

# Department-operated Facilities



## GARCON POINT BRIDGE

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- \$7.5 million total toll revenue
- 2.2 million total transactions
- SunPass® participation increased to 53.6 percent during the year



## MID-BAY BRIDGE AND WALTER FRANCIS SPENCE PARKWAY

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- \$26.5 million total toll revenue
- 10.6 million total transactions
- SunPass® participation increased to 65.8 percent during the year

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# GARCON POINT BRIDGE

## 6.1 BACKGROUND

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

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

As a result of low traffic levels and despite four toll rate increases, revenues were not enough to meet debt service. Consequently, in April 2011 bond debt



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

service went into default as the Authority was not able to make its July 2011 debt service payment. As of FY 2018, the bonds remained in default. (It should be noted that the bond documents clearly advised investors that neither the State of Florida nor Santa Rosa County would have any responsibility for payment of the bond debt). The Department, however, continues to operate and maintain the Garcon Point Bridge. Further details can be found in **Section 6.7 - Revenue Sufficiency**.

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



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

**Table 6.1** shows historical transactions and revenue growth on the Garcon Point Bridge. Traffic and revenue in the last 10 years has grown from 1.4 million transactions and \$4.8 million in toll revenues to 2.2 million transactions and \$7.5 million in toll revenues in FY 2018. Traffic declined during the period of economic recession and also decreased as a result of toll increases. In addition, there was a decline in traffic and revenue as a result of the BP Oil Spill that occurred in April 2010.

**TABLE 6.1 - GARCON POINT BRIDGE  
HISTORICAL TRANSACTIONS AND REVENUE GROWTH  
FY 2008 THROUGH FY 2018**

Fiscal Year	Transactions (000)				Toll Revenue <sup>(1)</sup> (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2008	1,439	4	1,443	-	\$4,767	-	\$3.304
2009	1,312	7	1,319	(8.6%)	4,369	(8.3%)	3.312
2010	1,264	4	1,268	(3.9)	4,203	(3.8)	3.315
2011	1,243	8	1,251	(1.3)	4,276	1.7	3.418
2012	1,268	22	1,290	3.1	4,592	7.4	3.560
2013	1,284	26	1,310	1.6	4,736	3.1	3.615
2014	1,421	19	1,440	9.9	5,224	10.3	3.628
2015	1,551	18	1,569	9.0	5,647	8.1	3.599
2016	1,719	18	1,737	10.7	6,324	12.0	3.641
2017	1,948	20	1,968	13.3	7,144	13.0	3.630
2018	2,032	123	2,155	9.5	7,469	4.5	3.466

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

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

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

Compared to FY 2017, total transactions increased 9.5 percent while revenues increased 4.5 percent. Revenues were negatively impacted by \$0.3 million due to the suspension of tolls for fifteen days beginning on September 5, 2017, to aid in the evacuation and recovery efforts due to Hurricane Irma.

Overall, this increase in transactions and revenue can be attributed to generally improving economic conditions in Florida. In fact, for FY 2018, hotel bed tax collections in Santa Rosa County were up 17 percent over FY 2017 collections with tax collections reaching \$3.3 million. It was the first time that bed tax revenue exceeded \$3 million in Santa Rosa County.

Historical operating and routine maintenance expenses from FY 2008 through FY 2018 are presented in **Table 6.2**. Total operating and maintenance expenses have increased from approximately \$1.2 million in FY 2008 to \$1.8 million in FY 2018.

Maintenance activities that include roadside mowing and upkeep, guardrail repair, shoulder

**TABLE 6.2 - GARCON POINT BRIDGE  
HISTORICAL OPERATING AND ROUTINE  
MAINTENANCE EXPENSES  
FY 2008 THROUGH FY 2018**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense <sup>(1)</sup> (\$000)	Total O&M Expenses (\$000)
2008	\$1,051	\$124	\$1,175
2009	997	98	1,095
2010	956	135	1,091
2011	969	160	1,129
2012	1,017	196	1,213
2013	987	148	1,135
2014	1,014	159	1,173
2015	1,123	102	1,225
2016	1,101	82	1,183
2017	1,128	141	1,269
2018	1,279	486	1,765

Source: FDOT Office of the Comptroller.

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

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repair, bridge inspection and other routine maintenance items are provided in-house by the department. Toll facilities maintenance and bridge inspections are performed outside the scope of the Asset Maintenance Contract.

## 6.2 FY 2018 TRANSACTIONS AND TOLL REVENUE

Monthly transactions and toll revenue on the Garcon Point Bridge during FY 2018 are presented in **Table 6.3**. The second and third quarters generated a slightly lower number of transactions and toll revenue as these are not the peak months for travel. Further, September 2017 was impacted by the reduction in toll revenues prompted by the previously mentioned Hurricane Irma suspension.

**TABLE 6.3 - GARCON POINT BRIDGE  
MONTHLY TRANSACTIONS AND TOLL REVENUE  
FY 2018**

Month	Transactions (000)	Toll Revenue (\$000)
July 2017	218	\$810
August	186	678
September	187	311
1st Quarter Total	591	1,799
October	171	619
November	159	583
December	151	558
2nd Quarter Total	481	1,760
January 2018	145	522
February	149	540
March	192	696
3rd Quarter Total	486	1,758
April	183	663
May	203	718
June	211	771
4th Quarter Total	597	2,152
<b>Annual Total</b>	<b>2,155</b>	<b>\$7,469</b>

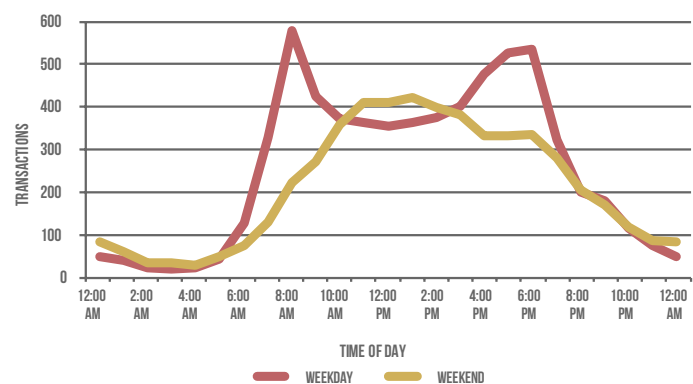
Source: FDOT Office of the Comptroller (Annual Toll Revenue) and Turnpike Enterprise Finance Office.

