine maintenance expenses as bond resolutions exclude these expenses when calculating net revenue.
 (2) Does not include investment income and operating revenues available for debt service.
 (3) Annual debt service is obtained from the Official Statement for the 2017A Bonds.

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excess revenues were transferred to SFWMD.

with Section 338.26, Florida Statutes.

In keeping with the intent of the statute, on June 30, 1997, the Department signed a Memorandum of Agreement ("MOA") with the SFWMD regarding the transfer of the excess toll revenues to the SFWMD. The agreement required for the total annual transfers made by the Department not to exceed \$63.6 million by FY 2016. The department met this requirement and a new MOA with SFWMD was signed in June 2016 and goes through June 2019. In FY 2018, \$8.0 million of

PINELLAS BAYWAY SYSTEM

3.1 BACKGROUND

The Pinellas Bayway System consists of a series of causeways and bridges providing a connection between St. Petersburg Beach, Fort DeSoto Park and I-275. The system is approximately 15.2 miles in length and includes 1.3 miles of bridges. **Figure 3.1** shows a map of the facility with the most recent toll rates.

The east-west section of the facility (SR 682) provides a connection between I-275 (via 54th Avenue) on the east and Gulf Boulevard (SR 699) on the west. This section crosses the Bayway Isles and Isle Del Sol. The north-south section of the facility (SR 679) extends from Isle Del Sol through Tierra Verde Key to Fort DeSoto Park. The facility was opened to traffic in December 1962.

There are three mainline toll plazas on the Pinellas Bayway System. Tolls at the first plaza,

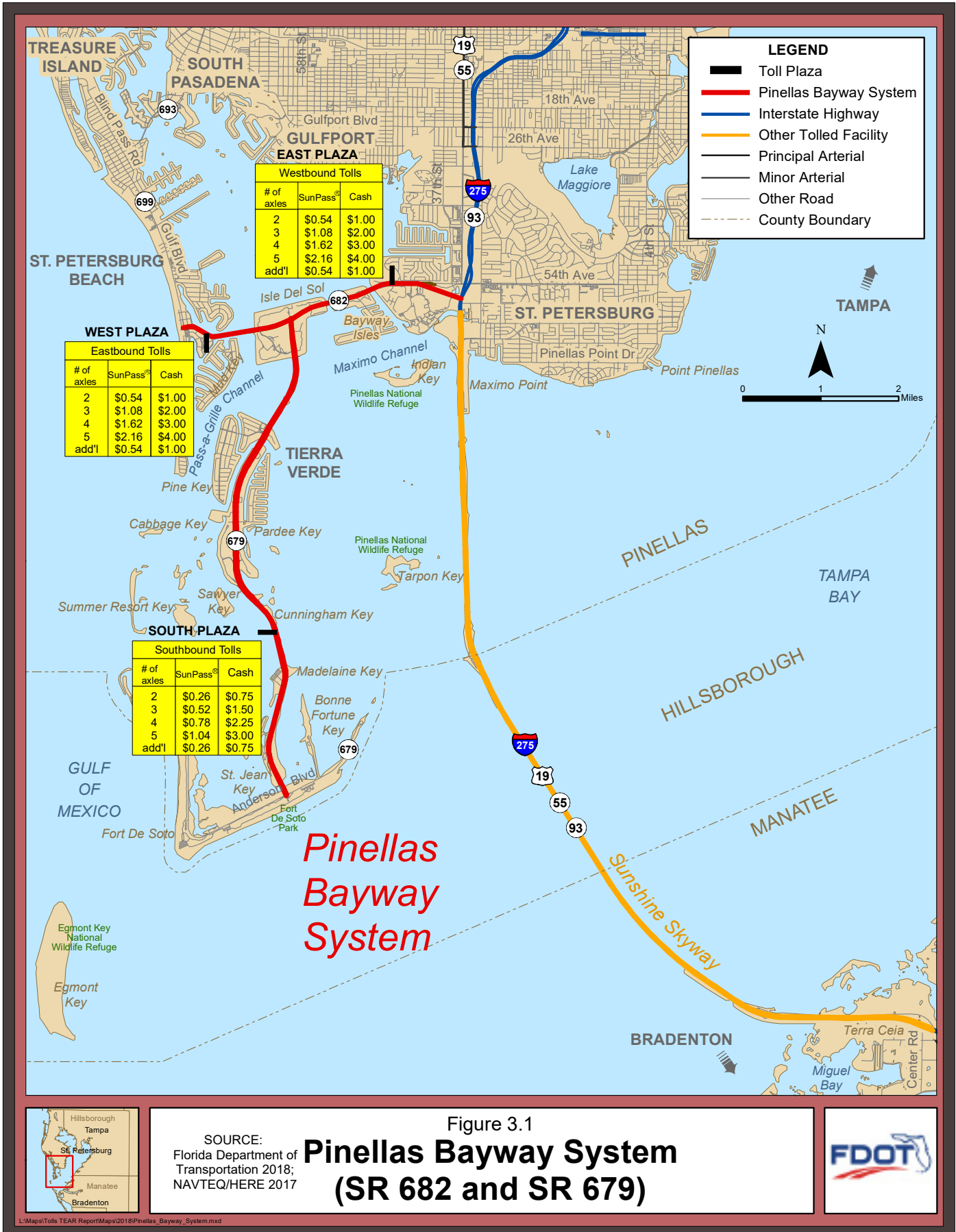


located at the northeast end of the facility on the mainland near Eckerd College, are collected for westbound travel only. The second plaza is located on the northwest end of the facility in St. Petersburg Beach, near the intersection with Gulf Boulevard (SR 699). Tolls at this plaza are collected for eastbound travel only. Finally, tolls at the third mainline plaza, located on Tierra Verde, are collected for southbound travel only.

In June 2012 (FY 2012), toll rate indexing was implemented on the Pinellas Bayway System, as mandated by the Florida Legislature. At the same time, the method used to calculate toll rates for three or more axle vehicles was changed from a per-axle basis to “N minus 1” to be consistent with the methodology used on other department facilities and the Turnpike System. Since then, SunPass[®] toll rates were indexed each year while cash toll rates were indexed every five years to pace with the rounding of the cash toll in quarter increments. Most recently, SunPass[®] and cash toll rates were adjusted on October 29, 2017 (FY 2018). For two-axle vehicles, the SunPass[®] toll increased by \$0.01 at the east and west plazas located on SR 682 (CPI was not large enough to increase the \$0.26 SunPass[®] toll rate at the south plaza). For two-axle vehicles, the cash toll increased by \$0.25 at each of the three mainline plazas.

Annual transactions and revenue for the facility from FY 2008 through FY 2018 are presented in **Table 3.1**. Total transactions increased from approximately 9.7 million in FY 2008 to 9.9 million in FY 2018, an overall increase of 2.3 percent. During the same period, revenues increased from \$3.7 million in FY 2008 to \$5.1 in FY 2018, an overall increase of 39.5 percent, or 3.4 percent per year compounded. During this 10-year period, traffic and revenue declined from FY 2008 through FY 2010 due to the economic recession. Starting in FY 2011 traffic

ENTERPRISE TOLL OPERATIONS



**TABLE 3.1 - PINELLAS BAYWAY SYSTEM
HISTORICAL TRANSACTIONS AND REVENUE GROWTH
FY 2008 THROUGH FY 2018**

Fiscal Year	Transactions (000)				Toll Revenue ⁽¹⁾ (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2008	9,649	30	9,679	-	\$3,656	-	\$0.378
2009	9,290	37	9,327	(3.6%)	3,535	(3.3%)	0.379
2010	9,142	26	9,168	(1.7)	3,510	(0.7)	0.383
2011	9,195	30	9,225	0.6	3,605	2.7	0.391
2012	9,098	37	9,135	(1.0)	3,535	(1.9)	0.387
2013	8,557	41	8,598	(5.9)	4,035	14.1	0.469
2014	8,779	38	8,817	2.5	4,111	1.9	0.466
2015	9,547	39	9,586	8.7	4,487	9.1	0.468
2016	9,835	40	9,875	3.0	4,656	3.8	0.471
2017	10,007	39	10,046	1.7	4,755	2.1	0.473
2018	9,605	294	9,899	(1.5)	5,100	7.3	0.515

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. Higher non revenue transactions in FY 2018 due to toll suspension during Hurricane Irma.

(1) Toll revenue reported net of the SunPass discount since FY 2000. Per new revenue reporting methodology, starting FY 2014 toll revenue excludes violation and miscellaneous revenues, which are immaterial to toll revenues reported within.

and revenue began to increase annually as the economy began to slowly recover following the recession. Beginning in FY 2012 and lasting through FY 2013, transactions decreased as a result of various detours related to the SR 682 bridge replacement project, as well as the June 2012 toll rate increase. However, revenues increased sharply in FY 2013 as a result of this toll rate increase. Since then, the continuing growth in transaction is the result of the completion of the SR 682 bridge replacement project and the previously mentioned toll rate indexing for SunPass and cash customers in FY 2018. Lastly, during FY 2018, tolls were suspended for fifteen days beginning on September 5, 2017, to aid in the evacuation and recovery efforts due to Hurricane Irma. This suspension resulted in a \$0.2 million revenue loss.

Historical operating and routine maintenance

expenses from FY 2008 through FY 2018 are presented in **Table 3.2**. As indicated, operating expenses have increased slightly since 2008. During the same period, routine maintenance expenses increased from \$473 thousand to \$977 thousand. Combined, total O&M expenses remained fairly level increasing slightly from \$2.6 million in FY 2008 to \$3.1 million in FY 2018.

Maintenance of the Pinellas Bayway System is performed under a private Asset Maintenance Contract. The current contract includes expenses for movable bridge maintenance for the one drawbridge, as well as maintenance and inspection of all other bridges on the Pinellas Bayway System. In addition to operating and routine maintenance expenses, renewal and replacement and capital improvement (periodic) costs totaling \$380 thousand were incurred during FY 2018 primarily due to toll system replacement.

**TABLE 3.2 - PINELLAS BAYWAY SYSTEM
HISTORICAL OPERATING AND ROUTINE
MAINTENANCE EXPENSES FY 2008 THROUGH FY 2018**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense ⁽¹⁾ (\$000)	Total O&M Expenses (\$000)
2008	\$2,083	\$473	\$2,556
2009	2,122	588	2,710
2010	1,840	723	2,563
2011	1,802	747	2,549
2012	1,806	695	2,501
2013	1,720	739	2,459
2014	1,576	748	2,324
2015	1,799	811	2,610
2016	1,891	764	2,655
2017	2,058	883	2,941
2018	2,167	977	3,144

Source: FDOT Office of the Comptroller.

