

DEPARTMENT-OWNED FACILITIES



ALLIGATOR ALLEY

PAGE 17

- \$32.2 million total toll revenue
- 9.6 million total transactions
- SunPass® participation increased to 64.1 percent during the year



PINELLAS BAYWAY SYSTEM

PAGE 27

- \$4.8 million total toll revenue
- 10.0 million total transactions
- SunPass® participation increased to 66.8 percent during the year



SUNSHINE SKYWAY BRIDGE

PAGE 39

- \$25.5 million total toll revenue
- 21.6 million total transactions
- SunPass® participation increased to 61.4 percent during the year



WEKIVA PARKWAY

PAGE 49

- \$588 thousand total toll revenue
- 736 thousand total transactions
- SunPass® participation increased to 85.1 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.

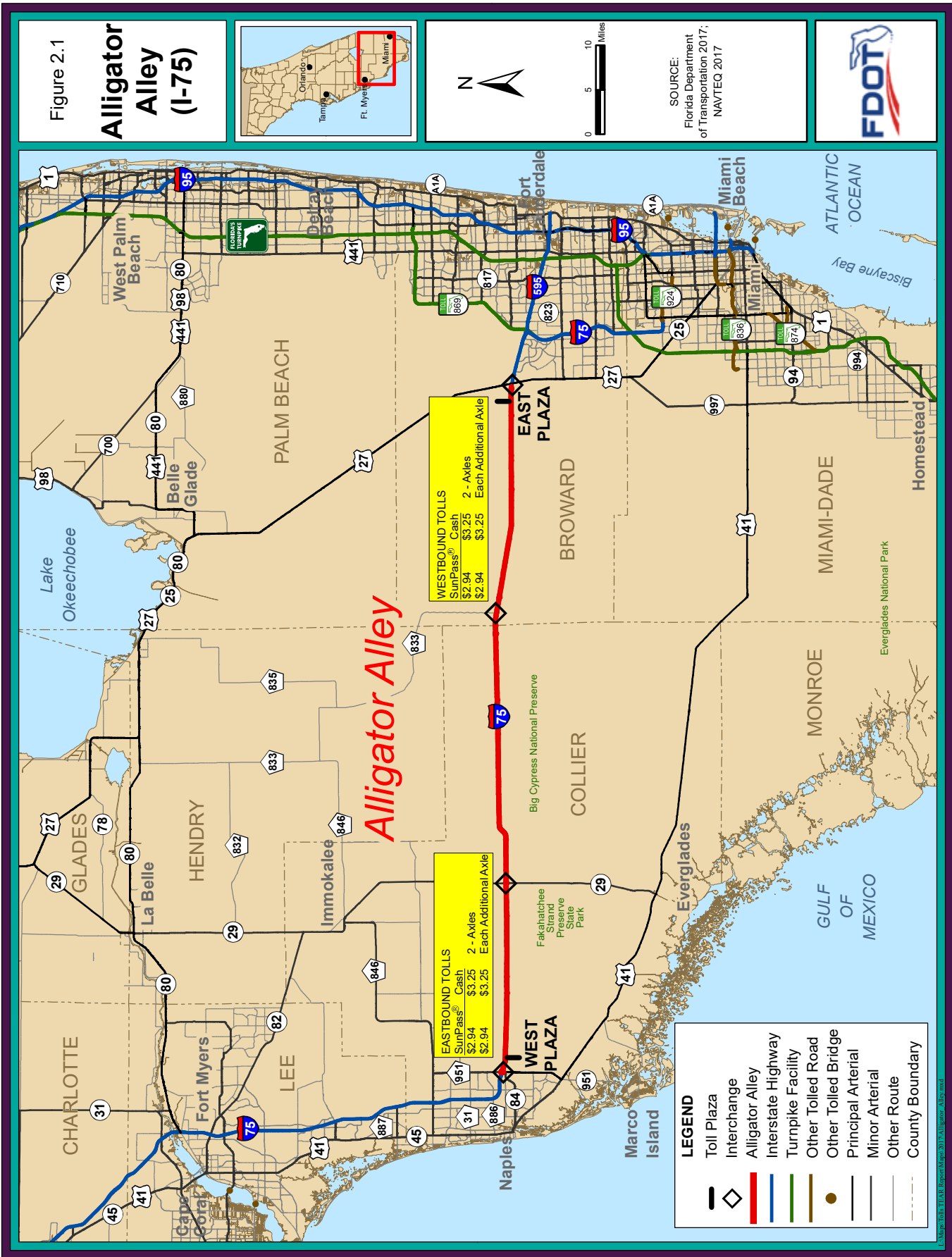
Alligator Alley annual traffic and toll revenue from FY 2007 through FY 2017 are presented in **Table 2.1**. For this period, revenues have increased by 36.9 percent overall while transactions grew by 14.7 percent overall. This

TABLE 2.1 - ALLIGATOR ALLEY HISTORICAL TRANSACTIONS AND REVENUE GROWTH FY 2007 THROUGH FY 2017

Fiscal Year	Transactions (000)				Toll Revenue (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2007	8,321	45	8,366	-	\$23,538	-	\$2.814
2008	7,919	14	7,933	(5.2%)	21,962	(6.7%)	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 ⁽¹⁾	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 ⁽²⁾	7,962	38	8,000	5.7	26,755	6.5	3.344
2015 ⁽³⁾	8,471	39	8,510	6.4	28,549	6.7	3.355
2016 ⁽⁴⁾	9,134	35	9,169	7.7	30,533	6.9	3.330
2017 ⁽⁵⁾	9,453	146	9,599	4.7	32,216	5.5	3.356

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 rate indexing for both cash and SunPass customers on June 24, 2012.
 (2) Toll rate indexing for SunPass customers on July 1, 2013.
 (3) Toll rate indexing for SunPass customers on July 1, 2014.
 (4) Toll rate indexing for SunPass customers on July 1, 2015.
 (5) Higher non revenue transactions due to toll suspension during Hurricane Matthew.

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equates to an annual average growth rate of 3.2 percent for revenue and 1.4 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 2017, tolls were suspended for four days beginning on October 5, 2016 to aid in the evacuation and recovery efforts due to Hurricane Matthew. This suspension resulted in an approximate \$0.4 million revenue loss.

Historical operating and routine maintenance expenses from FY 2007 through FY 2017 are shown in **Table 2.2**. Operating expenses have increased from \$3.0 million in FY 2007 to approximately \$4.9 million in FY 2017. FY 2017 operating expenses increased 8.9 percent (\$403 thousand) over FY 2016 operating expenses due to higher toll collection costs resulting from increased traffic growth.