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

**Graph 6.1** shows the number of hourly weekday and weekend transactions of a typical week

during FY 2018 on the Garcon Point Bridge. As indicated, weekday demand for travel on the facility is the highest during the morning and evening peak hours. The morning peak hour occurs from 8:00 a.m. to 10:00 a.m. and the afternoon peak occurs from 5:00 p.m. to 7:00 p.m. In addition, midday traffic volumes of nearly 400 vehicles per hour show the relative influence of non-commuters (tourist/recreational travelers) on the facility. The influence of tourists and recreational travelers is noticeably more pronounced on the weekends.

**GRAPH 6.1 - GARCON POINT BRIDGE  
TYPICAL HOURLY TRANSACTIONS  
FY 2018**



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, August 14, 2017.

**Table 6.4** shows the monthly seasonal transaction variation in FY 2018. On average, approximately 5,900 vehicles use the bridge each day, up 500 vehicles per day from FY 2017. During the spring and summer months, transactions exceed the normal pattern observed on this facility due to tourists and seasonal residents with June and July exceeding the average by 19 percent. January was the lowest month at 20 percent below the average.

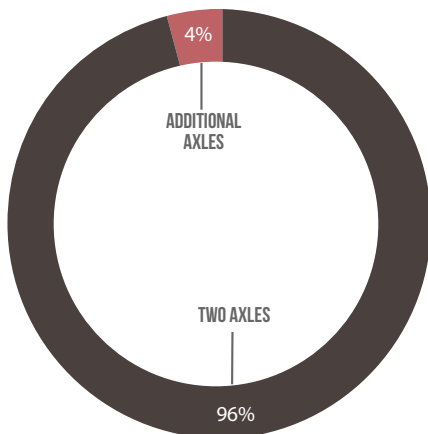
Traffic and revenue contributions for trucks on the Garcon Point Bridge are shown in **Graph 6.2**. For FY 2018, trucks accounted for approximately four percent of traffic on the



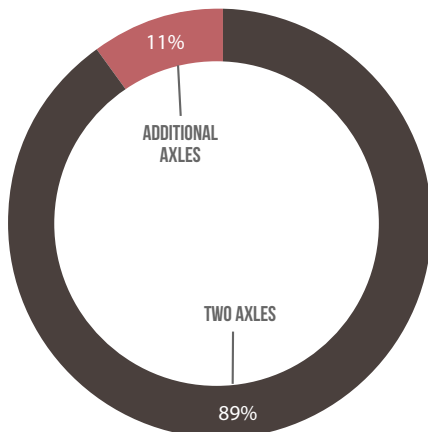
**TABLE 6.4 - GARCON POINT BRIDGE  
SEASONAL TRANSACTION VARIATION  
FY 2018**

Month	Average Daily Transactions	Seasonal Factor
July 2017	7,000	1.19
August	6,000	1.02
September	6,200	1.05
October	5,500	0.93
November	5,300	0.90
December	4,900	0.83
January 2018	4,700	0.80
February	5,300	0.90
March	6,200	1.05
April	6,100	1.03
May	6,500	1.10
June	7,000	1.19
<b>AADT</b>	<b>5,900</b>	<b>1.00</b>

**GRAPH 6.2 - GARCON POINT BRIDGE  
TRANSACTIONS BY AXLE CLASS  
FY 2018**



**REVENUE CONTRIBUTION BY AXLE CLASS FY 2018**



facility. Correspondingly, the revenue collected from truck traffic translated into eleven percent of the total revenue on the facility. The revenue percentage for trucks is calculated by the “N minus 1” toll method. In terms of actual revenues, trucks provided approximately \$792 thousand of the total revenues, while passenger vehicles comprised the remaining \$6.7 million.

### 6.3 SUNPASS®

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

**Table 6.5** shows the SunPass® transactions on Garcon Point Bridge during FY 2018. SunPass® usage totaled 1.2 million transactions in FY 2018, resulting in a SunPass® participation rate of 54 percent, up from 49 percent in FY 2017. On a daily basis, approximately 3,200 vehicles out

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**TABLE 6.5 - GARCON POINT BRIDGE  
TRANSACTIONS BY PAYMENT METHOD  
FY 2018**

Month	Transactions (000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	90	128	218	41.3%
August	94	92	186	50.5
September	93	94	187	49.7
October	99	72	171	57.9
November	92	67	159	57.9
December	88	63	151	58.3
January 2018	90	55	145	62.1
February	89	60	149	59.7
March	101	91	192	52.6
April	101	82	183	55.2
May	107	96	203	52.7
June	111	100	211	52.6
<b>Total</b>	<b>1,155</b>	<b>1,000</b>	<b>2,155</b>	
<b>Percentage</b>	<b>53.6%</b>	<b>46.4%</b>	<b>100.0%</b>	

Source: Turnpike Enterprise Finance Office.

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

of 5,900 utilize SunPass®. The monthly SunPass® participation ranged from 41 percent in July 2017 to 62 percent in January 2018, peaking during the winter months due to a lower percentage of tourists.

Revenue attributable to SunPass® for FY 2018 totaled \$3.8 million, as shown in **Table 6.6**. This amount represents 52 percent of all toll revenue. The SunPass® revenue amount is net of the SunPass® discount for the facility, which for FY 2018, amounted to approximately \$535 thousand. The monthly SunPass® revenue contribution ranged from a low of 39 percent to a high of 60 percent during FY 2018.