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

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3.2 FY 2018 TRANSACTIONS AND TOLL REVENUES

Monthly transactions and toll revenue on the Pinellas Bayway System during FY 2018 are presented in **Table 3.3**. Taking into account the previously mentioned \$0.2 million revenue loss prompted by the September 2017 toll suspension due to Hurricane Irma, the first quarter (i.e., July through September) typically generates more revenue compared to the remaining three quarters due to revenues from the general public annual passes (which represent a large

TABLE 3.3 - PINELLAS BAYWAY SYSTEM MONTHLY TRANSACTIONS AND TOLL REVENUE FY 2018

Month	Transactions (000)	Toll Revenue (\$000)
July 2017	877	406
August	780	340
September	633	524
1st Quarter Total	2,290	1,270
October	763	368
November	766	384
December	790	401
2nd Quarter Total	2,319	1,153
January 2018	769	402
February	886	457
March	1,010	514
3rd Quarter Total	2,665	1,373
April	942	469
May	821	404
June	862	431
4th Quarter Total	2,625	1,304
Annual Total	9,899	\$5,100

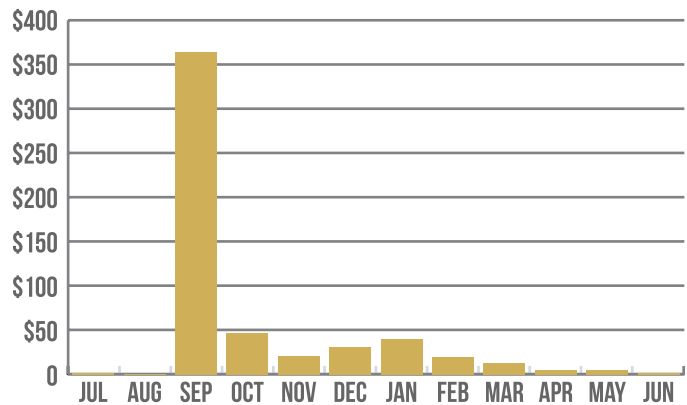
Source: FDOT Office of the Comptroller (Annual Toll Revenue) and Turnpike Enterprise Finance Office.
 Note: Transactions represent toll-paying and non-revenue traffic at the mainline plazas.

percent of the available types of passes) being recorded in September when the passes are primarily sold. The results indicate that the first quarter generated \$1.3 million in revenues (\$1.5 million if Hurricane Irma revenue loss is added back to normalize comparison) compared to the \$1.3 million

(average) generated in each of the remaining three quarters. **Graph 3.1** shows the monthly distribution of pass sales.

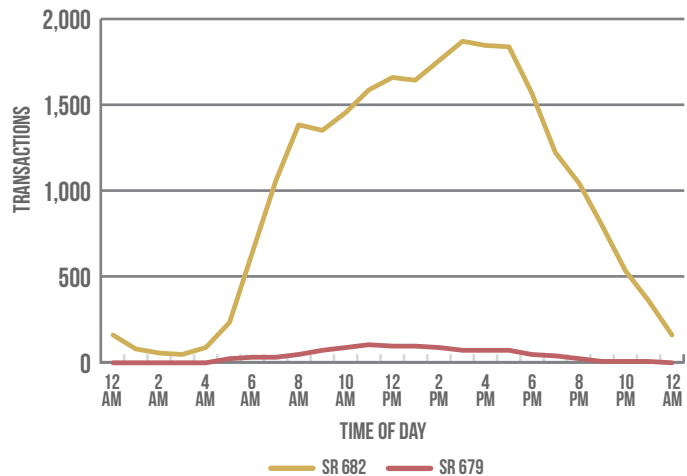
Graph 3.2 shows the number of hourly transactions on weekdays of a typical week during FY 2018 separated between the main east-west traffic on SR 682 and traffic on SR 679 traveling to Fort DeSoto Park. The majority of the transactions occur at the two plazas on SR 682, with a much smaller percentage occurring at the plaza on SR 679.

GRAPH 3.1 - PINELLAS BAYWAY SYSTEM MONTHLY PASS SALES DISTRIBUTION (\$000) FY 2018



Note: Includes General Public and Bayway Isle passes.

GRAPH 3.2 - PINELLAS BAYWAY SYSTEM TYPICAL HOURLY WEEKDAY TRANSACTIONS FY 2018



Source: Data obtained from Turnpike Enterprise Finance Office for the 5-day period beginning Monday, May 14, 2018.

As indicated, the travel demand on the facility quickly builds during the early morning hours and remains steady throughout the midday hours. Typical weekday traffic volumes peak in the early evening hours and quickly subside after 6:00 p.m., showing that the Pinellas Bayway System serves both commuter traffic and traffic related to the recreational beach activity in the area.

The monthly transaction variation in FY 2018 is illustrated in **Table 3.4**. Annual average daily traffic (AADT) on the Pinellas Bayway System for FY 2018 was approximately 27,100. The peak season occurred from February through April. This transaction level is expected during this period due to tourists and seasonal residents. September transactions are below the yearly average as a result of fewer tourists and seasonal residents in the area.

The FY 2018 two-way AADT profile for the facility is presented in **Figure 3.2**. The AADT at the East, West and South plazas during FY 2018 was 30,900, 19,900 and 3,400, respectively. The East Plaza

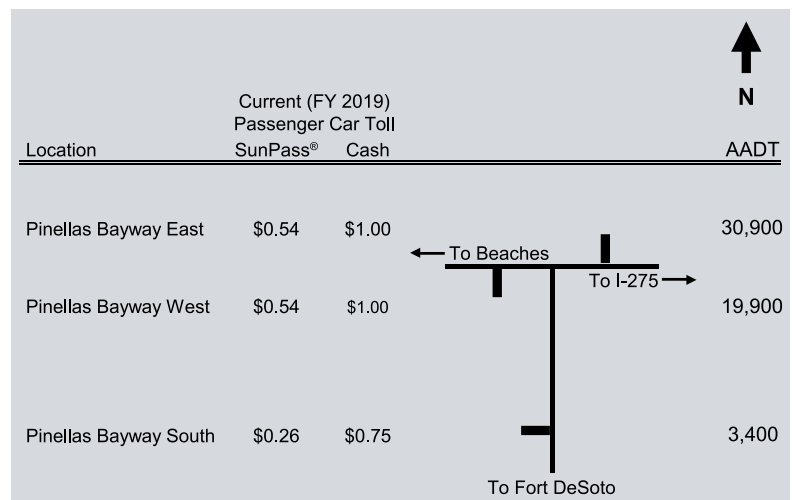


experiences the highest traffic volumes, while the number of drivers traveling to Fort DeSoto Park through the South Plaza is the lowest of the three plazas. Due to one-way tolling at each plaza, the sum of the two-way AADT volumes for the three tolled locations shown in the figure (54,200) is double that of the one-way transaction volume shown in **Table 3.4**.

TABLE 3.4 - PINELLAS BAYWAY SYSTEM SEASONAL TRANSACTION VARIATION FY 2018

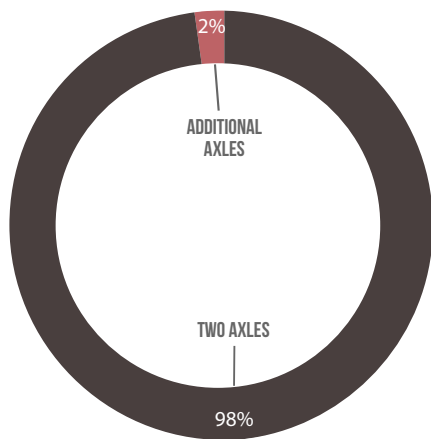
Month	Average Daily Transactions	Seasonal Factor
July 2017	28,300	1.04
August	25,100	0.93
September	21,100	0.78
October	24,600	0.91
November	25,500	0.94
December	25,500	0.94
January 2018	24,800	0.92
February	31,600	1.17
March	32,600	1.20
April	31,400	1.16
May	26,500	0.98
June	28,700	1.06
AADT	27,100	1.00

FIGURE 3.2 - PINELLAS BAYWAY SYSTEM TWO-WAY AADT PROFILE FY 2018

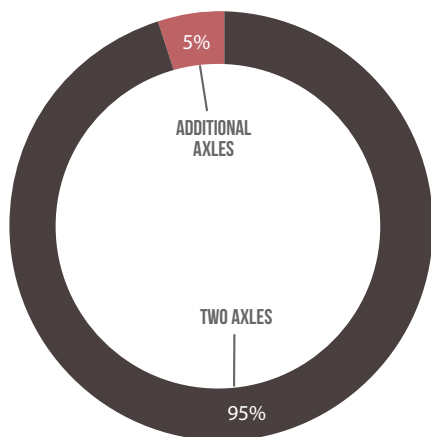


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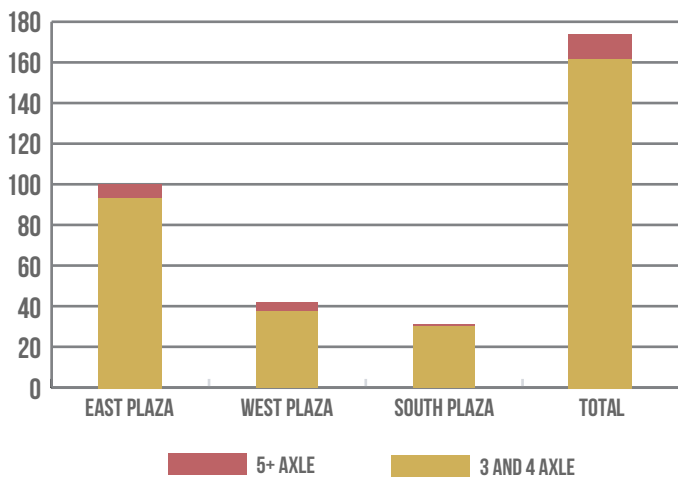
GRAPH 3.3 - PINELLAS BAYWAY SYSTEM TRANSACTIONS BY AXLE CLASS FY 2018



REVENUE CONTRIBUTION BY AXLE CLASS FY 2018



GRAPH 3.4 - PINELLAS BAYWAY SYSTEM MULTI-AXLE VEHICLE TRANSACTIONS BY PLAZA (000) FY 2018



The traffic and revenue contributions from trucks on the Pinellas Bayway System are shown in **Graph 3.3**. For FY 2018, trucks accounted for approximately 2 percent of the traffic on the facility and 5 percent of the revenue. In terms of annual revenue contributions, vehicles with three or more axles accounted for approximately \$236 thousand while two-axle vehicles comprised the remaining \$4.9 million.

Graph 3.4 shows multi-axle vehicle transactions by plaza. As shown, the east plaza had the highest volume of truck traffic in FY 2018. As indicated, the majority of multi-axle vehicles on the Pinellas Bayway System are 3 and 4 axles. This is due to a large percentage of customers using the facility for recreational activities such as boating.

3.3 SUNPASS®

Travel on the Pinellas Bayway System has become more convenient since the implementation of SunPass®. SunPass® offers Bayway Isle residents a \$15 annual pass (which was authorized at the time of the original construction of the facility) for unlimited passage through the East Plaza. Passes can be purchased in person with proof of residency at the East Plaza and expire at the end of the fiscal year. Likewise, the general public may purchase an annual pass for unlimited usage of the Pinellas Bayway System for \$50. The General Public annual pass, which was authorized in 1985 pursuant to legislation, is sold in September of each year and expires on the first day of October of the following year. In FY 2018, there were approximately 10,900 General Public and 480 Bayway Isle passes sold.