During the same period, routine maintenance expenses increased from \$3.2 million to \$3.7 million, an average of 1.4 percent per year. Combined, total O&M expenses increased from \$6.1 million in FY 2007 to \$8.6 million in FY 2017.

In addition to routine maintenance expenses, renewal and replacement and capital improvement periodic costs totaling \$17.9 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 2007 THROUGH FY 2017

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense (\$000)	Total O&M Expenses (\$000)
2007	\$2,953	\$3,192	\$6,145
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

Source: FDOT Office of the Comptroller.

2.2 FY 2017 TRANSACTIONS, REVENUES AND EXPENSES

Monthly transactions and toll revenue on Alligator Alley during FY 2017 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 5.0 million for the year compared to 4.6 million at the West plaza, totaling approximately 9.6 million transactions on the facility for FY 2017. The corresponding revenues were approximately \$17.1 million and \$15.1 million at

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**TABLE 2.3 - ALLIGATOR ALLEY
MONTHLY TRANSACTIONS AND TOLL REVENUE
FY 2017**

Month	Transactions(000)			Toll Revenue(\$000)		
	East Plaza	West Plaza	Total	East Plaza	West Plaza	Total
July 2016	443	402	845	\$1,450	\$1,319	\$2,769
August	391	350	741	1,313	1,178	2,491
September	364	324	688	1,256	1,100	2,356
1st Quarter Total	1,198	1,076	2,274	4,019	3,597	7,616
October	402	367	769	1,205	1,050	2,255
November	421	388	809	1,459	1,299	2,758
December	443	424	867	1,526	1,360	2,886
2nd Quarter Total	1,266	1,179	2,445	4,190	3,709	7,899
January 2017	427	386	813	1,477	1,315	2,792
February	406	368	774	1,400	1,260	2,660
March	464	408	872	1,606	1,387	2,993
3rd Quarter Total	1,297	1,162	2,459	4,483	3,962	8,445
April	439	401	840	1,511	1,350	2,861
May	431	391	822	1,494	1,326	2,820
June	402	357	759	1,375	1,200	2,575
4th Quarter Total	1,272	1,149	2,421	4,380	3,876	8,256
Annual Total	5,033	4,566	9,599	\$17,072	\$15,144	\$32,216

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.

the East and West plazas, respectively, for a system-wide total of \$32.2 million. The third quarter of FY 2017 (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 2017. 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 transactions.

**GRAPH 2.1 - ALLIGATOR ALLEY
TYPICAL HOURLY TRANSACTIONS
FY 2017**



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, January 16, 2017.

The monthly seasonal transaction variation in FY 2017 is analyzed in **Table 2.4**. On average, 26,300 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 was the highest month at 7 percent above the average for the facility, while September was the lowest month at 13 percent below the average.

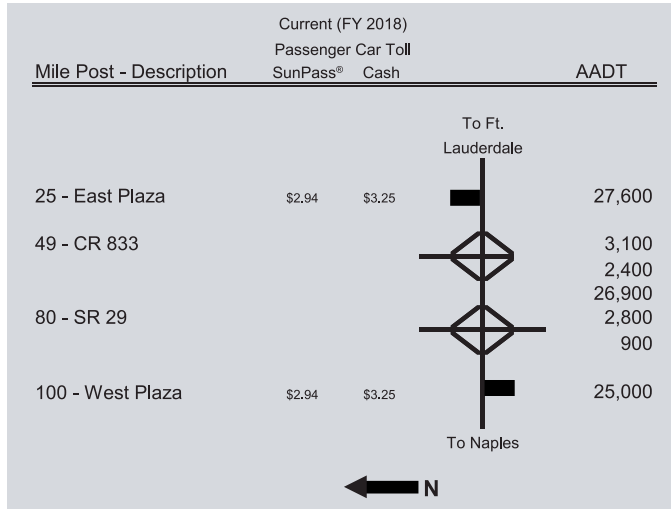
**TABLE 2.4 - ALLIGATOR ALLEY
SEASONAL TRANSACTION VARIATION
FY 2017**

Month	Average Daily Transactions			Seasonal Factor
	East Plaza	West Plaza	Total	
July 2016	14,300	13,000	27,300	1.04
August	12,600	11,300	23,900	0.91
September	12,100	10,800	22,900	0.87
October	13,000	11,800	24,800	0.94
November	14,000	12,900	26,900	1.02
December	14,300	13,700	28,000	1.06
January 2017	13,800	12,500	26,300	1.00
February	14,500	13,200	27,700	1.05
March	15,000	13,200	28,200	1.07
April	14,600	13,400	28,000	1.06
May	13,900	12,700	26,600	1.01
June	13,400	11,900	25,300	0.96
AA DT	13,800	12,500	26,300	1.00

September is typically the lowest month in south Florida due to fewer seasonal residents and tourists at that time of year.

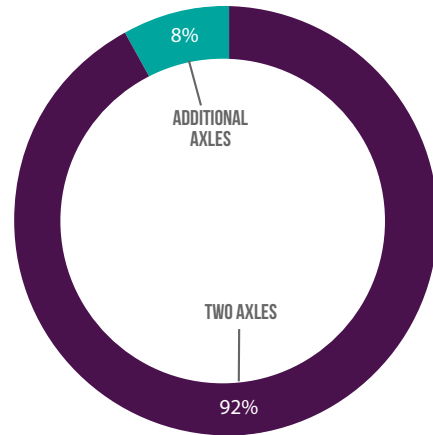
The FY 2017 two-way annual average daily traffic (AADT) profile for the facility is presented in **Figure 2.2**. Total two-way traffic volumes at the East mainline location averaged approximately 27,600 vehicles per day. Corresponding volumes at the West plaza averaged 25,000 vehicles per day, with total two-way traffic transactions totaling 52,600 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 volumes than the respective ramps to and from the west.

FIGURE 2.2 - ALLIGATOR ALLEY TWO-WAY AADT PROFILE FY 2017

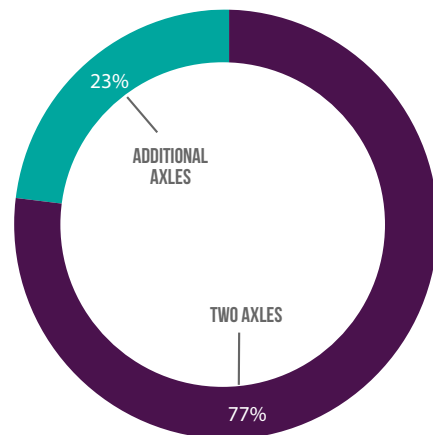


The “N minus 1” method of toll collection was implemented on Alligator Alley concurrent with one-stop tolling. This method results in a more equitable toll structure for passenger cars relative to trucks. **Graph 2.2** shows the truck transactions and revenue contributions for FY 2017. Since Alligator Alley is part of the interstate highway system, the truck percentages are the greatest of the

GRAPH 2.2 - ALLIGATOR ALLEY TRANSACTIONS BY AXLE CLASS FY 2017



REVENUE CONTRIBUTION BY AXLE CLASS FY 2017



eight 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 \$24.8 million while vehicles with three or more axles provided \$7.4 million in revenue for FY 2017.