## 6.4 FY 2018 EXPENSES AND LIABILITIES

A comparison between actual and budgeted operating and routine maintenance expenses in FY 2018 are shown in **Table 6.7**. Actual operating and routine maintenance expenses were 20.0

**TABLE 6.6 - GARCON POINT BRIDGE  
GROSS TOLL REVENUE BY PAYMENT METHOD  
FY 2018**

Month	Gross Toll Revenue (\$000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	\$315	\$495	\$810	38.9%
August	324	354	678	47.8
September	156	155	311	50.2
October	343	276	619	55.4
November	327	256	583	56.1
December	317	241	558	56.8
January 2018	313	209	522	60.0
February	312	228	540	57.8
March	358	338	696	51.4
April	353	310	663	53.2
May	368	350	718	51.3
June	358	413	771	46.4
<b>Total</b>	<b>\$3,844</b>	<b>\$3,625</b>	<b>\$7,469</b>	
<b>Percentage</b>	<b>51.5%</b>	<b>48.5%</b>	<b>100.0%</b>	

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

**TABLE 6.7 - GARCON POINT BRIDGE  
OPERATING AND ROUTINE  
MAINTENANCE EXPENSES  
FY 2018**

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$1,047	\$1,279	\$232	22.2%
Routine Maintenance	424	486	62	14.6
<b>Total</b>	<b>\$1,471</b>	<b>\$1,765</b>	<b>\$294</b>	<b>20.0%</b>

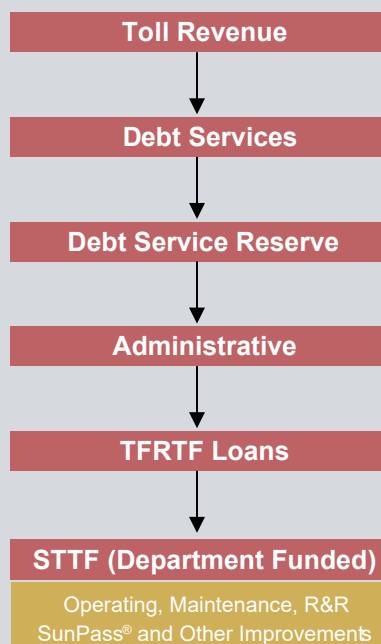
Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2017 Enterprise Toll Operations Traffic Engineer's Annual Report.

percent, or \$294 thousand, higher than the FY 2018 budget. Actual operating expenses exceeded the budget because of higher costs related to toll equipment and staff training. Actual routine maintenance exceeded the budget due to timing differences that resulted in FY 2016 and FY 2017 budgeted expenses paid in FY 2018.

As shown in **Figure 6.2**, Garcon Point Bridge has liabilities payable to the Department for Toll Facility Revolving Trust Fund (TFRTF) loans



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



and an advance from the STTF. As of June 30, 2018, the TFRTF balance was approximately \$7.9 million, to be repaid when sufficient funds become available.

The second liability is for the costs of operating and maintaining the toll facility. The Department, in accordance with the Lease-Purchase Agreement between the Department and the Santa Rosa Bay Bridge Authority, pays operating and maintenance expenses on the bridge. These costs are considered long-term receivables by

**TABLE 6.8 - GARCON POINT BRIDGE  
LONG-TERM LIABILITY  
FY 2018**

Transaction	Amount (\$000)
Balance, July 1, 2017	\$25,261
Additions: Costs for FY 2018 <sup>(1)</sup>	2,505
Balance, June 30, 2018	\$27,766

(1) Costs for FY 2018 include the following: Toll Operations (TOBC - Direct & Indirect), Total Routine Maintenance and Other DSBC Costs (Capital Costs Direct & Capital Costs Indirect).

the Department. This liability is to be paid subsequent to the payment of the TFRTF loans. An analysis of long-term liabilities for FY 2018 is presented in **Table 6.8**. The long-term liability balance as of June 30, 2018 was approximately \$27.8 million.

## 6.5 NOTEWORTHY EVENTS

On October 8, 2018 (FY 2019), tolls were suspended for 11 days due to Hurricane Michael evacuation and recovery efforts. The toll suspension resulted in a \$231 thousand loss in revenue collections.

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

## 6.6 EXPENSE FORECASTS

Projected operating and routine maintenance expenses for FY 2019 through FY 2029 are shown in **Table 6.9**. Budgeted operating expenses for FY 2019 are approximately \$1.2 million.

**TABLE 6.9 - GARCON POINT BRIDGE  
PROJECTED OPERATING AND ROUTINE MAINTENANCE  
EXPENSES  
FY 2019 THROUGH FY 2029**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense (\$000)	Total Operating & Routine Maintenance Expenses (\$000)
2019	\$1,217	\$149	\$1,366
2020	1,247	142	1,389
2021	1,278	142	1,420
2022	1,310	142	1,452
2023	1,343	142	1,485
2024	1,377	142	1,519
2025	1,411	145	1,556
2026	1,446	149	1,595
2027	1,482	153	1,635
2028	1,519	157	1,676
2029	1,557	161	1,718

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

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The operating expense budget is developed by the Turnpike Enterprise Finance Office. **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 approximately 2.5 percent annually.

**6.7 REVENUE SUFFICIENCY**

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

Each year, an amount of principal and accrued interest on the outstanding bonds becomes due and payable. This amount is known as the annual debt service. As a test of the ability of a facility to repay the annual debt service, a "coverage" ratio calculation is performed. In accordance with the Series 1996 Bond Resolution, gross revenues are required to provide 120 percent of the Annual Net Debt Service Requirement (or a 1.2 coverage ratio). The Authority has never met the required coverage ratio.

