

FORECAST SUMMARY

This Annual Report was prepared under contract No. C-8Y59 between the Turnpike Enterprise Finance Office of the Florida Department of Transportation (the Department) and URS Corporation. It satisfies the respective Bond Resolutions (Alligator Alley and Garcon Point Bridge are the only facilities with outstanding bonded debt) that require the Traffic Engineer to provide a traffic and earnings report to the Department on an annual basis. The report includes a comprehensive traffic and revenue analysis on the six toll roads and bridges owned by the Department and on the two toll roads and bridges operated by the Department, for the period July 1, 2013 through June 30, 2014 (FY 2014).

The Department-owned facilities include Alligator Alley, Beachline East Expressway, Pinellas Bayway System, Sunshine Skyway Bridge, 95 Express and 595 Express. 595 Express is operated under a concession agreement. An analysis of traffic, revenue and expenses was completed for 95 Express and 595 Express through FY 2014. However, traffic, revenue and expense forecasts for these facilities are not included herein. The facilities operated by the Department under Lease-Purchase Agreements and owned by the respective Authorities include the Garcon Point Bridge and Mid-Bay Bridge/Spence Parkway. An analysis of historic traffic, revenue and expenses was completed for the Garcon Point Bridge. However, traffic, revenue and expense forecasts for this facility are not included herein. Additionally, the forecast for Beachline East is not included herein as the facility was transferred to Florida's Turnpike Enterprise on July 1, 2014 (FY 2015); therefore, the forecast is included in the Turnpike Traffic Engineer's Annual Report.

Prior estimates on the Department-owned facilities have been very reliable because traffic patterns

are typically known and a significant amount of historical traffic and revenue data are already available. Forecasts were developed for three of the six Department-owned toll facilities with little uncertainty regarding land use and motorist travel patterns. The forecasts are based on actual traffic and revenue performance from FY 2004 through FY 2014, modified to account for historical and future growth in population for the relevant metropolitan areas. By applying the ratio between historical traffic and population growth to estimated annual compounded population growth through 2020, an annual compounded traffic growth is obtained. This estimated growth rate is used as a general guideline in forecasting traffic growth on the facility. These forecasts are further adjusted for future known events such as roadway improvement projects, advancements in toll collection technology, development impacts and other noteworthy events. The forecast also includes additional revenues generated from the indexing of tolls on the Alligator Alley, Pinellas Bayway and Sunshine Skyway.

The Department-operated facilities have a similar amount of historical traffic and revenue data and established motorist travel patterns compared to Department-owned facilities. The forecasts for the Mid-Bay Bridge/Spence Parkway are based on actual traffic and revenue and are further adjusted for future known events.

URS Corporation will continue to monitor traffic and revenue conditions on these toll facilities, and update traffic and revenue estimates as conditions warrant. Improved methods of forecasting traffic and toll revenues will be employed based on the latest information on transportation, population and land use conditions in the vicinity of these toll roads and bridges.

10.1 OVERALL REVENUE RESULTS

The traffic and revenue forecasts contained in this section resulted from the analysis of three of the five Department-owned toll facilities (Beachline East not included) and the Mid-Bay Bridge/Spence Parkway, which is one of the two Department-operated facilities. Each toll facility was presented separately in this report and the unique traffic and revenue factors that are relevant to each individual toll facility were considered and analyzed. The following is a summary of the major factors that impacted the traffic and revenue forecasts of each facility:

Alligator Alley

Current revenue projections for all years of the forecast period were increased due to the fact that actual revenue exceeded last year's projection. Furthermore, initial results from the July 1, 2014 indexing of SunPass toll rates did not show any material impact on traffic. Traffic is estimated to grow at a higher percent during the first part of the forecast period. In the latter years, growth rates will gradually decline for the Alligator Alley traffic forecast through FY 2025.

Pinellas Bayway System

The current revenue projections for the ten year period beginning FY 2015 are higher than the forecast presented in the FY 2013 Annual Report due to the fact that FY 2014 actual revenue slightly exceeded last year's projection. The actual revenue impact from the construction activities related to the SR 682 bridge replacement project was less than expected and there was no traffic impact from the indexing of tolls in FY 2014. Transactions in FY 2015 and thereafter are not expected to be impacted by the annual indexing of SunPass toll rates. Traffic is estimated to grow at a higher percent during the first part of the forecast period. In the latter years, growth rates will gradually decline for the Pinellas Bayway System traffic forecast through FY 2025. The traffic and revenue forecasts account for a 10 percent discount for SunPass customers who do not participate

in the Bayway Isle or General Public Pass programs. The 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.