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 between the FY 2017 actual and budgeted operating and routine maintenance expenses.

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**TABLE 2.5 - ALLIGATOR ALLEY
OPERATING AND ROUTINE MAINTENANCE EXPENSES
FY 2017**

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$4,639	\$4,910	\$271	5.8%
Routine Maintenance	4,137	3,672	(465)	(11.2)
Total	\$8,776	\$8,582	(\$194)	(2.2%)

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2016 Enterprise Toll Operations Traffic Engineer's Annual Report.

Actual operating expenses were 5.8 percent more than the FY 2017 budget primarily due to higher costs associated with increased traffic growth. However, actual routine maintenance expenses were 11.2 percent lower than the FY 2017 budget amount.

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 2017. SunPass® accounted for 64.1 percent of the total transactions in FY 2017, an increase from the 60.4 percent realized in FY 2016. Non-SunPass® transactions constituted the remaining 35.9 percent. Monthly SunPass® percentages ranged from approximately 61 percent to nearly 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 \$21.8 million, representing 67.8 percent of the total revenue in FY 2017. Monthly SunPass® revenue percentages ranged from 66 to 71 percent during the year.

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) or similar inflation

**TABLE 2.6 - ALLIGATOR ALLEY
TRANSACTIONS BY PAYMENT METHOD
FY 2017**

Month	Transactions (000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	533	312	845	63.1%
August	471	270	741	63.6
September	452	236	688	65.7
October	488	281	769	63.5
November	521	288	809	64.4
December	531	336	867	61.2
January 2017	514	299	813	63.2
February	486	288	774	62.8
March	546	326	872	62.6
April	548	292	840	65.2
May	556	266	822	67.6
June	511	248	759	67.3
Total	6,157	3,442	9,599	
Percentage	64.1%	35.9%	100.0%	

Source: Turnpike Enterprise Finance Office.

**TABLE 2.7 - ALLIGATOR ALLEY
GROSS TOLL REVENUE BY PAYMENT METHOD
FY 2017**

Month	Gross Toll Revenue (\$000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	\$1,858	\$911	\$2,769	67.1%
August	1,689	802	2,491	67.8
September	1,626	730	2,356	69.0
October	1,533	722	2,255	68.0
November	1,869	889	2,758	67.8
December	1,906	980	2,886	66.0
January 2017	1,857	935	2,792	66.5
February	1,760	900	2,660	66.2
March	1,968	1,025	2,993	65.8
April	1,953	908	2,861	68.3
May	1,991	829	2,820	70.6
June	1,827	748	2,575	71.0
Total	\$21,837	\$10,379	\$32,216	
Percentage	67.8%	32.2%	100.0%	

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

indicator effective as of July 1, 2007. 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, governing body authorization or pursuant to Department administrative rule.

Since the CPI for calendar year 2015 of 0.1 percent did not prompt a minimum of \$0.01 increase in the two-axle toll rate, toll rates for SunPass® were not indexed on July 1, 2016 (FY 2017). For calendar year 2016, however, CPI of 1.3 percent prompts a \$0.04 increase in the two-axle toll rate 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 FY 2018 indexing is effective as of October 29, 2017.

traffic growth rate on the Alligator Alley was approximately 3.5 percent, whereas, the historical annual compounded population growth rate for the same period for the four counties was 1.3 percent.

According to the latest economic outlook prepared by the Florida Legislature Office of Economic and Demographic Research in April 2017, Florida's population growth is forecast to increase at a compounded growth rate of 1.6 percent from the current year through 2020. The corresponding estimated annual population growth rate through 2020 for the four counties is 1.5 percent, as previously shown in **Table 1.3**. The historical ratio of traffic growth to population growth for the period FY 2010 to FY 2016 was estimated at 2.7. 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**.

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 2017, the annual compounded

TABLE 2.8 - ALLIGATOR ALLEY TRAFFIC AND GROSS TOLL REVENUE FORECASTS FY 2018 THROUGH FY 2028

Fiscal Year	Total Traffic (000)	Toll Revenue (\$000)			Toll Revenue Comparisons (\$000)		
		Revenue with Constant Tolls ⁽¹⁾	Indexing Impact	Gross Toll Revenue	2016 Annual Report Forecast	Variance	
						Amount	Percent
2018	9,876	\$31,824	\$731	\$32,555	\$33,488	(\$933)	(2.8%)
2019	10,191	33,959	1,355	35,314	34,650	664	1.9
2020	10,508	34,706	1,681	36,387	35,794	593	1.7
2021	10,822	35,400	2,031	37,431	36,950	481	1.3
2022	11,131	36,108	2,407	38,515	38,118	397	1.0
2023	11,417	36,830	3,604	40,434	40,173	261	0.6
2024	11,701	37,567	4,023	41,590	41,392	198	0.5
2025	11,970	38,243	4,481	42,724	42,578	146	0.3
2026	12,209	38,893	4,944	43,837	43,757	80	0.2
2027	12,438	39,516	5,437	44,953	44,906	47	0.1
2028	12,617	40,069	6,796	46,865	N/A	N/A	N/A

Note: Total traffic corresponds to the gross toll revenue.
 N/A The FY 2016 Traffic Engineer's Annual Report forecast went through FY 2027.
 (1) Toll revenue forecast without indexing.

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The traffic and gross toll revenue forecasts for FY 2018 through FY 2028 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 2016 Annual Report due in large part to FY 2017 actual revenues exceeding last year’s projection (FY 2018 forecast is reduced by \$1.3 million to reflect the 15-day toll suspension starting on September 5, 2017 due to Hurricane Irma). Transactions in FY 2018 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 2018 and FY 2023) 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.