Effective January 1, 2013, the Bank of New York Mellon ("BNYM"), serving as trustee, formally noticed that all principal on all the outstanding bonds is due and payable immediately. Such notice permits the trustee to make regular distributions to all bondholders from the revenues made available. Also, effective September 7, 2016, the UMB Bank, National Association ("UMB") replaced the BNYM as the trustee over the bonds.

# MID-BAY BRIDGE AUTHORITY SYSTEM



## 7.1 BACKGROUND

The Mid-Bay Bridge Authority ("Authority") System includes the 3.6-mile, limited access, two-lane, fixed span Mid-Bay Bridge ("Bridge"), the 11-mile Walter Francis Spence Parkway ("Parkway") and the 0.8-mile Danny Wuerffel Way. The Bridge traverses Choctawhatchee Bay, connecting Niceville and Destin in southeast Okaloosa County. The Bridge opened to traffic in June 1993 with one mainline toll plaza located on the north side of the bay. **Figure 7.1** shows a map of the Bridge and the roadway segments which run from US 98 to SR 85. The Parkway completely opened to traffic in January 2014.

The bridge and roadway segments are designated as SR 293. On the north side of the bay, the Parkway is four lanes to Range Road and two lanes to SR 85 except for the section of roadway through and in the immediate vicinity of the All-Electronic Toll (AET) gantry, where it widens to four lanes. On the south side of the bay, SR 293 continues as a

four-lane arterial approach (Danny Wuerffel Way) for approximately one mile and intersects with US 98. Overall, SR 293 is 15.5 miles in length. The Parkway has full grade-separated interchanges at Lakeshore Drive, SR 20, Range Road, SR 285, SR 85 and an at-grade intersection at Forest Road (located between Range Road and SR 285, north of the toll gantry).

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





The Authority operates on the Okaloosa County fiscal year which ends September 30. However, for consistency across all Department-owned and Department-operated facilities, all FY 2018 data for this facility is reported according to the Department's fiscal year ending June 30, 2018, unless otherwise noted.

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

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

Bridge:

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

Parkway:

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

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

## 7.2 FY 2018 TRANSACTIONS AND TOLL REVENUES

The annual change in traffic and revenue for the facility from FY 2008 through FY 2018 is presented in **Table 7.1**. Traffic and toll revenue have grown from 7.2 million transactions and \$13.4 million in FY 2008 to 10.6 million transactions and \$26.5 million in FY 2018. Toll revenues increased due to higher traffic, toll rate increases, and the opening of the Parkway. The Bridge traffic did decline during the Great Recession as a result of the economic slowdown affecting the state of Florida, particularly the reduced level of tourism in Okaloosa and Walton counties.

**TABLE 7.1 - MID-BAY BRIDGE AUTHORITY  
HISTORICAL TRANSACTIONS AND REVENUE GROWTH  
STATE FY 2008 THROUGH STATE FY 2018**

Fiscal Year	Transactions (000)				Toll Revenue <sup>(1)</sup> (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2008	7,165	3	7,168	-	\$13,421	-	\$1.872
2009	6,789	50	6,839	(4.6%)	12,586	(6.2%)	1.840
2010 <sup>(2)</sup>	6,755	4	6,759	(1.2)	12,867	2.2	1.904
2011	6,476	13	6,489	(4.0)	15,472	20.2	2.384
2012	6,491	30	6,521	0.5	15,699	1.5	2.407
2013	6,523	42	6,565	0.7	15,797	0.6	2.406
2014 <sup>(3)</sup>	7,644	43	7,687	17.1	17,015	7.7	2.213
2015	9,720	54	9,774	27.1	19,934	17.2	2.039
2016 <sup>(2)</sup>	9,984	52	10,036	2.7	25,351	27.2	2.526
2017 <sup>(2)</sup>	10,105	54	10,159	1.2	27,289	7.6	2.686
2018	10,104	500	10,604	4.4	26,475	(3.0)	2.497

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

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

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

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

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

Transactions and revenue during the late spring-early summer of 2010 (FY 2011) were also affected by the BP oil spill, which began with the explosion of the Deepwater Horizon drilling platform on April 20, 2010. Post-oil spill transactions (and toll

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revenue) began an upward climb as tourists began to return to the area and the economy began to recover. Most currently, for CY 2018 through September 2018, hotel bed tax collections in Okaloosa and Walton counties (combined) were up over 10 percent compared to the same calendar period in 2017, reflecting a positive tourist season.

In FY 2018 there was an increase of 4.4 percent in transactions and 3.0 percent decrease in toll revenue, respectively, from FY 2017. The revenue decrease of \$1.1 million is attributable to a 15-day toll suspension beginning on September 5, 2017, to aid in the evacuation and recovery efforts due to Hurricane Irma. Further, the revenue decrease is also impacted due to FY 2018 being a full year of implementation of the lower threshold frequent-user discount program that began January 2017.

Monthly transactions and toll revenue on the Bridge and the Parkway facilities during FY 2018 are presented in **Table 7.2**. After normalizing for the toll suspension prompted by Hurricane Irma (i.e., adding back the nonrecurring \$1.1 million uncollected toll revenue to better compare to the other normal quarters), the first quarter, which includes the peak season, experienced the highest revenue of any quarter while the fourth quarter experienced the most transactions of any quarter.