In FY 2018, approximately 2.7 million transactions or 38 percent of all SunPass® transactions on the Pinellas Bayway System were attributable to pass usage.

**TABLE 3.5 - PINELLAS BAYWAY SYSTEM
SUNPASS® TRANSACTIONS BY PAYMENT METHOD
FY 2018**

Month	Transactions (000)			Total
	General Public Pass	Bayway Isle Pass	Regular SunPass®	
July 2017	185	11	393	589
August	194	10	348	552
September	172	9	266	447
October	209	12	334	555
November	218	12	328	558
December	211	13	334	558
January 2018	220	14	331	565
February	224	14	392	630
March	255	15	438	708
April	233	14	416	663
May	202	12	380	594
June	216	14	391	621
Total	2,539	150	4,351	7,040
Percentage	36.2%	2.1%	61.8%	100.0%

Source: Turnpike Enterprise Finance Office.

Table 3.5 shows monthly SunPass® transactions by payment method. Correspondingly, annual pass sales accounted for \$550 thousand (net of refunds) or 20 percent of total SunPass® revenue. With an average toll of \$0.20 for pass transactions (overall, for the three toll plazas combined), the annual pass program provided a combined savings of approximately \$834 thousand to pass holders. For those SunPass® customers who do not participate in the Bayway Isle or General Public pass programs, a standard 10 percent discount is offered when a threshold of 40 transactions per month is reached. Transactions for SunPass® customers with multi-axle vehicles on the Sunshine Skyway Bridge also count toward this minimum threshold. The FY 2018 total for the discount program was approximately \$17 thousand.

Table 3.6 shows transactions by payment method on the facility. SunPass® transactions

**TABLE 3.6 - PINELLAS BAYWAY SYSTEM
TRANSACTIONS BY PAYMENT METHOD
FY 2018**

Month	Transactions (000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	589	288	877	67.2%
August	552	228	780	70.8
September	447	186	633	70.6
October	555	208	763	72.7
November	558	208	766	72.8
December	558	232	790	70.6
January 2018	565	204	769	73.5
February	630	256	886	71.1
March	708	302	1,010	70.1
April	663	279	942	70.4
May	594	227	821	72.4
June	621	241	862	72.0
Total	7,040	2,859	9,899	
Percentage	71.1%	28.9%	100.0%	

Source: Turnpike Enterprise Finance Office.

Note: General Public and Bayway Isle passes are included in the SunPass® Program. Cash transactions represent toll-paying and non-revenue transactions.

represented approximately 71 percent of total transactions in FY 2018. Monthly SunPass® participation percentages ranged from approximately 67 percent to 74 percent during the year. In general, SunPass® participation is the highest during off season months as a result of fewer tourists and seasonal residents, indicating that more commuters using SunPass® travel on the facility during this time.

Table 3.7 shows gross toll revenue by payment method. SunPass® accounted for 54 percent of the total revenue in FY 2018. Monthly revenues are influenced by annual pass sales. As previously mentioned, General Public annual passes are primarily sold in September and October, and as a result, approximately 86 percent of revenue for the month of September is attributable to SunPass®. After October, sales drop significantly. The contribution to revenue from the Bayway Isle annual pass, with yearly renewal in June, is negligible.

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**TABLE 3.7 - PINELLAS BAYWAY SYSTEM
GROSS TOLL REVENUE BY PAYMENT METHOD
FY 2018**

Month	Gross Toll Revenue (\$000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	\$204	\$202	\$406	50.2%
August	182	158	340	53.5
September ⁽¹⁾	450	74	524	85.9
October	220	148	368	59.8
November	194	190	384	50.5
December	207	194	401	51.6
January 2018	215	187	402	53.5
February	225	232	457	49.2
March	241	273	514	46.9
April	221	248	469	47.1
May	199	205	404	49.3
June ⁽²⁾	214	217	431	49.7
Total	\$2,772	\$2,328	\$5,100	
Percentage	54.4%	45.6%	100.0%	

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

Note: General Public and Bayway Isle passes are included in the SunPass® program.

(1) General Public passes are sold in September.

(2) Bayway Isle passes are sold in June.

3.4 NOTEWORTHY EVENTS

In 2007, the Legislature amended Section 338.165, Florida Statutes, to require the Turnpike System and other FDOT-owned facilities to index toll rates on existing toll facilities to the annual Consumer Price Index (CPI) from the prior calendar year. Toll rate adjustments for inflation may be made no more frequently than once a year (i.e., SunPass® toll rates) and must be made no less frequently than once every five years (i.e., cash toll rates) as necessary to accommodate cash toll rate schedules. Toll rates may be adjusted beyond these limits as directed by bond documents, covenants, or governing body authorization or pursuant to Department administrative rule.

For the prior calendar year, CPI of 1.3 percent prompts a \$0.01 increase at the east and west toll plazas for two-axle toll rates for SunPass® customers. Furthermore, cash toll rates, last increased in 2012, experience the

fifth-year CPI increase (6.6 percent for prior 5-year period rounded to the quarter) of \$0.25 for two-axle vehicles. This most recent indexing is effective as of October 29, 2017 (FY 2018).

3.5 FY 2018 EXPENSES AND LIABILITIES

A comparison between actual and budgeted operating and routine maintenance expenses for FY 2018 is presented in **Table 3.8**. Actual operating expenses were 11.1 percent higher than the FY 2018 budget due to higher costs related to Traffic Management Center and toll equipment. Actual routine maintenance expenses were lower than the FY 2018 budget by 1.9 percent. Overall, FY 2018 actual operating and routine maintenance expenses were approximately 6.7 percent, or \$198 thousand, higher than the FY 2018 budget.

**TABLE 3.8 - PINELLAS BAYWAY SYSTEM
OPERATING AND ROUTINE MAINTENANCE EXPENSES
FY 2018**

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$1,950	\$2,167	\$217	11.1%
Routine Maintenance	996	977	(19)	(1.9)
Total	\$2,946	\$3,144	\$198	6.7%

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2017 Enterprise Toll Operations Traffic Engineer's Annual Report.

An analysis of the FY 2018 long-term liability on the facility is presented in **Table 3.9**. During FY 2018, approximately \$0.4 million of capital improvement (periodic) expenditures were incurred.

**TABLE 3.9 - PINELLAS BAYWAY SYSTEM
LONG-TERM LIABILITY
FY 2018**

Transaction	Amount (\$000)
Balance, beginning of year	\$44,306
Periodic Maintenance Additions	380
Balance, end of year	\$44,686

Source: FDOT Office of the Comptroller.

3.6 TRAFFIC, REVENUE AND EXPENSE FORECASTS

Historically population growth in Pinellas County has had a significant impact on the facility. The ratio between historical traffic growth and population growth was used along with projected population growth to estimate future traffic growth on the Pinellas Bayway System.

According to the latest economic outlook prepared by the Bureau of Economic and Business Research (BEBR), College of Liberal Arts and Sciences at University of Florida, Florida’s population growth is forecast to increase at a compounded annual growth rate of 1.3 percent from the current year through 2030.

Future population estimates have been calculated based on medium projections from the most recent publication by the BEBR. The corresponding estimated annual population growth rate through 2030 for Pinellas County is 0.5 percent. The historical ratio of traffic growth to population growth was applied to projected population growth rates to obtain a general guideline to estimate future annual traffic growth on the Pinellas Bayway System. Traffic profiles are provided in **Appendix B**, showing two-way AADT on each segment of the system, for FY 2018 through FY 2029.

The traffic and gross toll revenue forecasts for FY 2019 through FY 2029 are shown in **Table 3.10**. The forecast table includes the revenue impact from toll indexing every year beginning in FY 2020 for SunPass® customers and every five years (FY 2023 and FY 2028) for

TABLE 3.10 - PINELLAS BAYWAY SYSTEM TRAFFIC AND GROSS TOLL REVENUE FORECASTS FY 2019 THROUGH FY 2029

Fiscal Year	Total Traffic (000)	Toll Revenue (\$000)				Toll Revenue Comparisons (\$000)		
		Revenue with Constant Tolls ⁽¹⁾	Indexing Impact	SunPass® Discount Impact	Gross Toll Revenue	2017 Annual Report Forecast	Variance	
							Amount	Percent
2019	10,008	\$5,271	0	(\$22)	\$5,249	\$5,509	(\$260)	(4.7%)
2020	10,106	5,378	\$60	(22)	5,416	5,559	(143)	(2.6)
2021	10,332	5,486	106	(23)	5,569	5,626	(57)	(1.0)
2022	10,536	5,585	156	(24)	5,717	5,763	(46)	(0.8)
2023	10,716	5,674	543	(25)	6,192	6,046	146	2.4
2024	10,869	5,754	602	(26)	6,330	6,169	161	2.6
2025	11,001	5,823	661	(26)	6,458	6,284	174	2.8
2026	11,114	5,881	722	(27)	6,576	6,377	199	3.1
2027	11,226	5,940	778	(28)	6,690	6,475	215	3.3
2028	11,337	6,000	1,173	(29)	7,144	6,719	425	6.3
2029	11,450	6,059	1,244	(29)	7,274	N/A	N/A	N/A

Note: Total traffic corresponds to the gross toll revenue.
 N/A The FY 2017 Traffic Engineer’s Annual Report forecast went through FY 2028.
 (1) Toll revenue forecast without indexing.

cash customers. The current gross toll revenue forecast is similar to the forecast presented in the 2017 Annual Report due to FY 2018 actual revenue meeting last year’s projection. Traffic in FY 2020 and thereafter are not expected to be impacted by the annual indexing of SunPass® or cash toll rates. A summary of the economic factors affecting traffic and revenue is included in the Overview chapter of this report. In addition, **Appendix A** includes current indexed toll rate schedules.



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Projected operating and maintenance expenses during the same forecast period are shown in **Table 3.11**. **Appendix C** contains a detailed description of the FY 2019 operating expense budget. Subsequent to FY 2019, 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 2024. Subsequent to FY 2024, routine maintenance expenses were increased at 2.5 percent annually.

**TABLE 3.11 - PINELLAS BAYWAY SYSTEM
PROJECTED OPERATING AND
MAINTENANCE EXPENSES
FY 2019 THROUGH FY 2029**

Fiscal Year	Operating Expense (\$000)	Maintenance Expenses (\$000)		Total O&M Expenses (\$000)
		Routine	Periodic ⁽¹⁾	
2019	\$2,284	\$917	\$616	\$3,817
2020	2,341	923	431	3,695
2021	2,400	841	116	3,357
2022	2,460	968	82	3,510
2023	2,522	834	81	3,437
2024	2,585	885	83	3,553
2025	2,650	908	85	3,643
2026	2,716	930	87	3,733
2027	2,784	953	90	3,827
2028	2,854	977	92	3,923
2029	2,925	1,002	94	4,021

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2019.

(1) Periodic maintenance expenses are for various improvements as part of the 5-year Work Program and are reported on a cash basis. Periodic maintenance expenses beyond FY 2023 have not been fully programmed. However, a minimum level of preservation (excluding extraordinary expenses such as resurfacing, etc.) has been estimated based on FY 2023 expenses increased at 2.5% percent annually.