Projected operating and maintenance expenses during the same forecast period are shown in **Table 2.9**. The operating expenses for FY 2018 presented in this table represent the budgeted amount for that fiscal year (see **Appendix C** for a detailed description of the FY 2018 operating expense budget). Subsequent to FY 2018, operating expenses are projected to grow at 2.0 percent annually. The routine maintenance expense forecast is provided by the Office of Project Finance through FY 2023. Subsequent to FY 2023, routine maintenance expenses are increased at 2.0 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

**TABLE 2.9 - ALLIGATOR ALLEY
PROJECTED OPERATING AND MAINTENANCE EXPENSES
FY 2018 THROUGH FY 2028**

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)
2018	\$4,950	\$4,076	\$9,026	\$9,972	\$18,998
2019	5,049	5,615	10,664	7,763	18,427
2020	5,150	5,615	10,765	3,155	13,920
2021	5,253	5,615	10,868	2,032	12,900
2022	5,358	4,487	9,845	4,658	14,503
2023	5,465	4,576	10,041	4,751	14,792
2024	5,574	4,668	10,242	4,846	15,088
2025	5,685	4,761	10,446	4,943	15,389
2026	5,799	4,856	10,655	5,041	15,696
2027	5,915	4,954	10,869	5,142	16,011
2028	6,033	5,053	11,086	5,245	16,331

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2018.

(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. Periodic maintenance expenses beyond FY 2022 have not been fully programmed. However, a minimal level of preservation (excluding extraordinary expenses) has been estimated based on FY 2022 expenses increased at 2.0 percent annually.

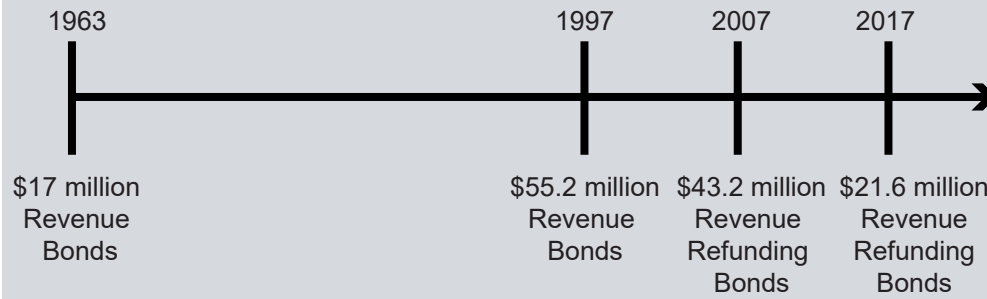
projected to decrease from \$19.0 million in FY 2018 to \$16.3 million in FY 2028 due to the year in which the commitments are programmed and how the commitments are paid out over time.

2.6 REVENUE SUFFICIENCY

A timeline of Alligator Alley bond issues is shown in **Figure 2.3**. As of July 1, 2017, bonds in the principal amount of \$21.6 million are outstanding from the 2017A Series. Each



**FIGURE 2.3
ALLIGATOR ALLEY BOND ISSUES**



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.

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.

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 with Section 338.26, Florida Statutes.

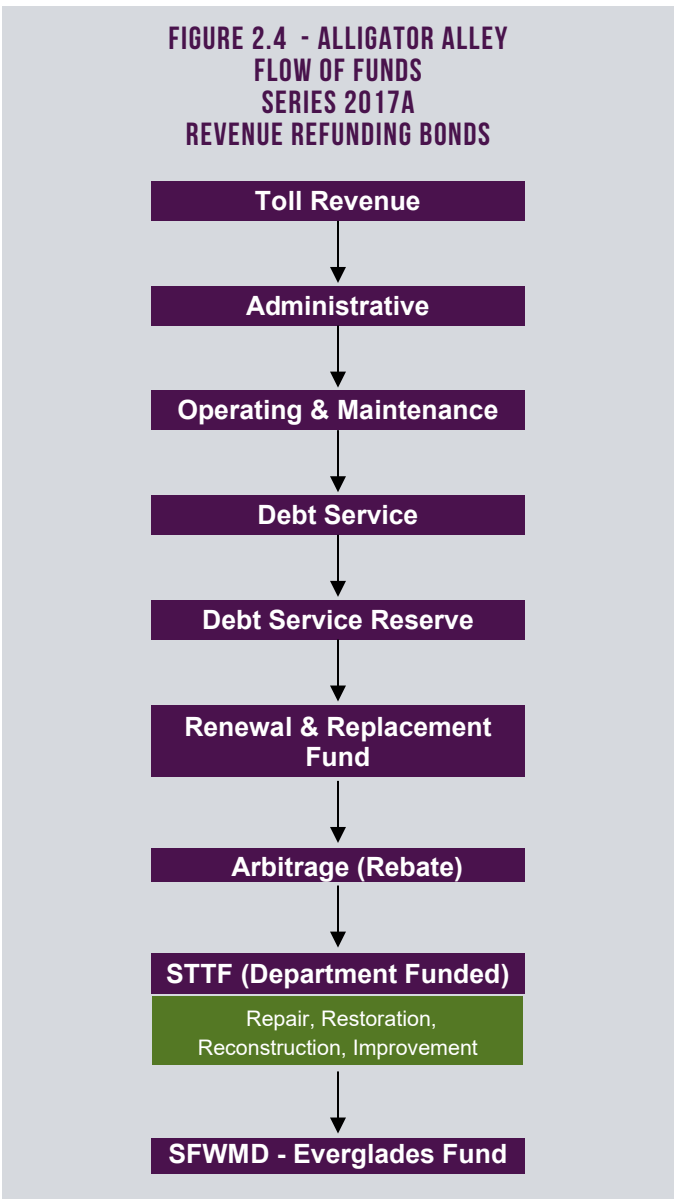
**TABLE 2.10 - ALLIGATOR ALLEY
NET TOLL REVENUE FORECAST AND DEBT
SERVICE COVERAGE
FY 2017 THROUGH FY 2028**

Fiscal Year	Gross Toll Revenue (\$000)	Operating & Routine Maintenance Expenses ⁽¹⁾ (\$000)	Net Toll Revenue ⁽²⁾ (\$000)	Debt Service ⁽³⁾	
				Payment (\$000)	Coverage Ratio
2017	\$32,216	\$8,582	\$23,634	\$3,448	6.9
2018	32,555	9,026	23,529	2,796	8.4
2019	35,314	10,664	24,650	2,799	8.8
2020	36,387	10,765	25,622	2,799	9.2
2021	37,431	10,868	26,563	2,799	9.5
2022	38,515	9,845	28,670	2,794	10.3
2023	40,434	10,041	30,393	2,795	10.9
2024	41,590	10,242	31,348	2,795	11.2
2025	42,724	10,446	32,278	2,795	11.5
2026	43,837	10,655	33,182	2,790	11.9
2027	44,953	10,869	34,084	2,793	12.2
2028	46,865	11,086	35,779	-	-

(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.

Table 2.10 provides a forecast of the sufficiency of Alligator Alley to meet annual debt service requirements through FY 2028. 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,

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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 2017, \$8.0 million of excess revenues were transferred to SFWMD.