**Graph 7.1** shows the number of hourly (Central Standard Time) weekday and weekend transactions of a typical week during FY 2018 for the Bridge and the Parkway. As expected, the demand for travel on the facilities during weekdays is highest during the morning and evening peak hours. Almost 1,500 vehicles used the Bridge during the morning peak hour from 7:00 a.m. to 8:00 a.m. while, during the same time period, almost 700 vehicles used the Parkway. In the evening

**TABLE 7.2 - MID-BAY BRIDGE AUTHORITY  
MONTHLY TRANSACTIONS AND TOLL REVENUE  
STATE FY 2018**

Month	Transactions (000)			Toll Revenue (\$000)		
	Mid-Bay Bridge	Spence Parkway	Total	Mid-Bay Bridge	Spence Parkway	Total
July 2017	770	355	1,125	\$2,548	\$546	\$3,094
August	650	276	926	2,064	415	2,479
September	616	266	882	963	201	1,164
1st Quarter Total	2,036	897	2,933	5,575	1,162	6,737
October	603	248	851	1,874	368	2,242
November	548	210	758	1,694	313	2,007
December	561	198	759	1,712	287	1,999
2nd Quarter Total	1,712	656	2,368	5,280	968	6,248
January 2018	498	182	680	1,496	258	1,754
February	506	191	697	1,546	272	1,818
March	669	289	958	2,080	395	2,475
3rd Quarter Total	1,673	662	2,335	5,122	925	6,047
April	623	261	884	1,934	324	2,258
May	698	303	1,001	2,198	374	2,572
June	744	339	1,083	2,348	265	2,613
4th Quarter Total	2,065	903	2,968	6,480	963	7,443
<b>Annual Total</b>	<b>7,486</b>	<b>3,118</b>	<b>10,604</b>	<b>\$22,457</b>	<b>\$4,018</b>	<b>\$26,475</b>

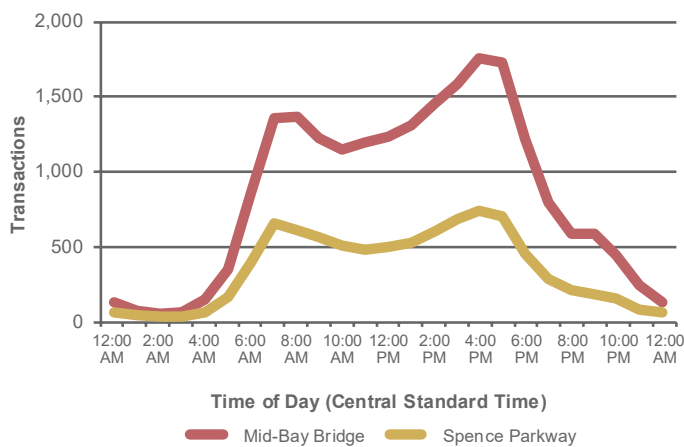
Source: FDOT Office of the Comptroller (Annual Toll Revenue) and Turnpike Enterprise Finance Office.

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

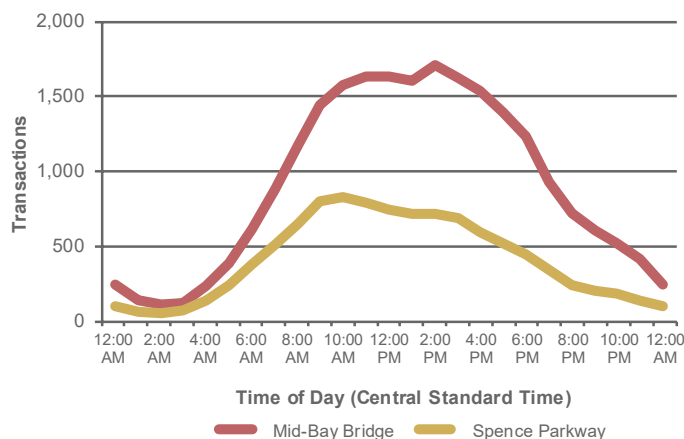
peak period approximately 1,800 vehicles used the Bridge and over 700 vehicles used the Parkway facility from 4:00 p.m. to 5:00 p.m. On weekends, there is no clear morning or evening peak periods indicating that a large number of non-commuters, many associated with recreational travel, use each of the facilities. On Saturdays, however, during the peak (summer) season, traffic tends to peak during the early morning in the northbound direction as tourists check-out of their accommodations and begin their trip home, while in the southbound direction traffic tends to peak in the late morning to late afternoon as tourists arrive to check-in to their accommodations.



**GRAPH 7.1 - MID-BAY BRIDGE AUTHORITY  
TYPICAL HOURLY WEEKDAY TRANSACTIONS  
STATE FY 2018**



**TYPICAL HOURLY WEEKEND TRANSACTIONS  
STATE FY 2018**



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, October 9, 2017.

The monthly transaction variations for the Bridge and the Parkway in FY 2018 are analyzed in **Table 7.3**. The overall two-way Annual Average Daily Traffic (AADT) for the combined Bridge and Parkway for FY 2018 was 29,100. The peak season occurs in spring and summer. May, June and July were the highest months with July at 25 percent above the average for the combined facilities. January was the lowest month at 24 percent below the average. Typically, the lowest transaction levels occur from November through February, as it is the off-season for tourists and seasonal

residents in northwest Florida.

The traffic and revenue contributions from trucks on the Bridge, the Parkway and the combined facilities are shown in **Graph 7.2**. For FY 2018, trucks accounted for approximately two percent of traffic on the Bridge, three percent on the Parkway and two percent on the combined facilities. Correspondingly, the revenue collected from truck traffic amounted to six percent of the total on the Bridge, nine percent on the Parkway and six percent on the combined facilities. In

**TABLE 7.3 - MID-BAY BRIDGE AUTHORITY  
SEASONAL TRANSACTION VARIATION  
STATE FY 2018**

Month	Average Daily Transactions			Seasonal Factor
	Mid-Bay Bridge	Spence Parkway	Total	
July 2017	24,900	11,500	36,400	1.25
August	21,000	8,900	29,900	1.03
September	20,500	8,900	29,400	1.01
October	19,400	8,000	27,400	0.94
November	18,300	7,000	25,300	0.87
December	18,100	6,400	24,500	0.84
January 2018	16,100	5,900	22,000	0.76
February	18,100	6,800	24,900	0.86
March	21,600	9,300	30,900	1.06
April	20,800	8,700	29,500	1.01
May	22,500	9,700	32,200	1.11
June	24,800	11,300	36,100	1.24
<b>AADT</b>	<b>20,500</b>	<b>8,600</b>	<b>29,100</b>	<b>1.00</b>