Sunshine Skyway Bridge

Current revenue projections were increased for all years of the forecast period due in large part to FY 2014 actual revenues exceeding last year's projection. Additionally, there was minimal impact on traffic as a result of the July 1, 2013 (FY 2014) toll rate increase. Transactions in FY 2015 and thereafter are not expected to be impacted by the annual indexing of SunPass toll rates. Traffic is estimated to grow at a higher percent during the first part of the forecast period. In the latter years, growth rates will gradually decline for the Sunshine Skyway Bridge traffic forecast through FY 2025. Additionally, a discount program is available to all SunPass customers. Drivers of two-axle vehicles with a SunPass transponder pay less than cash drivers. SunPass customers with three or more axles receive a 10 percent retroactive discount when they reach a threshold of 40 transactions a month. Drivers who make toll payments on Pinellas Bayway System are credited for these payments toward the threshold. The SunPass discount program is accounted for in the traffic and revenue forecasts.

Mid-Bay Bridge/Spence Parkway

Traffic and revenue forecasts correspond to the Authority's fiscal year (October 1 through September 30). Both traffic and revenue projections were adjusted based on trends observed after the start of toll collection on the Spence Parkway on January 6, 2014. The forecasts also assume that during the forecast period through FY 2025, there will be a continuation of normal economic conditions, albeit with less intense growth than before the recent recession, the bridge will be expanded to meet capacity if required, and that the Spence Parkway to SR 85 will continue to show a steady increase in traffic.

10.2 FORECAST SUMMARIES

Estimated transactions for three of the five Department-owned facilities (Beachline East Expressway not included) and the Mid-Bay Bridge/Spence Parkway for FY 2015 through FY 2025 are shown in **Table 10.1**. As previously mentioned, traffic, revenue and expense forecasts for 95 Express and 595 Express are not included herein. Total traffic transactions for the Department-owned facilities are expected to increase from 37.0 million in FY 2015 to 43.3 million in FY 2025, growing by approximately 1.6 percent annually. For the Mid-Bay Bridge/Spence Parkway, transactions are forecast to increase from approximately 9.5 million in FY 2015 to 11.5 million in FY 2025, an annual increase of 2.0 percent. As previously mentioned, traffic, revenue and expense forecasts for the Garcon Point Bridge are not included herein. Overall, total transactions on the four facilities are expected to increase from 46.5 million in FY 2015 to 54.8 million in FY 2025, an increase of approximately 1.7 percent annually.

The gross toll revenue forecast by toll facility for the same period is presented in **Table 10.2**. Total gross toll revenue for the Department-owned facilities is estimated to increase from approximately \$55.7 million in FY 2015 to \$83.0 million in FY 2025, growing by approximately 4.1 percent annually. Total gross toll revenue for the Mid-Bay Bridge/Spence Parkway is estimated to increase from

approximately \$18.9 million in FY 2015 to \$31.9 million in FY 2025, an annual increase of 5.4 percent. The forecasted annual increase in revenue is greater than the annual increase in traffic due to a planned toll rate increase on the facility in FY 2016 and ramp up of the Spence Parkway. Overall, total gross toll revenue for the four facilities is expected to increase from \$74.6 million in FY 2015 to \$114.9 million in FY 2025, an increase of approximately 4.4 percent annually.

Table 10.1
Transaction Forecast (000)
Department-owned and Department-operated Toll Facilities
FY 2015 through FY 2025

Fiscal Year	Department-owned Toll Facilities				Department-operated Toll Facilities	Total Traffic Transactions
	Alligator Alley	Pinellas Bayway System	Sunshine Skyway Bridge	Total Traffic Transactions	Mid-Bay Bridge/Spence Parkway ⁽¹⁾	
2015	8,263	9,082	19,694	37,039	9,482	46,521
2016	8,519	9,294	20,178	37,991	9,378	47,369
2017	8,778	9,373	20,607	38,758	9,673	48,431
2018	9,034	9,419	20,896	39,349	9,952	49,301
2019	9,280	9,541	21,195	40,016	10,224	50,240
2020	9,516	9,653	21,502	40,671	10,481	51,152
2021	9,732	9,751	21,811	41,294	10,715	52,009
2022	9,940	9,818	22,122	41,880	10,943	52,823
2023	10,121	9,846	22,321	42,288	11,158	53,446
2024	10,266	9,906	22,607	42,779	11,361	54,140
2025	10,400	9,969	22,907	43,276	11,554	54,830

Note: The forecasts include toll-paying and non-revenue traffic.
The 95 Express, 595 Express and Garcon Point Bridge revenue and expense forecasts are not included herein.
(1) Mid-Bay Bridge transaction forecast includes the impact of the planned toll rate increase in FY 2016.