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

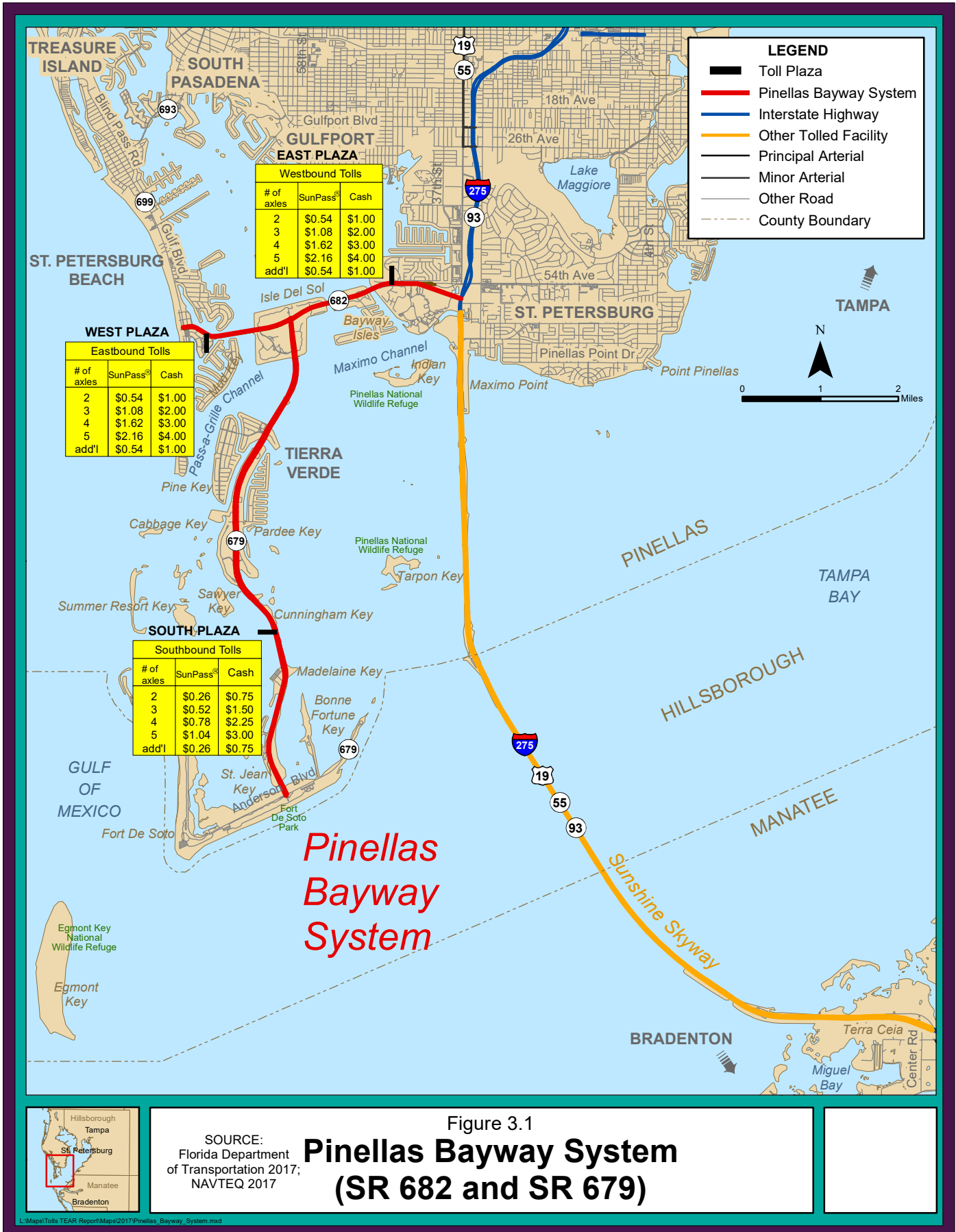


Pinellas Bayway System. Tolls at the first plaza, located at the northeast end of the facility on the mainland near Eckerd College, are collected for westbound travel only. The second plaza is located on the northwest end of the facility in St. Petersburg Beach, near the intersection with Gulf Boulevard (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. 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 2007 through FY 2017 are presented in **Table 3.1**. Total transactions increased from approximately 9.8 million in FY 2007 to 10.0 million in FY 2017, an overall increase of 2.6 percent. During the same period, revenues increased from \$3.7 million in FY 2007 to \$4.8 in FY 2017, an overall increase of 28.2 percent, or 2.5 percent per year compounded. During this 10-year period, traffic and revenue declined from FY 2008 through FY 2010 due to the

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**TABLE 3.1 - PINELLAS BAYWAY SYSTEM
HISTORICAL TRANSACTIONS AND REVENUE GROWTH
FY 2007 THROUGH FY 2017**

Fiscal Year	Transactions (000)				Toll Revenue ⁽¹⁾ (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2007	9,769	26	9,795	-	\$3,711	-	\$0.379
2008	9,649	30	9,679	(1.2%)	3,656	(1.5%)	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	4,113	1.9	0.466
2015	9,547	39	9,586	8.7	4,489	9.1	0.468
2016	9,835	40	9,875	3.0	4,657	3.7	0.472
2017	10,007	39	10,046	1.7	4,757	2.1	0.474

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 FY 2000.

economic recession. Starting in FY 2011 traffic and revenue began to increase annually as the economy began to slowly recover following the recession. However, 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, as well as the strengthening economic recovery.

Historical operating and routine maintenance expenses from FY 2007 through FY 2017 are presented in **Table 3.2**. As indicated, operating expenses have remained flat at \$2.1 million. During the same period, routine maintenance expenses increased from \$484 thousand to \$883 thousand. Combined, total O&M expenses remained fairly level increasing

slightly from \$2.6 million in FY 2007 to \$2.9 million in FY 2017.

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 \$1.6 million were incurred during FY 2017 primarily due to toll system replacement.

3.2 FY 2017 TRANSACTIONS AND TOLL REVENUES

Monthly transactions and toll revenue on the Pinellas Bayway System during FY 2017

**TABLE 3.2 - PINELLAS BAYWAY SYSTEM
HISTORICAL OPERATING AND ROUTINE
MAINTENANCE EXPENSES FY 2007 THROUGH FY 2017**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense (\$000)	Total O&M Expenses (\$000)
2007	\$2,146	\$484	\$2,630
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

Source: FDOT Office of the Comptroller.