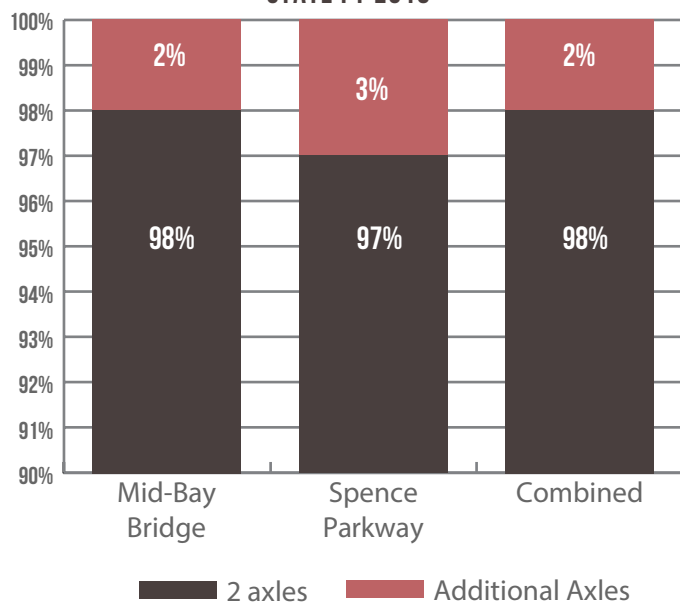
terms of actual amounts, vehicles with three or more axles provided approximately \$1.3 million on the Bridge, \$359 thousand on the Parkway and \$1.7 million total.

### 7.3 SUNPASS®

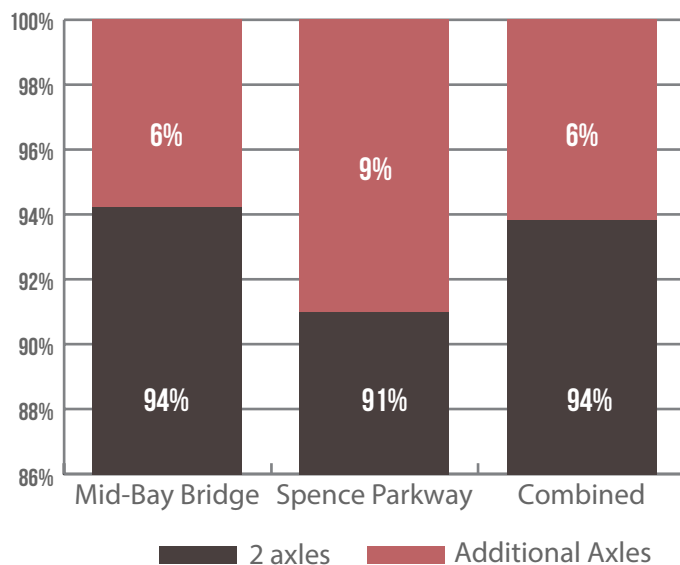
The Mid-Bay Bridge toll plaza is an eight-lane plaza. Toll collection on the Parkway is accomplished via AET at a four-lane toll gantry (See **Appendix A** for the toll plaza configurations).

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**GRAPH 7.2 MID-BAY BRIDGE AUTHORITY  
TRANSACTIONS BY AXLE CLASS  
STATE FY 2018**



**REVENUE CONTRIBUTION BY AXLE CLASS  
STATE FY 2018**



The percentage of SunPass® transactions on the System during FY 2018 is shown in **Table 7.4**. As indicated, SunPass® transactions totaled approximately 7.0 million, resulting in a participation rate of nearly 66 percent. Individually, the SunPass® participation rate on the Bridge during FY 2018 was 68 percent while on the Parkway the participation rate was 61 percent. On a monthly basis, the highest

**TABLE 7.4 - MID-BAY BRIDGE AUTHORITY  
TRANSACTIONS BY PAYMENT METHOD  
STATE FY 2018**

Month	Transactions (000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2017	604	521	1,125	53.7%
August	589	337	926	63.6
September	551	331	882	62.5
October	576	275	851	67.7
November	549	209	758	72.4
December	562	197	759	74.0
January 2018	519	161	680	76.3
February	512	185	697	73.5
March	609	349	958	63.6
April	587	297	884	66.4
May	632	369	1,001	63.1
June	685	398	1,083	63.3
<b>Total</b>	<b>6,975</b>	<b>3,629</b>	<b>10,604</b>	
<b>Percentage</b>	<b>65.8%</b>	<b>34.2%</b>	<b>100.0%</b>	

Source: Turnpike Enterprise Finance Office.

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

SunPass® participation rate occurred during the winter months (November through February) when commuters constitute a larger share of the total volume on both the Bridge and the Parkway.

The resulting SunPass® revenue on the Bridge and the Parkway is approximately \$15.9 million, 60 percent of all revenue collected on the System. The SunPass® revenue amount is net of the SunPass® rebates for the two facilities (for those eligible accounts incurring 32-or-more transactions per calendar month per facility) which, for FY 2018, amounted to \$2.1 million. **Table 7.5** shows revenue contributions from SunPass® and non-SunPass® on the combined facilities by month. Note that while SunPass® contributed 60 percent of the total combined toll revenue in FY 2018, SunPass® comprised approximately 66 percent of the overall, combined facilities traffic. This is due to the lower (discounted) toll paid by two-axle SunPass® customers.