Table 10.2
Gross Toll Revenue Forecast (\$000)
Department-owned and Department-operated Toll Facilities
FY 2015 through FY 2025

Fiscal Year	Department-owned Toll Facilities				Department-operated Toll Facilities	Total Gross Toll Revenue
	Alligator Alley	Pinellas Bayway System	Sunshine Skyway Bridge	Total Gross Toll Revenue	Mid-Bay Bridge/Spence Parkway ⁽¹⁾	
2015	\$27,884	\$4,277	\$23,549	\$55,710	\$18,902	\$74,612
2016	29,061	4,444	24,407	57,912	26,517	84,429
2017	30,285	4,527	25,226	60,038	27,305	87,343
2018	33,074	5,194	27,617	65,885	28,118	94,003
2019	34,353	5,235	28,328	67,916	28,897	96,813
2020	35,659	5,275	29,069	70,003	29,528	99,531
2021	37,003	5,326	29,835	72,164	30,097	102,261
2022	38,398	5,380	30,666	74,444	30,626	105,070
2023	40,754	5,653	32,513	78,920	31,107	110,027
2024	41,796	5,705	33,390	80,891	31,548	112,439
2025	42,881	5,759	34,336	82,976	31,940	114,916

Note: The forecasts include the impact of the SunPass discount program and future indexing of tolls.
The 95 Express, 595 Express and Garcon Point Bridge revenue and expense forecasts are not included herein.
(1) Mid-Bay Bridge revenue forecast includes the impact of the planned toll rate increase in FY 2016.

ENTERPRISE TOLL OPERATIONS

Table 10.3 shows the projected operating and routine maintenance expenses by toll facility from FY 2015 through FY 2025. Expenses that are periodic in nature are not included in this forecast; however, a periodic maintenance expense forecast is included in the individual chapters. Total operating and routine maintenance expenses for the Department-owned facilities increase from approximately \$18.8 million in FY 2015 to \$21.9 million in FY 2025. Total operating and routine maintenance expenses for the Mid-Bay Bridge/Spence Parkway increase from \$2.9 million in FY 2015 to \$3.3 million in FY 2025. Overall, total operating and routine maintenance expenses for the four facilities increase from \$21.7 million in FY 2015 to \$25.2 million in FY 2025, or 1.5 percent annually.

Lastly, the net toll revenue forecast for each of the four toll facilities is presented in **Table 10.4**. Total net toll revenue for the Department-owned facilities in FY 2015 is \$36.9 million. Net toll revenues are estimated to increase to \$61.1 in FY 2025. The Mid-Bay Bridge/Spence Parkway shows estimated total net toll revenue of \$16.0 million in FY 2015 increasing to \$28.6 million in FY 2025. Overall, total net toll revenue for the four facilities is forecast to increase from \$52.9 million in FY 2015 to \$89.7 million in FY 2025, or 5.4 percent annually.

**Table 10.3
Projected Operating and Routine Maintenance Expenses (\$000)
Department-owned and Department-operated Toll Facilities
FY 2015 through FY 2025**

Fiscal Year	Department-owned Toll Facilities				Department-operated Toll Facilities	Total O&M Expenses
	Alligator Alley	Pinellas Bayway System	Sunshine Skyway Bridge	Total O&M Expenses	Mid-Bay Bridge/Spence Parkway	
2015	\$8,529	\$2,539	\$7,720	\$18,788	\$2,905	\$21,693
2016	8,286	2,623	7,490	18,399	2,912	21,311
2017	8,374	2,673	8,199	19,246	2,949	22,195
2018	8,450	2,723	7,624	18,797	3,021	21,818
2019	8,539	2,774	8,348	19,661	3,076	22,737
2020	8,629	2,826	7,860	19,315	2,998	22,313
2021	8,802	2,883	8,623	20,308	3,058	23,366
2022	8,978	2,940	8,128	20,046	3,118	23,164
2023	9,157	3,000	8,910	21,067	3,181	24,248
2024	9,341	3,060	8,407	20,808	3,245	24,053
2025	9,528	3,121	9,205	21,854	3,310	25,164

Notes: The 95 Express, 595 Express and Garcon Point Bridge revenue and expense forecasts are not included herein.

**Table 10.4
Net Toll Revenue Forecast (\$000)
Department-owned and Department-operated Toll Facilities
FY 2015 through FY 2025**

Fiscal Year	Department-owned Toll Facilities				Department-operated Toll Facilities	Total Net Toll Revenue
	Alligator Alley	Pinellas Bayway System	Sunshine Skyway Bridge	Total Net Toll Revenue	Mid-Bay Bridge/Spence Parkway	
2015	\$19,355	\$1,738	\$15,829	\$36,922	\$15,997	\$52,919
2016	20,775	1,821	16,917	39,513	23,605	63,118
2017	21,911	1,854	17,027	40,792	24,356	65,148
2018	24,624	2,471	19,993	47,088	25,097	72,185
2019	25,814	2,461	19,980	48,255	25,821	74,076
2020	27,030	2,449	21,209	50,688	26,530	77,218
2021	28,201	2,443	21,212	51,856	27,039	78,895
2022	29,420	2,440	22,538	54,398	27,508	81,906
2023	31,597	2,653	23,603	57,853	27,926	85,779
2024	32,455	2,645	24,983	60,083	28,303	88,386
2025	33,353	2,638	25,131	61,122	28,630	89,752

Note: The net toll revenue forecasts above consist of gross toll revenue less operating and routine maintenance expenses. The 95 Express, 595 Express and Garcon Point Bridge revenue and expense forecasts are not included herein.