Periodic maintenance expenses are based on information provided by the Office of Project Finance for the 5-year Work Program. Total operating and periodic and routine maintenance expenses are projected to increase from \$3.8 million in FY 2019 to \$4.0 million in FY 2029.

3.7 RESERVE CONSTRUCTION ACCOUNT

Pursuant to legislation passed in 1985 (Chapter 85-364, Laws of Florida) and revised in 1995 (Chapter 95-382, Laws of Florida) and 2014 (Chapter 14-223, Laws of Florida), toll collection on the Pinellas Bayway System has continued since the retirement of all outstanding bonds. Beginning July 1, 2014, net revenues are defined as toll revenues less operating and maintenance expenses. Tolls collected were designated by the legislation for certain improvement projects: Phase I construction, Phase II construction and the Blind Pass Road widening. A description and status of each improvement project is shown in **Table 3.12**.

As indicated in **Figure 3.3**, the Phase II and Blind Pass Road projects were funded by a reserve construction account established by the Department to accumulate toll revenues after the payment of operating expenses. During FY 1995, the Department established an escrow account with the Department of Financial Services, Division of Treasury, to maintain and invest the reserve construction account. All interest earnings accumulate in this account and assist in funding the projects.

**FIGURE 3.3 - PINELLAS BAYWAY SYSTEM
FLOW OF FUNDS**

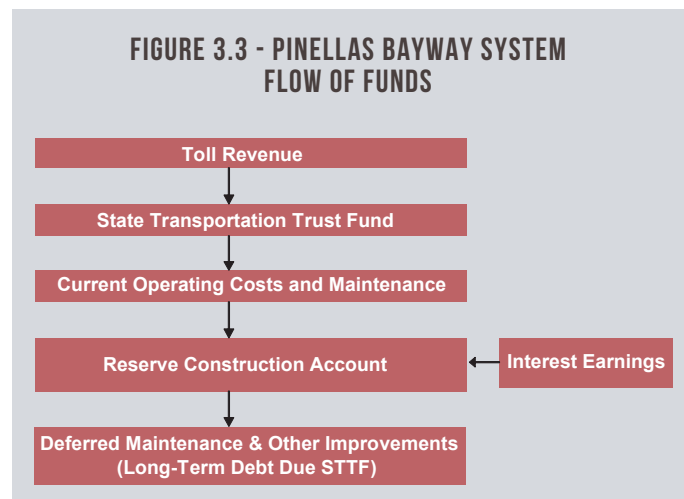


TABLE 3.12 - PINELLAS BAYWAY SYSTEM IMPROVEMENT PROJECTS

Project	Description	Status
Phase I Construction	Improvements consist of widening the Pinellas Bayway to four lanes from the eastern toll booth to State Road 679.	Complete (November 1991)
Phase II ⁽¹⁾ Construction	Improvements consist of widening the Pinellas Bayway to four lanes from State Road 679 west to Gulf Boulevard, including necessary approaches, bridges and avenues of access.	Partially Complete (October 2014)
Blind Pass Road Construction	Improvements consist of widening the Blind Pass Road, State Road 699, to four lanes from 75th Avenue north to the approach of the Blind Pass Bridge, including necessary right-of-way acquisition along said portion of Blind Pass Road, and intersection improvements at 75th Avenue and Blind Pass Road.	Complete (October 2003)

(1) Construction to replace Bridge Structure E will start in FY 2019.

A summary of the activity in the reserve account during FY 2018 is shown in **Table 3.13**. Additions to the reserve account consist of excess net toll revenues (toll revenues less operating and maintenance expenses) and interest earnings on the account. Reductions are reimbursements to the State Transportation Trust Fund related to costs incurred in the prior fiscal year for the Phase II construction project.

Construction of Structure E of the Pinellas Bayway System will begin in FY 2019. The construction will deplete the escrow account and will add to the Bayway’s debt that is due to

the STTF for those expenditures.

TABLE 3.13 - PINELLAS BAYWAY SYSTEM ANALYSIS OF RESERVE CONSTRUCTION ACCOUNT FY 2018

Transaction	Amount (\$000)
Balance, beginning of year	\$9,893
Additions	2,068
Reductions	0
Balance, end of year	\$11,961

Source: FDOT Office of the Comptroller (reported on a cash basis).



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SUNSHINE SKYWAY BRIDGE

4.1 BACKGROUND

The original Sunshine Skyway Bridge opened in 1954 and was constructed as a two-lane toll facility crossing Tampa Bay from US 19 at Maximo Point in Pinellas County to US 41, north of Palmetto in Manatee County. The facility was 15.1 miles in length and consisted of 10.2 miles of embankment and five bridges having a combined length of 4.9 miles. The facility underwent an expansion project to add two additional lanes on the existing causeways, an additional two-lane trestle bridge and a high-level bridge parallel to the existing main bridge span that opened in 1970.

Over the years, several accidents occurred, involving maritime shipping freighters traversing the channel between Tampa Bay and the Gulf of Mexico. These accidents were attributed, in part, to the positioning of the piers of the high-level structure over the navigation channel. On May 9, 1980, a freighter collided with one of the piers of the main span structure carrying the southbound roadway, causing a section of the center span to collapse into Tampa Bay. In order to maximize safe vehicular and maritime passage in the area, the Department constructed the new Sunshine Skyway Bridge as a single four-lane high-level structure, east of the original bridge, providing greater horizontal clearances between the main piers and an increased vertical height. The new 17.4-mile bridge opened to traffic in 1987 with one mainline plaza located at each end of the facility. The new bridge consists of 13.3 miles of embankment and causeway, which makes the actual bridge approximately 4.1 miles in length. In honor of former Florida Governor Bob Graham, who spearheaded the state-of-the-art design of the new bridge, the Sunshine Skyway Bridge was designated the Bob Graham Sunshine Skyway Bridge effective July 1, 2005 (FY 2006) with the signing of House Bill 385.

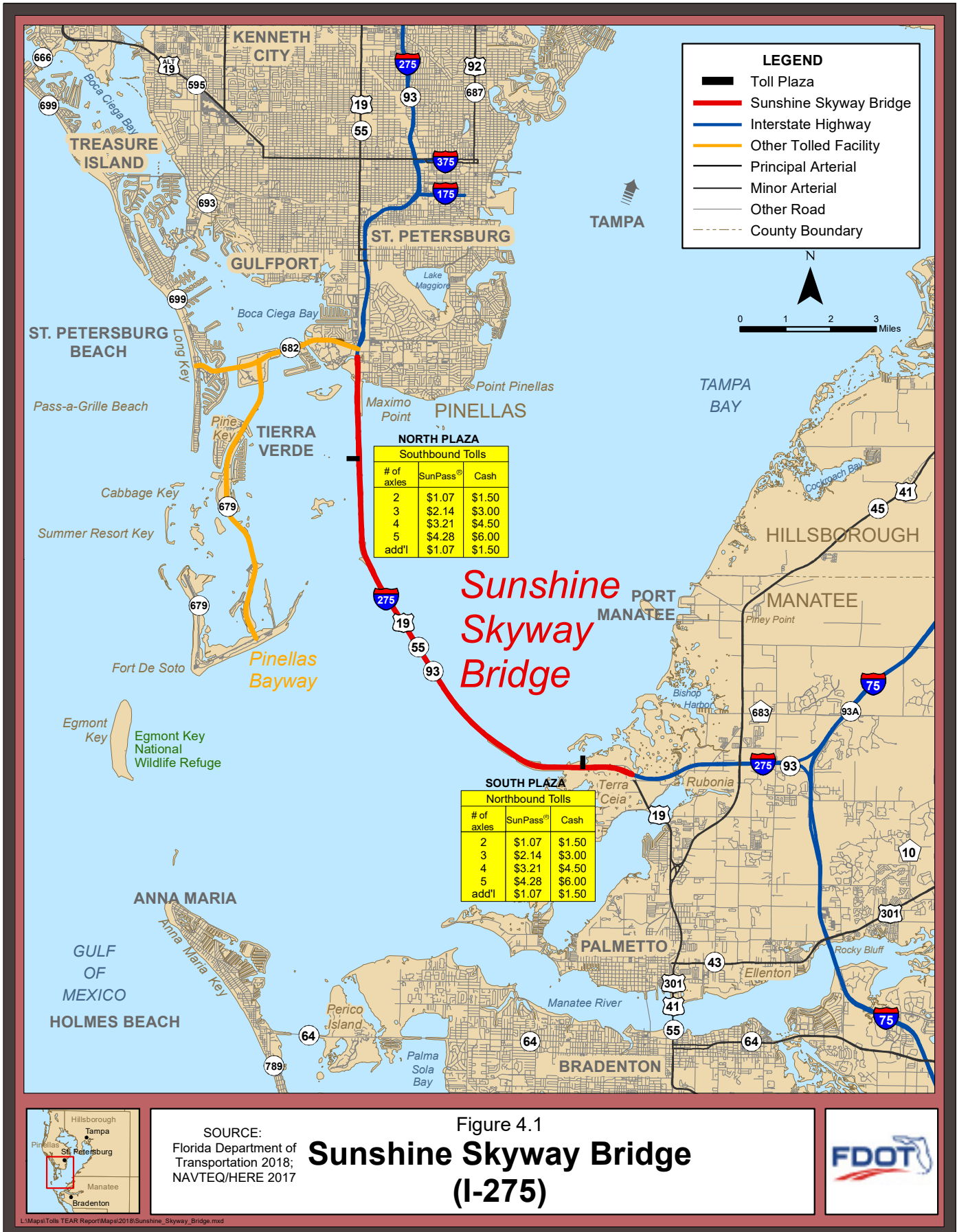


The bridge is part of the Strategic Intermodal System (SIS), designated as I-275, and is managed and operated by the Department. The Department provides for toll collection and maintenance of the facility, but may assign or contract these operations to a third party. **Figure 4.1** shows a detailed map of the facility, with the most recent toll rates.

Tolls at the northern plaza in Pinellas County are collected in the southbound direction only, while tolls at the southern plaza in Manatee County are collected in the northbound direction. In June 2012 (FY 2012) toll rate indexing was implemented for all customers on the Sunshine Skyway Bridge, as mandated by the Florida Legislature. At the same time, the method used to calculate toll rates for three or more axle vehicles was changed from a per-axle basis to “N minus 1” to be consistent with the methodology used on other Department facilities and the Turnpike System. SunPass® customers with three or more axle vehicles continue to receive a 10 percent discount after a threshold of 40 monthly transactions is reached.