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are presented in **Table 3.3**. The first quarter (i.e., July through September) generates more revenue compared to the remaining three quarters due to revenues from the general public annual passes (which represent a large percent of the available types of passes) being recorded in September when the passes are primarily sold. The results indicate that the

TABLE 3.3 - PINELLAS BAYWAY SYSTEM MONTHLY TRANSACTIONS AND TOLL REVENUE FY 2017

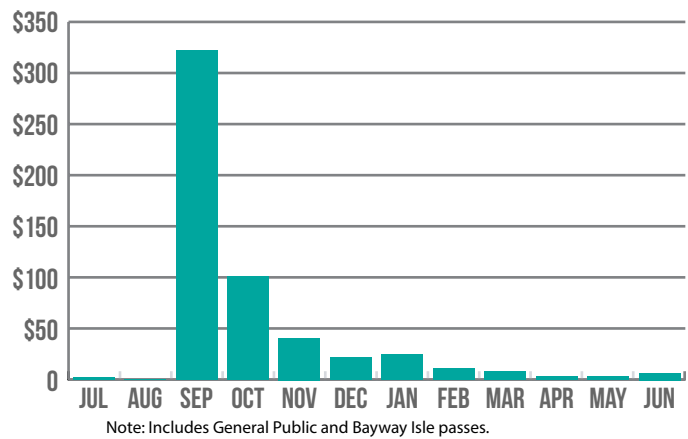
Month	Transactions (000)	Toll Revenue (\$000)
July 2016	897	\$403
August	755	315
September	715	611
1st Quarter Total	2,367	1,329
October	775	426
November	748	338
December	775	327
2nd Quarter Total	2,298	1,091
January 2017	811	336
February	845	344
March	1,022	450
3rd Quarter Total	2,678	1,130
April	989	441
May	922	412
June	792	354
4th Quarter Total	2,703	1,207
Annual Total	10,046	\$4,757

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.

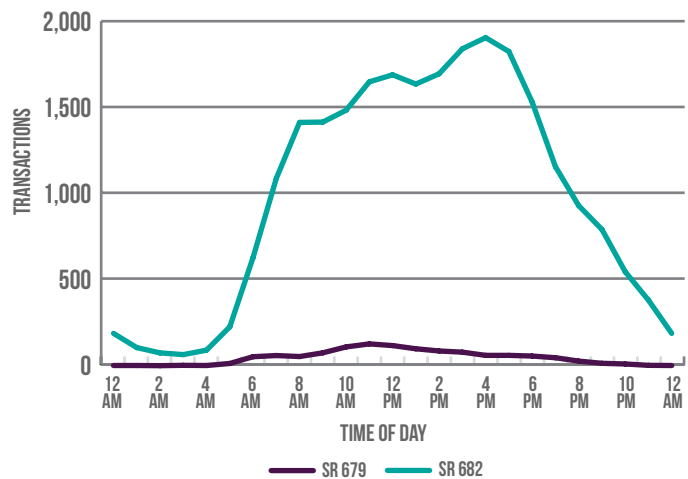
first quarter generated over \$1.3 million in revenues compared to the \$1.1 million (average) generated in each of the remaining three quarters. **Graph 3.1** shows the monthly distribution of pass sales.

Graph 3.2 shows the number of hourly transactions on weekdays of a typical week during FY 2017 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

GRAPH 3.1 - PINELLAS BAYWAY SYSTEM MONTHLY PASS SALES DISTRIBUTION (\$000) FY 2017



GRAPH 3.2 - PINELLAS BAYWAY SYSTEM TYPICAL HOURLY WEEKDAY TRANSACTIONS FY 2017



Source: Data obtained from Turnpike Enterprise Finance Office for the 5-day period beginning Monday, June 12, 2017.

two plazas on SR 682, with a much smaller percentage occurring at the plaza on SR 679. 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 2017 is illustrated in **Table 3.4**. Annual average daily traffic (AADT) on the Pinellas Bayway System for FY 2017 was approximately 27,500. The peak season occurred from February through May, with March and April traffic exceeding the

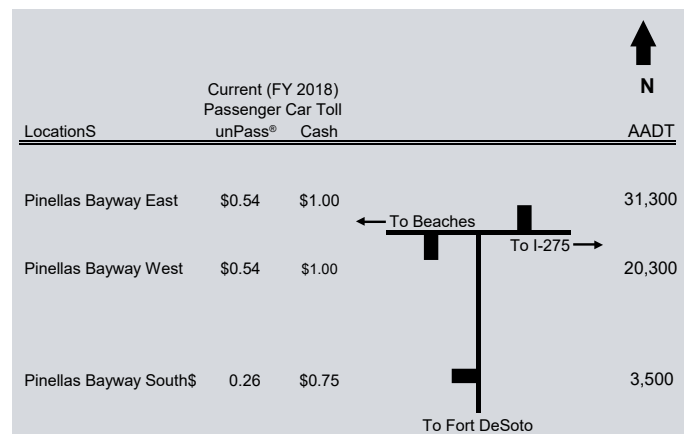
TABLE 3.4 - PINELLAS BAYWAY SYSTEM SEASONAL TRANSACTION VARIATION FY 2017

Month	Average Daily Transactions	Seasonal Factor
July 2016	28,900	1.05
August	24,300	0.88
September	23,800	0.87
October	25,000	0.91
November	24,900	0.91
December	25,000	0.91
January 2017	26,200	0.95
February	30,200	1.10
March	33,000	1.20
April	33,000	1.20
May	29,800	1.08
June	26,400	0.96
AADT	27,500	1.00

average by 20 percent. This transaction level is expected during this period due to tourists and seasonal residents. September transactions are 13 percent below the yearly average as a result of fewer tourists and seasonal residents in the area.

The FY 2017 two-way AADT profile for the facility is presented in **Figure 3.2**. The AADT at the East, West and South plazas during FY 2017 was 31,300, 20,300 and 3,500, respectively. The East Plaza experiences the highest traffic volumes, while

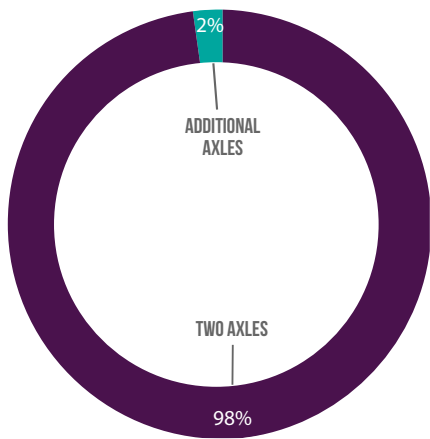
FIGURE 3.2 - PINELLAS BAYWAY SYSTEM TWO-WAY AADT PROFILE FY 2017



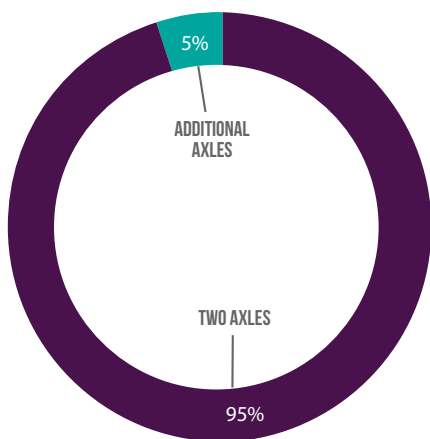
the number of drivers traveling to Fort DeSoto Park through the South Plaza is the lowest of the three plazas. Due to one-way tolling at each plaza, the sum of the two-way AADT volumes for the three tolled locations shown in the figure (55,100) is double that of the one-way transaction volume shown in **Table 3.4**. The traffic and revenue contributions from trucks on the Pinellas Bayway System are shown in **Graph 3.3**. For FY 2017, 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 \$221 thousand while two-axle vehicles comprised the remaining \$4.5 million.