**TABLE 7.5 - MID-BAY BRIDGE AUTHORITY  
GROSS TOLL REVENUE BY PAYMENT METHOD  
STATE FY 2018**

Month	Gross Toll Revenue (\$000)			Percent SunPass®
	SunPass® <sup>(1)</sup>	Non-SunPass®	Total	
July 2017	\$1,456	\$1,638	\$3,094	47.1%
August	1,397	1,082	2,479	56.4
September	661	503	1,164	56.8
October	1,372	870	2,242	61.2
November	1,333	674	2,007	66.4
December	1,366	633	1,999	68.3
January 2018	1,247	507	1,754	71.1
February	1,243	575	1,818	68.4
March	1,454	1,021	2,475	58.7
April	1,405	853	2,258	62.2
May	1,530	1,042	2,572	59.5
June	1,448	1,165	2,613	55.4
<b>Total</b>	<b>\$15,912</b>	<b>\$10,563</b>	<b>\$26,475</b>	
<b>Percentage</b>	<b>60.1%</b>	<b>39.9%</b>	<b>100.0%</b>	

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

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

## 7.4 FY 2018 EXPENSES AND LIABILITIES

Historical operating and routine maintenance expenses from FY 2008 through FY 2018 are presented in **Table 7.6**. Operating expenses have increased from approximately \$2.1 million in FY 2008 to \$3.3 million in FY 2018. During the same period, routine maintenance expenses increased from \$213 thousand to \$281 thousand. Combined, total O&M expenses increased from \$2.3 million in FY 2008 to \$3.6 million in FY 2018. FY 2018 operating and routine maintenance expenses increased by approximately 2.3 percent, or \$79 thousand, from FY 2017.

Maintenance of the Bridge has been performed under a private Asset Maintenance Contract since FY 2005. Maintenance activities include roadside mowing and upkeep, guardrail repair, shoulder repair, bridge inspection and other routine maintenance. In addition to routine maintenance expenses, approximately \$17

**TABLE 7.6 - MID-BAY BRIDGE AUTHORITY  
FLORIDA DEPARTMENT OF TRANSPORTATION  
HISTORICAL OPERATING AND ROUTINE  
MAINTENANCE EXPENSES  
STATE FY 2008 THROUGH STATE FY 2018**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense <sup>(1)</sup> (\$000)	Total O&M Expenses (\$000)
2008	\$2,058	\$213	\$2,271
2009	2,155	195	2,350
2010	1,971	167	2,138
2011	2,061	202	2,263
2012	2,124	187	2,311
2013	2,045	314	2,359
2014	2,348	261	2,609
2015 <sup>(2)</sup>	2,795	312	3,107
2016	2,969	220	3,189
2017	3,191	281	3,472
2018	3,270	281	3,551

Source: FDOT Office of the Comptroller.

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

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

thousand in periodic maintenance and capital improvement expenses were incurred during FY 2018 primarily for toll system enhancement.

A comparison between actual and budgeted operating and routine maintenance expenses for FY 2018 is presented in **Table 7.7**. Actual operating expenses of \$3.3 million were higher than the FY 2018 budget by \$444 thousand, primarily due to increased equipment and toll collection costs resulting from traffic growth. Actual routine maintenance expenses of \$281

**TABLE 7.7 - MID-BAY BRIDGE AUTHORITY  
FLORIDA DEPARTMENT OF TRANSPORTATION  
OPERATING AND ROUTINE MAINTENANCE EXPENSES  
STATE FY 2018**

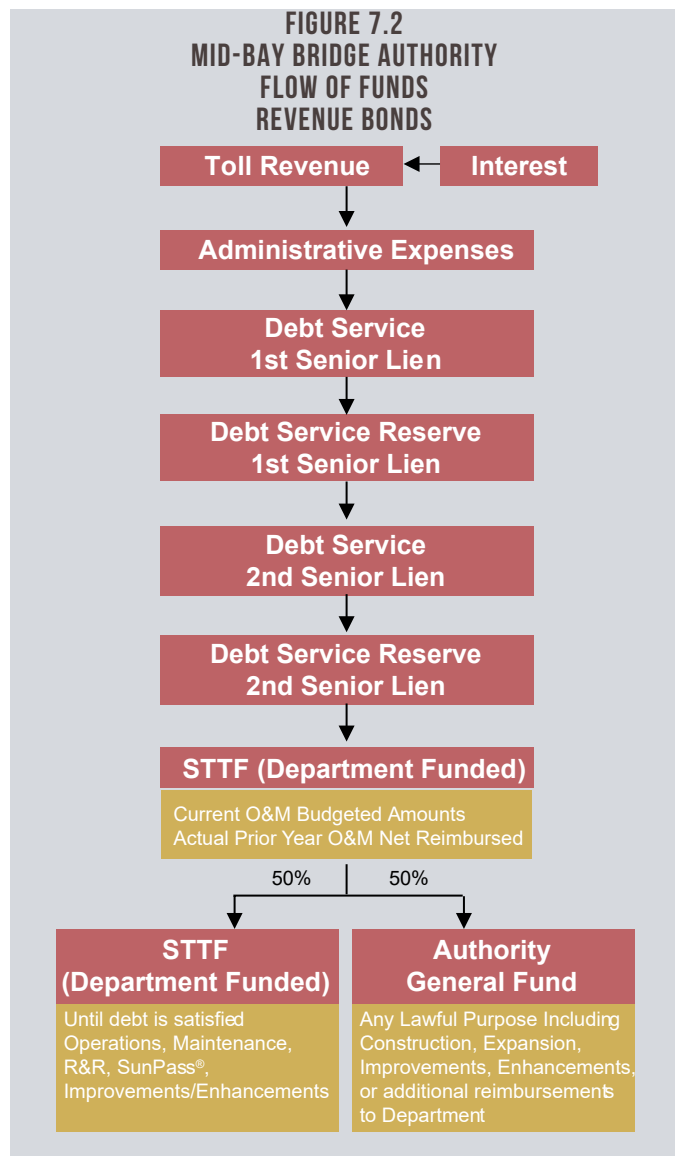
Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$2,826	\$3,270	\$444	15.7%
Routine Maintenance	241	281	40	16.6
<b>Total</b>	<b>\$3,067</b>	<b>\$3,551</b>	<b>\$484</b>	<b>15.8%</b>

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

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thousand were higher than the FY 2018 budget by approximately \$40 thousand. Overall, operating and routine maintenance expenses for FY 2018 were \$484 thousand more than budgeted amounts.