Historically, traffic and revenue on the Sunshine Skyway Bridge have increased gradually over the years. In FY 2018, total transactions increased to 22.2 million, while toll revenues increased to approximately \$26.7 million. Annual transactions and revenue for the facility from FY 2008 through FY 2018 are presented in **Table 4.1**. As with other

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**TABLE 4.1 - SUNSHINE SKYWAY BRIDGE
HISTORICAL TRANSACTIONS AND REVENUE GROWTH
FY 2008 THROUGH FY 2018**

Fiscal Year	Transactions (000)				Toll Revenue ⁽¹⁾ (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2008	18,192	15	18,207	-	\$17,025	-	\$0.935
2009	17,607	32	17,639	(3.1%)	16,212	(4.8%)	0.919
2010	17,764	22	17,786	0.8	16,310	0.6	0.917
2011	17,974	31	18,005	1.2	16,427	0.7	0.912
2012	18,102	48	18,150	0.8	16,555	0.8	0.912
2013	18,439	63	18,502	1.9	21,722	31.2	1.174
2014	19,131	48	19,179	3.7	22,630	4.2	1.180
2015	20,233	59	20,292	5.8	23,978	6.0	1.182
2016	20,985	61	21,046	3.7	24,801	3.4	1.178
2017	21,517	64	21,581	2.5	25,524	2.9	1.183
2018 ⁽²⁾	21,568	670	22,238	3.0	26,675	4.5	1.200

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. Per new revenue reporting methodology, starting FY 2014 toll revenue excludes violation and miscellaneous revenues, which are immaterial to toll revenues reported within.
 (2) Higher non-revenue transactions due to toll suspension during Hurricane Irma.

facilities in the state, traffic and revenue declined during the economic recession but have since rebounded as the economy has recovered. Revenues have also increased as a result of the start of toll rate indexing in June 2012 (FY 2012). Compared to FY 2017, FY 2018 transactions and revenue increased by 3.0 percent and 4.5 percent, respectively. This growth in traffic can be attributed to the continuing decline in the unemployment rate in Florida, as well as a record number of Florida visitors in 2017.

Historical operating and routine maintenance expenses from FY 2008 through FY 2018 are presented in **Table 4.2**. Annual operating expenses have approximated \$5 million during the 10-year period. FY 2018 operating expenses decreased by \$421 thousand from FY 2017. During the same period, routine maintenance expenses decreased \$1.3 million to \$2.7 million primarily due to the prior year, FY 2017, requiring the biennial bridge inspection.

**TABLE 4.2 - SUNSHINE SKYWAY BRIDGE
HISTORICAL OPERATING AND ROUTINE
MAINTENANCE EXPENSES
FY 2008 THROUGH FY 2018**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense ⁽¹⁾ (\$000)	Total O&M Expenses (\$000)
2008	\$5,185	\$1,582	\$6,767
2009	5,129	2,165	7,294
2010	4,793	1,575	6,368
2011	5,074	2,475	7,549
2012	4,930	1,770	6,700
2013	4,672	2,325	6,997
2014	4,754	1,651	6,405
2015	4,959	2,365	7,324
2016	4,695	2,325	7,020
2017	5,291	3,932	9,223
2018	4,870	2,677	7,547

Source: FDOT Office of the Comptroller.
⁽¹⁾ Operating expense restated from FY 2014 through FY 2017

Inspection and maintenance of the Sunshine Skyway Bridge is performed under a private Asset Maintenance Contract with the Department providing oversight through its Asset Management Coordinator. In addition to operating and routine maintenance expenses, \$11.1 million for renewal and replacement, toll system improvements, lighting and bridge repairs were incurred during FY 2018.

4.2 FY 2018 TRANSACTIONS AND TOLL REVENUES

Monthly transactions and toll revenue on the Sunshine Skyway Bridge during FY 2018 are presented in **Table 4.3** for the north and south mainline plazas. There were approximately 11.3 million transactions at the north plaza and 10.9 million transactions at the south plaza, for a total of over 22 million transactions during FY 2018. The corresponding annual revenue was \$13.7 million at the north plaza and \$13.0 million at the south plaza, for a total of approximately \$26.7 million during FY 2018. The third quarter

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TABLE 4.3 - SUNSHINE SKYWAY BRIDGE MONTHLY TRANSACTIONS AND TOLL REVENUE FY 2018

Month	Transactions (000)			Toll Revenue (\$000)		
	North Plaza	South Plaza	Total	North Plaza	South Plaza	Total
July 2017	907	882	1,789	\$1,074	\$1,034	\$2,108
August	907	879	1,786	1,072	1,041	2,113
September	730	711	1,441	492	460	952
1st Quarter Total	2,544	2,472	5,016	2,638	2,535	5,173
October	933	896	1,829	1,121	986	2,107
November	943	907	1,850	1,204	1,147	2,351
December	968	929	1,897	1,237	1,185	2,422
2nd Quarter Total	2,844	2,732	5,576	3,562	3,318	6,880
January 2018	955	927	1,882	1,215	1,179	2,394
February	968	925	1,893	1,237	1,178	2,415
March	1,114	1,059	2,173	1,412	1,340	2,752
3rd Quarter Total	3,037	2,911	5,948	3,864	3,697	7,561
April	1,002	968	1,970	1,252	1,218	2,470
May	951	917	1,868	1,191	1,148	2,339
June	947	913	1,860	1,146	1,106	2,252
4th Quarter Total	2,900	2,798	5,698	3,589	3,472	7,061
Annual Total	11,325	10,913	22,238	\$13,653	\$13,022	\$26,675

Source: FDOT Office of the Comptroller (Annual Toll Revenue) and Turnpike Enterprise Finance Office.
 Note: Transactions represent toll-paying and non-revenue traffic at mainline plazas.

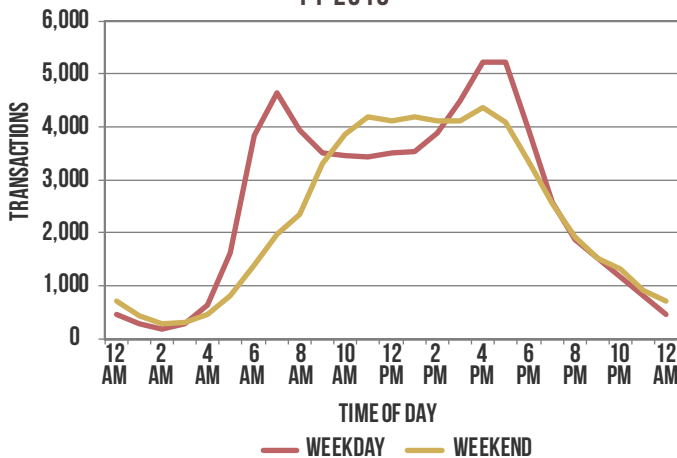
week during FY 2018 for both northbound and southbound traffic combined. The weekday traffic on the facility has a morning peak from 6:00 a.m. to 9:00 a.m. and an evening peak from 3:00 p.m. to 6:00 p.m., reflecting the presence of commuters on the facility. During weekends from 11:00 a.m. to 5:00 p.m. traffic levels are approximately 4 thousand vehicles per hour. On weekends, there is no clear morning or evening peak periods indicating that a large number of non-commuters use the facility (e.g. interstate travel influence).

The FY 2018 monthly transaction variation is analyzed in **Table 4.4**. Annual average daily transactions (AADT) on the Sunshine Skyway Bridge for FY 2018 was 60,900. The peak season occurred from February through April, with March being the highest month at 15 percent above average for the facility. This is due to tourists and seasonal residents. Historically, the month of September has the fewest transactions.

experienced the largest amount of transactions in FY 2018, with March being the busiest month.

Graph 4.1 shows the number of hourly weekday and weekend transactions of a typical

GRAPH 4.1 - SUNSHINE SKYWAY BRIDGE TYPICAL HOURLY TRANSACTIONS (NORTHBOUND AND SOUTHBOUND) FY 2018



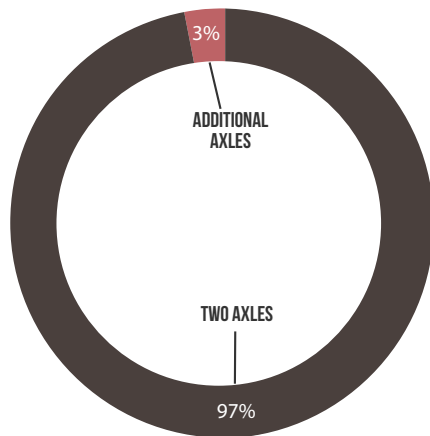
Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, November 6, 2017

TABLE 4.4 - SUNSHINE SKYWAY BRIDGE SEASONAL TRANSACTION VARIATION FY 2018

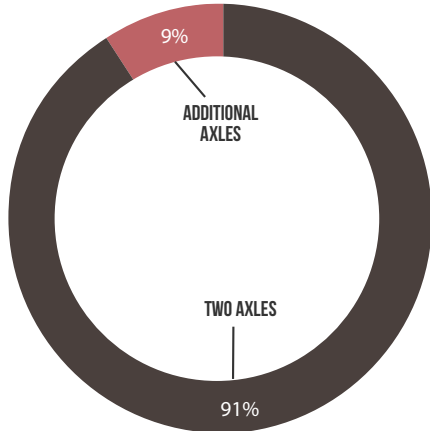
Month	Average Daily Transactions			Seasonal Factor
	North Plaza	South Plaza	Total	
July 2017	29,300	28,400	57,700	0.95
August	29,200	28,400	57,600	0.95
September	24,300	23,700	48,000	0.79
October	30,100	28,900	59,000	0.97
November	31,400	30,200	61,600	1.01
December	31,200	30,000	61,200	1.00
January 2018	30,800	29,900	60,700	1.00
February	34,600	33,000	67,600	1.11
March	35,900	34,200	70,100	1.15
April	33,400	32,300	65,700	1.08
May	30,700	29,600	60,300	0.99
June	31,600	30,400	62,000	1.02
AADT	31,000	29,900	60,900	1.00

The traffic and revenue contributions from trucks on the Sunshine Skyway Bridge are shown in **Graph 4.2**. For FY 2018, trucks accounted for 3 percent of the traffic on the facility but accounted for 9 percent of the total revenue. In terms of actual revenue contributions, vehicles with three or more axles provided approximately

GRAPH 4.2 - SUNSHINE SKYWAY BRIDGE TRANSACTIONS BY AXLE CLASS FY 2018



REVENUE CONTRIBUTION BY AXLE CLASS FY 2018



\$2.4 million, while two-axle vehicles comprised the remaining \$24.3 million.

4.3 SUNPASS®

There are two dedicated SunPass® lanes and four mixed-use lanes at each toll plaza, serving both cash and SunPass® users. Drivers of two-axle vehicles with a SunPass®

transponder pay \$0.43 less than cash drivers. As stated before, SunPass® customers with three or more axle vehicles receive a 10 percent retroactive discount when they reach a threshold of 40 monthly toll payments. The nearby Pinellas Bayway System also participates in the discount program. SunPass® discounts on the Sunshine Skyway Bridge totaled \$22 thousand in FY 2018.

Table 4.5 shows the percentage of transactions by payment method on the Sunshine Skyway Bridge. Non-SunPass® transactions amounted to approximately 7.9 million, or 36 percent of all transactions; whereas, SunPass® transactions totaled 14.3 million, or 64 percent of all transactions on the facility. Over the course

TABLE 4.5 - SUNSHINE SKYWAY BRIDGE TRANSACTIONS BY PAYMENT METHOD FY 2018

Month	Transactions (000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	1,121	668	1,789	62.7%
August	1,178	608	1,786	66.0
September	888	553	1,441	61.6
October	1,150	679	1,829	62.9
November	1,188	662	1,850	64.2
December	1,201	696	1,897	63.3
January 2018	1,219	663	1,882	64.8
February	1,203	690	1,893	63.5
March	1,366	807	2,173	62.9
April	1,286	684	1,970	65.3
May	1,251	617	1,868	67.0
June	1,247	613	1,860	67.0
Total	14,298	7,940	22,238	
Percentage	64.3%	35.7%	100.0%	

Source: Turnpike Enterprise Finance Office.