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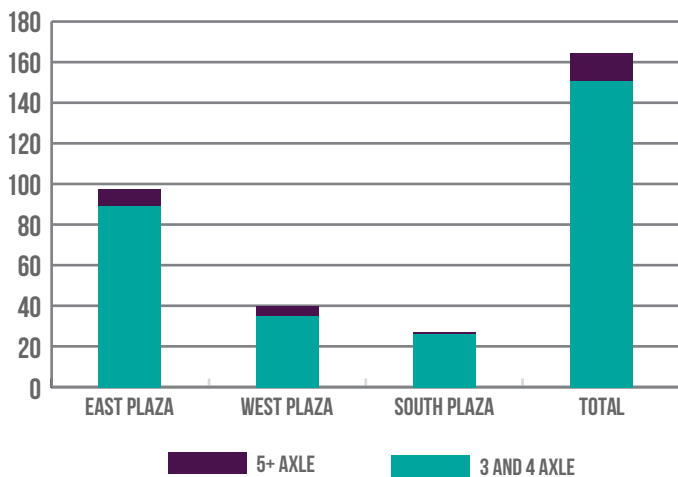
GRAPH 3.3 - PINELLAS BAYWAY SYSTEM TRANSACTIONS BY AXLE CLASS FY 2017



REVENUE CONTRIBUTION BY AXLE CLASS FY 2017



GRAPH 3.4 - PINELLAS BAYWAY SYSTEM MULTI-AXLE VEHICLE TRANSACTIONS BY PLAZA (000) FY 2017



Graph 3.4 shows multi-axle vehicle transactions by plaza. As shown, the east plaza had the highest volume of truck traffic in FY 2017. 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® on June 6, 2000. (see **Appendix A** for the lane configuration). 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 2017, there were approximately 11,200 General Public and 650 Bayway Isle passes sold.

In FY 2017, approximately 2.7 million transactions or 40 percent of all SunPass® transactions on the Pinellas Bayway System were attributable to pass usage. Table 3.5 shows monthly SunPass® transactions by payment method. Correspondingly, annual pass sales accounted for \$548 thousand (net of refunds) or 21 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 \$861 thousand to pass holders. For those SunPass® customers who

**TABLE 3.5 - PINELLAS BAYWAY SYSTEM
SUNPASS® TRANSACTIONS
BY PAYMENT METHOD
FY 2017**

	General Public Pass (000)	Bayway Isle Pass (000)	Regular SunPass® (000)	Total (000)
July 2016	191	10	358	559
August	194	10	294	498
September	193	11	278	482
October	177	12	317	506
November	198	12	290	500
December	213	14	298	525
January 2017	235	15	303	553
February	231	15	312	558
March	259	16	410	685
April	236	15	411	662
May	216	13	407	636
June	191	12	346	549
Total	2,534	155	4,024	6,713
Percentage	37.8%	2.3%	59.9%	100.0%

Source: Turnpike Enterprise Finance Office.

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 2017 total for the discount program was approximately \$20 thousand.

Table 3.6 shows transactions by payment method on the facility. SunPass® transactions represented approximately 67 percent of total transactions in FY 2017. Monthly SunPass® participation percentages ranged from approximately 62 percent to 69 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 55 percent of

**TABLE 3.6 - PINELLAS BAYWAY SYSTEM
TRANSACTIONS BY PAYMENT METHOD
FY 2017**

Month	Transactions (000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	559	338	897	62.3%
August	498	257	755	66.0
September	482	233	715	67.4
October	506	269	775	65.3
November	500	248	748	66.8
December	525	250	775	67.7
January 2017	553	258	811	68.2
February	558	287	845	66.0
March	685	337	1,022	67.0
April	662	327	989	66.9
May	636	286	922	69.0
June	549	243	792	69.3
Total	6,713	3,333	10,046	
Percentage	66.8%	33.2%	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.

the total revenue in FY 2017. 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 77 percent of revenue for the month of September is attributable to SunPass®. After November, sales drop significantly. The contribution to revenue from the Bayway Isle annual pass, with yearly renewal in June, is negligible.

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) or similar inflation indicator effective as of July 1, 2007. 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)

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**TABLE 3.7 - PINELLAS BAYWAY SYSTEM
GROSS TOLL REVENUE BY PAYMENT METHOD
FY 2017**

Month	Gross Toll Revenue (\$000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	\$190	\$213	\$403	47.1%
August	156	159	315	49.5
September ⁽¹⁾	470	141	611	76.9
October	267	159	426	62.7
November	192	146	338	56.8
December	174	153	327	53.2
January 2017	180	156	336	53.6
February	173	171	344	50.3
March	217	233	450	48.2
April	213	228	441	48.3
May	212	200	412	51.5
June ⁽²⁾	186	168	354	52.5
Total	\$2,630	\$2,127	\$4,757	
Percentage	55.3%	44.7%	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.

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.

Since the CPI for calendar year 2015 of 0.1 percent did not prompt a minimum of \$0.01 increase in the two-axle toll rate, toll rates for SunPass® were not indexed on July 1, 2016 (FY 2017). For calendar year 2016, however, 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.

3.5 FY 2017 EXPENSES AND LIABILITIES

A comparison between actual and budgeted operating and routine maintenance expenses for FY 2017 is presented in **Table 3.8**. Actual operating expenses were 7.6 percent higher than the FY 2017 budget due to increased toll collection costs resulting from traffic growth. Actual routine maintenance expenses were lower than the FY 2017 budget by 4.5 percent. Overall, FY 2017 actual operating and routine maintenance expenses were approximately 3.6 percent, or \$103 thousand, higher than the FY 2017 budget.

**TABLE 3.8 - PINELLAS BAYWAY SYSTEM
OPERATING AND ROUTINE MAINTENANCE EXPENSES
FY 2017**

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$1,913	\$2,058	\$145	7.6%
Routine Maintenance	925	883	(42)	(4.5)
Total	\$2,838	\$2,941	\$103	3.6%

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2016 Enterprise Toll Operations Traffic Engineer's Annual Report.