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



at such time as the Authority shall determine.

An analysis of the FY 2018 State Transportation Trust Fund (STTF) long-term liability is presented in **Table 7.8**. FY 2018 additions to the liability totaled approximately \$3.3 million. During FY 2018, \$6.7 million reimbursed to the Department comprised of \$3.9 million for

**TABLE 7.8 - MID-BAY BRIDGE AUTHORITY  
STTF LONG-TERM LIABILITY  
STATE FY 2018**

Transaction	Amount (\$000)
Balance, July 1, 2017	\$8,227
Additions <sup>(1)</sup>	3,294
Reductions <sup>(2)</sup>	6,659
Balance, June 30, 2018	\$4,862

Source: FDOT Office of the Comptroller.

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

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

operating and maintenance expenses, and \$2.8 million applied to the long-term liability.

## 7.5 NOTEWORTHY EVENTS

On October 8, 2018 (FY 2019), tolls were suspended for 11 days due to Hurricane Michael evacuation and recovery efforts. Based on the Department's estimate, the toll suspension resulted in a \$0.8 million loss in revenue collections.

## 7.6 EXPENSE FORECASTS

The Department's projected operating and maintenance expenses for FY 2019 through FY 2029 are shown in **Table 7.9**. The operating expenses in FY 2019 represent the budget amount for that fiscal year (see **Appendix C** for a detailed description of the operating expense budget). Subsequent to FY 2019, operating expenses are projected to grow at 2.5 percent annually to allow for inflation.

Routine and Periodic Maintenance expenses

**TABLE 7.9 - MID-BAY BRIDGE AUTHORITY  
FLORIDA DEPARTMENT OF TRANSPORTATION  
PROJECTED OPERATING AND MAINTENANCE EXPENSES  
STATE FY 2019 THROUGH STATE FY 2029**

Fiscal Year	Operating Expense (\$000)	Maintenance Expenses		Total O&M Expenses (\$000)
		Routine (\$000)	Periodic <sup>(1)</sup> (\$000)	
2019	\$3,279	\$800	\$342	\$4,421
2020	3,361	786	238	4,385
2021	3,445	786	147	4,378
2022	3,531	786	103	4,420
2023	3,619	786	97	4,502
2024	3,709	786	99	4,594
2025	3,802	806	102	4,710
2026	3,897	826	104	4,827
2027	3,994	846	107	4,947
2028	4,094	867	110	5,071
2029	4,196	889	112	5,197

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

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

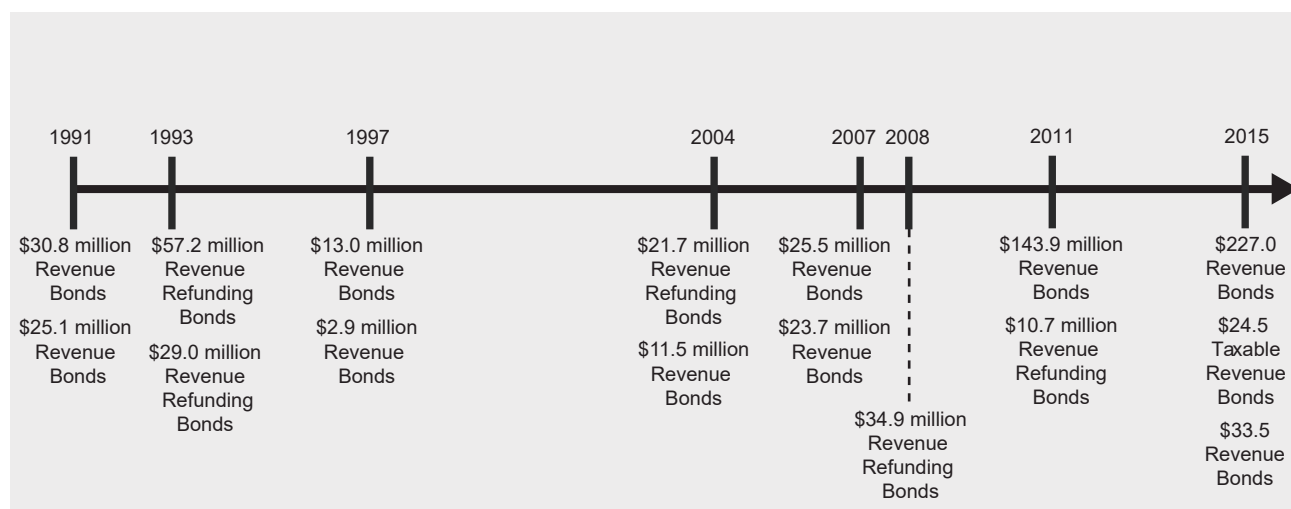
are provided by the Department's Office of Project Finance through FY 2024. Subsequent years have been increased at 2.5 percent annually through FY 2029. The notable increase in routine maintenance expenses beginning in FY 2019 reflects maintenance for the expanded footprint of the Parkway and bridge maintenance activities required by the asset maintenance contractor.

## 7.7 REVENUE SUFFICIENCY

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

As of September 30, 2018, bonds in the principal amount of \$277.4 million remained outstanding from the Series 2015 Revenue Bonds. A timeline of Mid-Bay Bridge bond sales for the facility is shown in **Figure 7.3**.

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



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

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