Note: Non-SunPass® transactions represent cash and non-revenue transactions

of FY 2018, the monthly SunPass® transaction percentage ranged from approximately 62 to 67 percent.

Table 4.6 shows the gross toll revenue by payment

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**TABLE 4.6 - SUNSHINE SKYWAY BRIDGE
GROSS TOLL REVENUE BY PAYMENT METHOD
FY 2018**

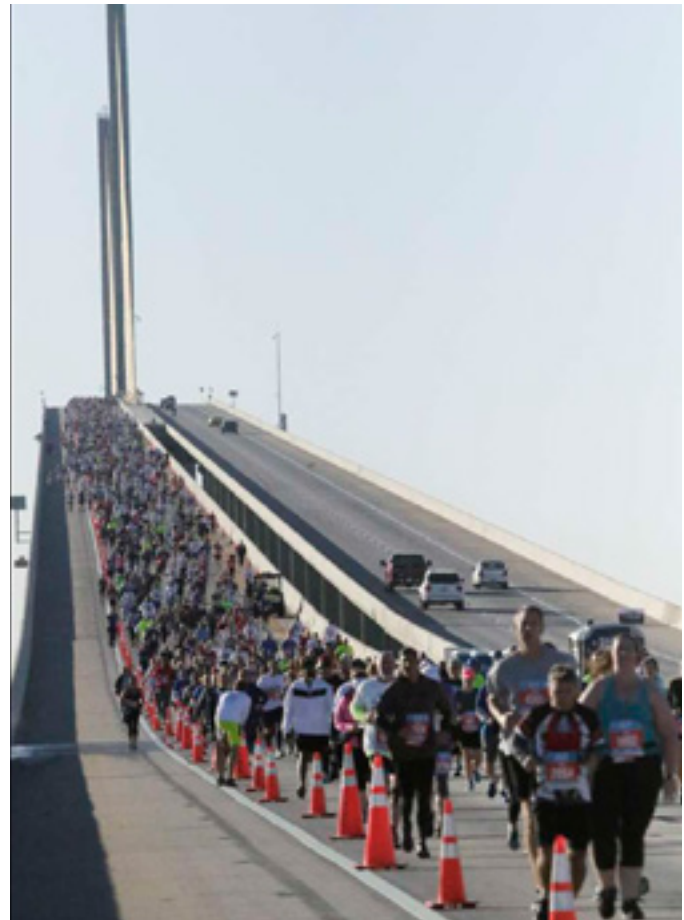
Month	Gross Toll Revenue (\$000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	\$1,281	\$827	\$2,108	60.8%
August	1,347	766	2,113	63.7
September	597	355	952	62.7
October	1,319	788	2,107	62.6
November	1,370	981	2,351	58.3
December	1,383	1,039	2,422	57.1
January 2018	1,405	989	2,394	58.7
February	1,386	1,029	2,415	57.4
March	1,568	1,184	2,752	57.0
April	1,476	994	2,470	59.8
May	1,428	911	2,339	61.1
June	1,387	865	2,252	61.6
Total	15,947	10,728	26,675	
Percentage	59.8%	40.2%	100.0%	

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

method. Revenue attributable to SunPass® was approximately \$16.0 million, representing approximately 60 percent of the total system revenue in FY 2018. Toll revenue is reported net of the SunPass® discount. Non SunPass® constituted the remaining 40 percent of revenue. Monthly SunPass® revenue percentages ranged from 57 to approximately 64 percent during the year.

4.4 NOTEWORTHY EVENTS

In 2007, the Legislature amended Section 338.165, Florida Statutes, to require the Turnpike System and other FDOT-owned facilities to index toll rates on existing toll facilities to the annual Consumer Price Index (CPI) from the prior calendar year. Toll rate adjustments for inflation may be made no more frequently than once a year (i.e., SunPass® toll rates) and must be made no less frequently than once every five years (i.e., cash toll rates) as necessary to accommodate cash toll rate schedules. Toll rates may be adjusted beyond these limits as directed by bond documents,



The first annual Skyway 10K run organized by the Armed Forces Families Foundation was held on Sunday, March 4, 2018. To ensure safety, the northbound lanes were closed from 6:00 AM to 10:00 AM, resulting in approximately \$8 thousand revenue loss.

covenants, or governing body authorization or pursuant to Department administrative rule.

For the prior calendar year, CPI of 1.3 percent prompts a \$0.01 increase at the north and south toll plazas for two-axle toll rates for SunPass® customers. Furthermore, cash toll rates, last increased in 2012, experience the fifth-year CPI increase (6.6 percent for prior 5-year period rounded to the quarter) of \$0.25 for two-axle vehicles. This most recent indexing is effective as of October 29, 2017 (FY 2018).

4.5 FY 2018 EXPENSES AND LIABILITIES

A comparison between actual and budgeted

TABLE 4.7 - SUNSHINE SKYWAY BRIDGE OPERATING AND ROUTINE MAINTENANCE EXPENSE FY 2018

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$4,880	\$4,870	(\$10)	(0.2%)
Routine Maintenance	2,473	2,677	204	8.2
Total	\$7,353	\$7,547	\$194	2.6%

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2017 Enterprise Toll Operations Traffic Engineer's Annual Report.

operating and routine maintenance expenses for FY 2018 is shown in **Table 4.7**.

Actual FY 2018 operating expenses were \$10 thousand, lower than the FY 2018 operating budget. Routine maintenance expenses were 8.2 percent, or \$204 thousand, higher than the FY 2018 budget amount primarily due to timing differences of FY 2017 budgeted expenses paid in FY 2018. Overall, actual FY 2018 operating and routine maintenance expenses were 2.6 percent higher than the budget.

The Sunshine Skyway Bridge has two liabilities due to the Department. First are expenditures for improvements or new projects on the Sunshine Skyway Bridge. An analysis of the FY 2018 liability

TABLE 4.8 - SUNSHINE SKYWAY BRIDGE STTF ADVANCES FOR FACILITY COSTS FY 2018

Transaction	Amount (\$000)
Balance, beginning of year	\$9,884
Additions ⁽¹⁾	8,561
Reductions ⁽²⁾	(9,884)
Reclassification	(1,016)
Balance, end of year	\$7,545

Source: FDOT Office of the Comptroller.

(1) Additions represent costs incurred in the FY being reported.

(2) Reductions represent costs from prior FY that were reimbursed in the FY being reported.

for facility costs is presented in **Table 4.8**, which shows the State Transportation Trust Fund (STTF)

TABLE 4.9 - SUNSHINE SKYWAY BRIDGE DEFERRED STTF ADVANCES FOR OFF-SYSTEM IMPROVEMENTS FY 2018

Transaction	Amount (\$000)
Balance, beginning of year	\$12,391
Additions	2,505
Reductions	(9,002)
Reclassification	1,016
Balance, end of year	\$6,910

Source: FDOT Office of the Comptroller.

advances for facility costs.

The second liability is for off-system improvements and is presented in **Table 4.9**. Off-system capital projects include the Right-of-Way purchases related to the Gateway Expressway, SR 70, Howard Frankland Bridge and reconstruction of the Skyway rest areas. These costs are initially funded by the STTF and are being reimbursed by excess revenue after operating and maintenance (O&M) expenses and facility costs and future revenue bonds. Pursuant to Section 338.165 (4), Florida Statutes, the Department is authorized to issue bonds backed by Sunshine Skyway Bridge toll revenues to help fund these needed transportation projects located in Manatee, Hillsborough and Pinellas Counties. Subject to change, the Department plans to issue bonds in FY 2019 backed by Sunshine Skyway Bridge revenue to fund those projects.

4.6 TRAFFIC, REVENUE AND EXPENSE FORECASTS

The ratio between historical traffic growth and population growth was used along with projected population growth to estimate future traffic on the Sunshine Skyway Bridge. Population growth in Hillsborough, Manatee, Pasco, Pinellas and Sarasota counties has had a significant impact on the facility. Since

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the facility is part of the Strategic Intermodal System, the statewide growth in population was also considered.

From FY 2008 to FY 2018, the annual compounded traffic growth rate on the Sunshine Skyway Bridge was approximately 2.0 percent. The historical annual compounded population growth rate for the same period for the five counties was 1.2 percent. Future population estimates have been calculated based on medium projections from the most recent publication by the Bureau of Economic and Business Research (BEBR), College of Business Administration at the University of Florida. The corresponding estimated annual population growth rate through 2030 for the five counties is 1.6 percent. As a guideline, the historical ratio of traffic growth to population growth was applied to projected population growth rates to estimate future annual traffic growth on the Sunshine Skyway Bridge. For the ten-year forecast period, traffic is estimated to grow at

approximately 1.7 percent per year.

The traffic and gross toll revenue forecasts for FY 2018 through FY 2029 are shown in **Table 4.10**. The gross toll revenue during the forecast period is slightly higher than the forecast presented in the 2017 Annual Report due in large part to FY 2018 actual revenues exceeding last year’s projection despite a \$1.0 million revenue reduction prompted by the 15-day toll suspension beginning on September 5, 2017, due to Hurricane Irma evacuation and recovery efforts.

The forecasts assume toll rate indexing every year beginning in FY 2020 for SunPass customers and every five years (FY 2023 and FY 2028) for cash customers.

The projected operating and maintenance expenses for FY 2019 through FY 2029 are shown in **Table 4.11**. The operating expenses in FY 2019 represent the budget amount for that fiscal

**TABLE 4.10 - SUNSHINE SKYWAY BRIDGE
TRAFFIC AND GROSS TOLL REVENUE FORECASTS
FY 2019 THROUGH FY 2029**

Fiscal Year	Total Traffic (000)	Toll Revenue (\$000)				Toll Revenue Comparisons (\$000)		
		Revenue with Constant Tolls ⁽¹⁾	Indexing Impact	SunPass® Discount Impact (\$000)	Gross Toll Revenue	2017 Annual Report Forecast	Variance	
							Amount	Percent
2019	23,047	\$28,676	0	(\$26)	\$28,650	\$28,629	\$21	0.1%
2020	23,742	29,600	\$198	(27)	29,771	29,425	346	1.2
2021	24,315	30,311	477	(29)	30,759	30,222	537	1.8
2022	24,808	30,917	778	(30)	31,665	30,989	676	2.2
2023	25,286	31,474	2,489	(31)	33,932	32,476	1,456	4.5
2024	25,741	31,978	2,834	(32)	34,780	33,190	1,590	4.8
2025	26,114	32,426	3,166	(34)	35,558	33,909	1,649	4.9
2026	26,423	32,815	3,529	(34)	36,310	34,645	1,665	4.8
2027	26,684	33,143	3,899	(35)	37,007	35,324	1,683	4.8
2028	26,943	33,475	5,629	(36)	39,068	36,760	2,308	6.3
2029	27,202	33,810	6,040	(37)	39,813	N/A	N/A	N/A

Note: Total traffic corresponds to the adjusted gross toll revenue.
 N/A The FY 2017 Traffic Engineer’s Annual Report forecast went through FY 2028.
 (1) Toll revenue forecast without indexing.

**TABLE 4.11 - SUNSHINE SKYWAY BRIDGE
PROJECTED OPERATING AND MAINTENANCE EXPENSES
FY 2019 THROUGH FY 2029**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense (\$000)	Total Operating & Routine Maintenance Expenses (\$000)	Periodic Maintenance Expense ⁽¹⁾ (\$000)	Total O&M Expenses (\$000)
2019	\$5,157	\$3,018	\$8,175	\$10,162	\$18,337
2020	5,286	2,398	7,684	12,882	20,566
2021	5,418	3,062	8,480	8,557	17,037
2022	5,553	2,240	7,793	7,110	14,903
2023	5,692	3,138	8,830	3,869	12,699
2024	5,834	2,296	8,130	3,965	12,095
2025	5,980	3,217	9,197	4,064	13,261
2026	6,130	2,354	8,484	4,166	12,650
2027	6,283	3,297	9,580	4,270	13,850
2028	6,440	2,412	8,852	4,377	13,229
2029	6,601	3,380	9,981	4,486	14,467

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2019.
 (1) Periodic maintenance expenses include bridge repairs, bridge painting, Florida Highway Patrol services and other Department-funded improvements included in the 5-year Work Program and are reported on a cash basis. Periodic maintenance expenses beyond FY 2023 have not been fully programmed. However, a minimal level of preservation (excluding extraordinary expenses such as major bridge repairs) has been estimated based on FY 2023 expenses increased at 2.5 percent annually.

year. Subsequent to FY 2019, operating expenses are projected to grow at 2.5 percent annually to account for inflation.

The routine maintenance expense forecast is provided by the Department’s Office of Project Finance through FY 2024. Subsequent to FY 2024, routine maintenance expenses have been increased 2.5 percent annually.

Periodic maintenance expenses were provided by the Department’s Office of Project Finance and are based on estimated expenditures for projects included in the Work Program and include bridge repairs, bridge painting and fishing pier repairs.

Net revenues are currently being used to reimburse the Department, first for system related costs, and then non-system related costs (long term debt).

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WEKIVA PARKWAY

5.1 BACKGROUND

The Wekiva Parkway (SR 429) will be a 25-mile toll road that, upon its full opening, completes the beltway around Central Florida. The Parkway was authorized in 2004 by the Wekiva Parkway and Protection Act (Chapter 369, Part III, F.S.) and is being developed jointly by the Florida Department of Transportation (FDOT) and the Central Florida Expressway Authority (CFX) with FDOT responsible for the portions in Lake and Seminole counties. In addition to completing Central Florida's beltway, the Wekiva Parkway will provide travel alternatives. The Parkway also will relieve SR 46, US 441 and other area roads of traffic congestion resulting from intensifying growth and travel between Orange, Lake and Seminole Counties. It is also expected to improve safety and reduce vehicle crash fatalities, particularly on SR 46.

As part of the Parkway's enabling legislation, the development of the Parkway has environmental protections for the Wekiva River Basin, including the setting aside of more than 3,400 acres of land for conservation and numerous wildlife bridges, along with elevating the highway to reduce vehicle/wildlife interactions. Included as a part of the legislation, and to be incorporated into the overall project, are non-toll road improvement projects which include widening of existing roads in the corridor, the addition of parallel service roads and the construction of a multi-use trail. As the Parkway opens in phases, Florida's

Turnpike Enterprise will operate the FDOT sections.

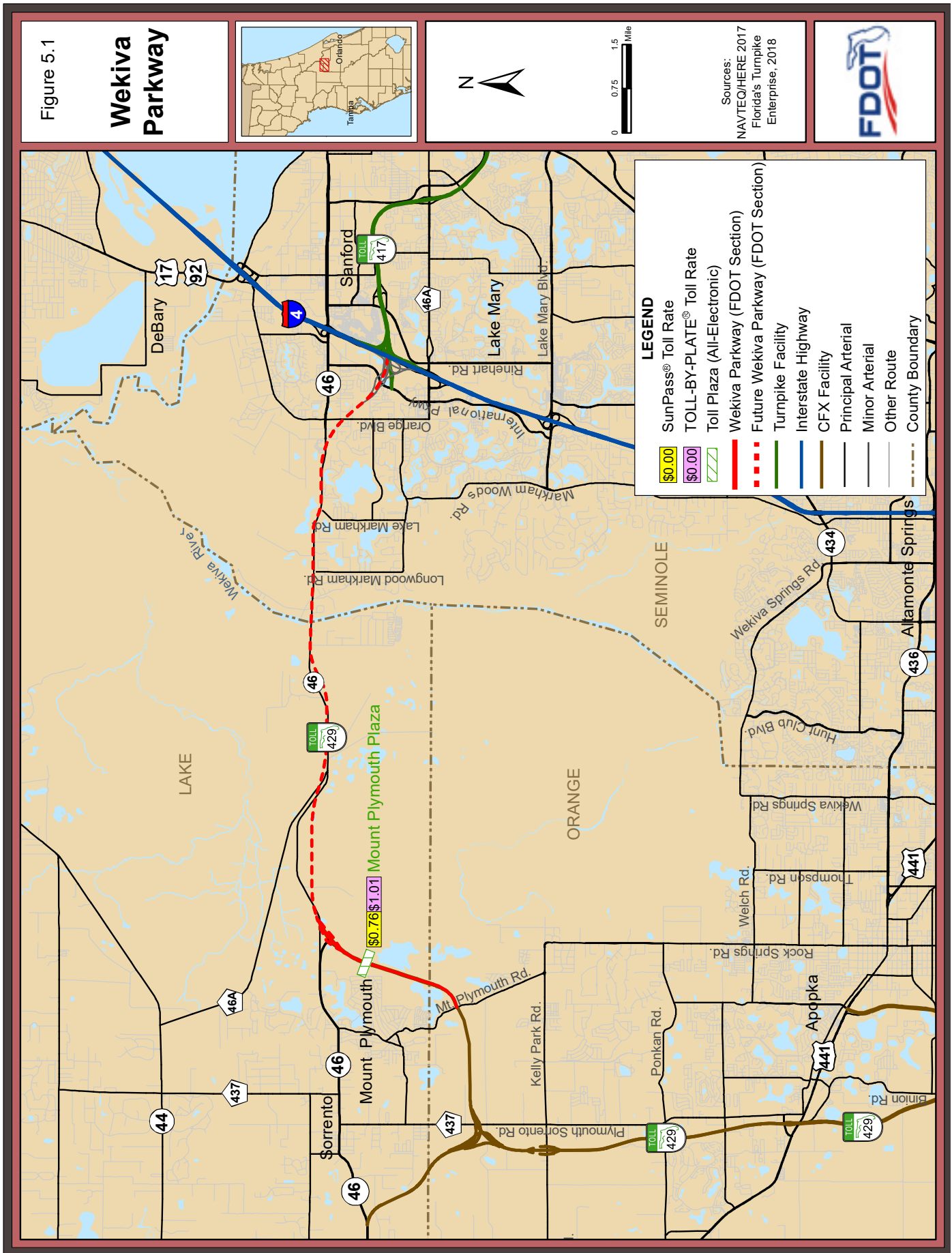
Figure 5.1 depicts the proposed location of the project within the major roadway network in the area. The project directly connects on the southwest with SR Toll 429 (Western Beltway) at Orange Blossom Trail (U.S. 441) in Orange County and on the east with SR Toll 417 (Seminole Expressway) at Interstate 4 in Seminole County. It also includes a "spur" on the western end, forming a "Y" junction with the Parkway and extending northwestward to a connection with SR 46 east of Mount Dora.

The FDOT portion, extending from the Mount Plymouth area on the west to the Sanford area on the east, is planned to have four all-electronic tolling points. Customers can pay with SunPass®, or use a license plate photo/billing option (TOLL-BY-PLATE®) at a higher rate. In keeping with Florida state law, toll rates can increase each year, indexed to the Consumer Price Index.

Table 5.1 lists the individual sections of the Wekiva Parkway and includes the ownership, start and end points, length, construction start dates, and scheduled opening dates. On January 20, 2016, FDOT opened the first section of the Wekiva Parkway, sections 4A and 4B, that extend from County Road 435 (Mount Plymouth Road) near Haas Road in Orange County to SR 46 east of Camp Challenge Road in Lake County. Upon opening, the toll was \$0.75 for those with SunPass® or \$1.00 via



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**TABLE 5.1 - WEKIVA PARKWAY
FACILITY PROJECT DESCRIPTIONS**

Owner	Section	Project Limit	Length (miles)	Construction Start Date	Scheduled Opening Date
CFX	1A	US 441 to Ponkan Road	2.13	Third Quarter, 2015	July 27, 2017
	1B	Ponkan Road to New Kelly Park Road Interchange	2.38	Third Quarter, 2015	July 27, 2017
	2A	Kelly Park Road Interchange to CR 435/Mt. Plymouth Road	2.90	Third Quarter, 2016	March 31, 2018
	2B	Systems Interchange (Haas Road-Ondich Road)	0.78	First Quarter, 2016	March 31, 2018
	2C	Round Lake Road to Lake County-Orange County Line	1.40	Second Quarter, 2016	March 31, 2018
FDOT	3A	SR 46 from Vista View Lane to Round Lake Road	1.40	Third Quarter, 2017	Second Quarter, 2020
	3B	SR 46 from US 441 to Vista View Lane (US 441 flyover interchange)	0.00	Third Quarter, 2017	Second Quarter, 2020
	4A	CR 435/Mount Plymouth Road to the Lake County Line	3.14	Fourth Quarter, 2012	January 20, 2016
	4B	Orange County Line to Old McDonald Road			
	5	CR 46A Realignment from Arundel Way to SR 46	2.50	Second Quarter, 2017	Third Quarter, 2019
	6	Old McDonald Road to Wekiva Park Road	5.50	Fourth Quarter, 2017	First Quarter, 2021
	7A	Wekiva Park Drive to Orange Boulevard	3.53	Second Quarter, 2018	Second Quarter, 2022
	7B	SR 46 from Center Road to I-4	1.87	Third Quarter, 2019	First Quarter, 2021
8	Orange Boulevard to Rinehart Road	2.63	Fourth Quarter, 2018	Fourth Quarter, 2022	

Source: www.wekivaparkway.com

the TOLL-BY-PLATE® program, plus \$2.50 per invoice in administrative fees. Effective October 29, 2017 (FY 2018), tolls were indexed to \$0.76 for SunPass® and \$1.01 for TOLL-BY-PLATE® customers.

5.2 FY 2018 TRANSACTIONS, REVENUES AND EXPENSES

As shown in **Table 5.2**, there were 1.1 million transactions in FY 2018 and toll revenues amounting to over \$0.9 million, resulting in an average toll of \$0.80 per vehicle. During FY 2018, tolls were suspended for fifteen days beginning on September 5, 2017, to aid in the evacuation and recovering efforts due to Hurricane Irma. This suspension resulted in a \$30 thousand revenue loss.

The monthly transaction variation for FY 2018 is analyzed in **Table 5.3**. On average, 3 thousand vehicles traveled through the toll plaza each day. Over the course of the year, the average daily traffic (ADT) has been generally increasing due to ramp up and completion of CFX section of this facility end of March 2018.

**TABLE 5.2 - WEKIVA PARKWAY
MONTHLY TRANSACTIONS AND TOLL REVENUE
FY 2018**

Month	Transactions			Total Revenue ⁽¹⁾	Average Toll
	Toll Paying	Non Revenue	Total		
FY 2016 ⁽²⁾	220,536	2,278	222,814	\$165,952	\$0.745
FY 2017	725,142	11,136	736,278	\$587,966	\$0.799
FY 2018:					
July 2017	69,131	648	69,779	\$56,935	
August	79,251	707	79,958	66,724	
September	35,138	33,726	68,864	28,901	
October	77,356	858	78,214	63,975	
November	75,286	626	75,912	62,760	
December	75,925	510	76,435	63,375	
January 2018	78,722	680	79,402	65,848	
February	82,149	626	82,775	70,911	
March	83,231	594	83,825	68,495	
April	126,287	1,173	127,460	105,807	
May	136,329	1,154	137,483	117,220	
June	137,859	1,112	138,971	106,775	
Total	1,056,664	42,414	1,099,078	\$877,726	\$0.799

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

⁽¹⁾ Per new revenue reporting methodology, starting FY 2016 toll revenues exclude violation and miscellaneous revenues, which are immaterial to toll revenues reported within.⁽²⁾ FY 2016 represents a partial year opening on January 20, 2016.

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. Higher non revenue transactions in September due to toll suspension during Hurricane Irma.

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**TABLE 5.3 - WEKIVA PARKWAY
SEASONAL TRANSACTION VARIATION
FY 2018**

Month	Average Daily Transactions			Seasonal Factor*
	Northbound Lanes	Southbound Lanes	Total	
July 2017	1,200	1,100	2,300	0.77
August	1,400	1,200	2,600	0.87
September	1,200	1,100	2,300	0.77
October	1,300	1,200	2,500	0.83
November	1,300	1,200	2,500	0.83
December	1,300	1,200	2,500	0.83
January 2018	1,400	1,200	2,600	0.87
February	1,600	1,400	3,000	1.00
March ⁽¹⁾	1,300	1,400	2,700	0.90
April	2,300	1,900	4,200	1.40
May	2,400	2,000	4,400	1.47
June	2,500	2,100	4,600	1.53
AADT	1,600	1,400	3,000	1.00

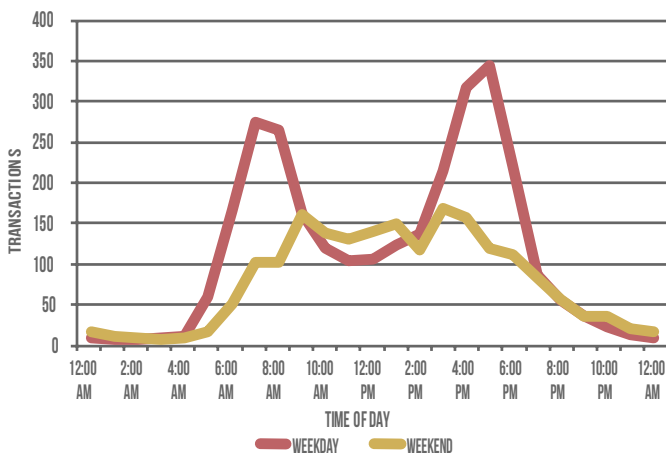
Source: FDOT Office of the Comptroller and Turnpike Enterprise Finance Office.

*Seasonal factors impacted by ramp up during early years after opening.

⁽¹⁾ Northbound traffic declined due to closure of CR 435 northbound on ramp in preparation for opening of 5-mile CFX section of this facility.

Transactions on Wekiva Parkway also vary by time of day. **Graph 5.1** shows the number of hourly weekday and weekend transactions of a typical week at the mainline plazas during FY 2018. Weekday travel demand on the facility peaks from 7:00 to 8:00 AM and again between

**GRAPH 5.1 - WEKIVA PARKWAY
TYPICAL HOURLY TRANSACTIONS
FY 2018**



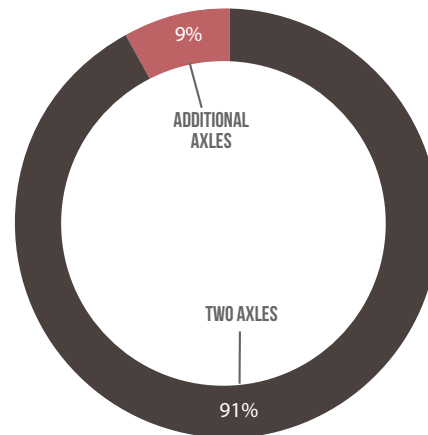
Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, January 15, 2018.

5:00 and 6:00 PM. Weekend traffic remains relatively flat throughout the day indicating that this facility is primarily used as a commuting route on weekdays.

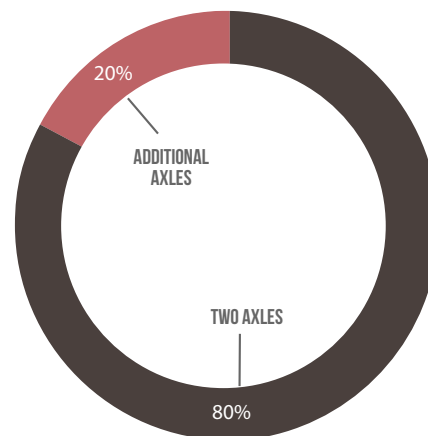
The “N minus 1” method of toll collection is used on the Wekiva Parkway. This method results in a more equitable toll structure for passenger cars relative to trucks.

Graph 5.2 shows the truck transactions and revenue contributions for FY 2018. Trucks (3+ axle vehicles) accounted for 9 percent of traffic on the facility and 20 percent of the revenue. In terms of actual revenue contributions, two-axle vehicles provided approximately \$703 thousand while

**GRAPH 5.2 - WEKIVA PARKWAY
TRANSACTIONS BY AXLE CLASS
FY 2018**



**REVENUE CONTRIBUTION BY AXLE CLASS
FY 2018**



vehicles with three or more axles provided \$175 thousand in revenue for FY 2018.

Table 5.4 shows the operating and routine maintenance expenses in FY 2018 with a comparison between the FY 2018 actual and budgeted operating and routine maintenance expenses. For FY 2018, operating and routine maintenance expenses amounted to \$531 thousand, which exceeds forecast by \$84 thousand primarily due to increased transaction volumes.

Maintenance of Wekiva Parkway, is under private asset maintenance contract, with the Department providing oversight through its Asset Management Coordinator. Maintenance activities include litter removal and repairs due to accidents. Road Ranger service is not currently provided on the 3-mile portion that opened in 2016.

TABLE 5.4 - WEKIVA PARKWAY OPERATING AND ROUTINE MAINTENANCE EXPENSES FY 2018

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)
Operating	\$266	\$350	\$84
Routine Maintenance	181	181	0
Total	\$447	\$531	\$84

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2017 Enterprise Toll Operations Traffic Engineer's Annual Report.

5.3 SUNPASS®

SunPass® technology is used exclusively on Wekiva Parkway (see **Appendix A** for current lane configurations). Under the current toll rate structure, SunPass® customers pay less than non SunPass® customers (TOLL-BY-PLATE®). **Table 5.5** shows transactions by payment method on Wekiva Parkway for FY 2018. SunPass® accounted for 86 percent of the total transactions in FY 2018. TOLL-BY-PLATE® transactions constituted the remaining 14 percent.

TABLE 5.5 - WEKIVA PARKWAY TRANSACTIONS BY PAYMENT METHOD FY 2018

Month	Transactions			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	58,253	11,526	69,779	83.5%
August	68,547	11,411	79,958	85.7
September	56,838	12,026	68,864	82.5
October	67,365	10,849	78,214	86.1
November	65,389	10,523	75,912	86.1
December	65,713	10,722	76,435	86.0
January 2018	69,383	10,019	79,402	87.4
February	72,389	10,386	82,775	87.5
March	72,463	11,362	83,825	86.4
April	112,190	15,270	127,460	88.0
May	120,097	17,386	137,483	87.4
June	121,397	17,574	138,971	87.4
Total	950,024	149,054	1,099,078	
Percentage	86.4%	13.6%	100.0%	

Source: Turnpike Enterprise Finance Office.

Table 5.6 shows gross toll revenue by payment method. Revenue attributable to SunPass® was

TABLE 5.6 - WEKIVA PARKWAY GROSS TOLL REVENUE BY PAYMENT METHOD FY 2018

Month	Gross Toll Revenue			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	\$48,695	\$8,240	\$56,935	85.5%
August	58,623	8,101	66,724	87.9
September	25,278	3,623	28,901	87.5
October	56,518	7,457	63,975	88.3
November	55,486	7,274	62,760	88.4
December	55,901	7,474	63,375	88.2
January 2018	59,176	6,672	65,848	89.9
February	64,599	6,312	70,911	91.1
March	62,605	5,890	68,495	91.4
April	99,683	6,124	105,807	94.2
May	107,097	10,123	117,220	91.4
June ⁽¹⁾	106,006	769	106,775	99.3
Total	\$799,667	\$78,059	\$877,726	
Percentage	91.1%	8.9%	100.0%	

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

⁽¹⁾ TOLL-BY-PLATE invoices temporarily delayed due to implementation of Centralized Customer Service Center.

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approximately \$800 thousand, representing 91 percent of the total revenue in FY 2018. TOLL-BY-PLATE® constituted the remaining 9 percent of revenue.

5.4 FORECASTS

Wekiva Parkway traffic and revenue forecasts, as provided by the Office of Toll Finance, for FY 2019 through FY 2029 are shown in **Appendix D**. Projected operating and maintenance expenses during this forecast period are shown in **Table 5.7**. The operating expenses for FY 2019 presented in this table represent the budgeted amount for that fiscal year (see **Appendix C** for a detailed description of the FY 2019 operating expense budget).

Given that the Parkway is a new facility, periodic maintenance is not yet a budgeted cost. Such costs, however, will be programmed when a need is determined.

**TABLE 5.7 - WEKIVA PARKWAY
PROJECTED OPERATING AND MAINTENANCE
EXPENSES
FY 2019 THROUGH FY 2029**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense (\$000)	Total Operating & Routine Maintenance Expenses (\$000)
2019	\$277	\$12	\$289
2020	284	16	300
2021	291	10	301
2022	298	10	308
2023	305	10	315
2024	313	10	323
2025	321	11	332
2026	329	11	340
2027	337	11	348
2028	345	11	356
2029	354	12	366

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2019 and inflated at 2.5 percent annually.