An analysis of the FY 2017 long-term liability on the facility is presented in **Table 3.9**. During FY 2017, approximately \$1.6 million of capital improvement (periodic) expenditures were incurred.

**TABLE 3.9 - PINELLAS BAYWAY SYSTEM
LONG-TERM LIABILITY
FY 2017**

Transaction	Amount (\$000)
Balance, beginning of year	\$42,687
Periodic Maintenance Additions	1,619
Balance, end of year	\$44,306

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 Florida Legislature Office of Economic and Demographic Research, Florida’s population growth is forecast to increase at a compounded annual growth rate of 1.6 percent from the current year through 2020.

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 2020 for Pinellas County is 0.3 percent, previously shown in **Table 1.3**. 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 2017 through FY 2028.

The traffic and gross toll revenue forecasts for FY 2018 through FY 2028 are shown in **Table 3.10**. The forecast table includes the

TABLE 3.10 - PINELLAS BAYWAY SYSTEM TRAFFIC AND GROSS TOLL REVENUE FORECASTS FY 2018 THROUGH FY 2028

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	2016 Annual Report Forecast	Variance	
							Amount	Percent
2018	10,147	\$4,651	\$412	(\$22)	\$5,041	\$5,471	(\$430)	(7.9%)
2019	10,273	4,875	657	(23)	5,509	5,539	(30)	(0.5)
2020	10,407	4,914	669	(24)	5,559	5,599	(40)	(0.7)
2021	10,565	4,953	697	(24)	5,626	5,659	(33)	(0.6)
2022	10,804	5,062	726	(25)	5,763	5,722	41	0.7
2023	11,030	5,154	918	(26)	6,046	5,935	111	1.9
2024	11,212	5,236	960	(27)	6,169	6,001	168	2.8
2025	11,378	5,310	1,002	(28)	6,284	6,058	226	3.7
2026	11,522	5,374	1,032	(29)	6,377	6,120	257	4.2
2027	11,662	5,427	1,077	(29)	6,475	6,177	298	4.8
2028	11,805	5,482	1,267	(30)	6,719	N/A	N/A	N/A

Note: Total traffic corresponds to the gross toll revenue.
 N/A The FY 2016 Traffic Engineer’s Annual Report forecast went through FY 2027.
 (1) Toll revenue forecast without indexing.

revenue impact from toll indexing. The current gross toll revenue forecast is similar to the forecast presented in the 2016 Annual Report due to FY 2017 actual revenue meeting last year’s projection. As previously mentioned, both SunPass® and cash toll rates were indexed on October 29, 2017 (FY 2018). Traffic in FY 2018 and thereafter are not expected to be impacted by the annual indexing of SunPass® or cash toll rates. The FY 2018 forecast is also adjusted by \$185 thousand to reflect the revenue loss prompted by the 15-day toll suspension starting on September 5, 2017 due to Hurricane Irma. A summary of the economic factors affecting traffic and revenue is included in the Overview chapter of this report. In addition, **Appendix A** includes future indexed toll rate schedules.

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 2018 operating expense budget. Subsequent to FY 2018,

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**TABLE 3.11 - PINELLAS BAYWAY SYSTEM
PROJECTED OPERATING AND
MAINTENANCE EXPENSES
FY 2018 THROUGH FY 2028**

Fiscal Year	Operating Expense (\$000)	Maintenance Expenses (\$000)		Total O&M Expenses (\$000)
		Routine	Periodic ⁽¹⁾	
2018	\$1,950	\$996	\$188	\$3,134
2019	1,989	886	100	2,975
2020	2,029	900	72	3,001
2021	2,070	816	75	2,961
2022	2,111	946	82	3,139
2023	2,153	647	83	2,883
2024	2,196	660	85	2,941
2025	2,240	673	87	3,000
2026	2,285	686	88	3,059
2027	2,331	700	90	3,121
2028	2,378	714	92	3,184

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2018.

(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 2022 have not been fully programmed. However, a minimum level of preservation (excluding extraordinary expenses such as resurfacing, etc.) has been estimated based on FY 2022 expenses increased at 2.0 percent annually.

operating expenses are projected to grow at 2.0 percent annually. The routine maintenance expense forecast is provided by the Department’s Office of Project Finance through FY 2023. Subsequent to FY 2023, routine maintenance expenses were increased at 2.0 percent annually.

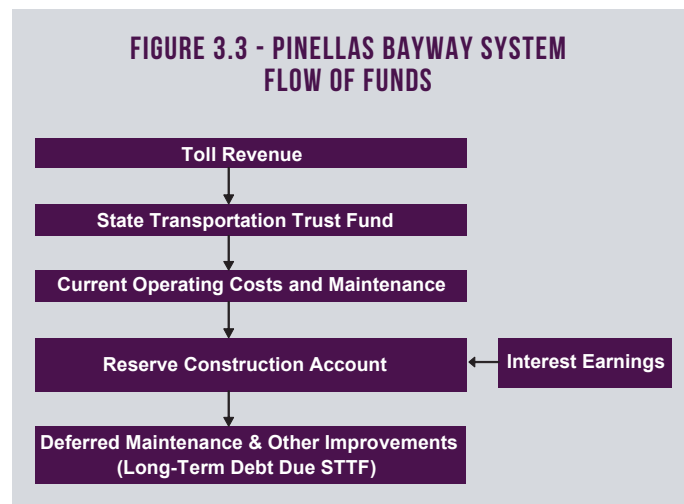
Periodic maintenance expenses are based on information provided by the Office of Project Finance for the 5-year Work Program. Total operating and periodic and routine maintenance expenses are projected to slightly increase from \$3.1 million in FY 2018 to \$3.2 million in FY 2028.

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.



A summary of the activity in the reserve account during FY 2017 is shown in **Table 3.13**. Additions to the reserve account primarily consist of excess net toll revenues (toll revenues less

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) Bridge Structure E has not yet been replaced and is programmed for FY 2018.

TABLE 3.13 - PINELLAS BAYWAY SYSTEM ANALYSIS OF RESERVE CONSTRUCTION ACCOUNT FY 2017

Transaction	Amount (\$000)
Balance, beginning of year	\$8,357
Additions	1,536
Reductions	0
Balance, end of year	\$9,893

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

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 Phase II construction project.

Construction of Structure E of the Pinellas Bayway System is programmed to begin in FY 2018. The construction will deplete the escrow account and will add to the Bayway's debt that is due to the STTF for those expenditures.



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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. The cost to replace the bridge was approximately \$232 million. Funds to replace the bridge were provided from various sources including insurance recoveries, federal emergency relief and interstate funds, state funds and a \$36 million bond issue in 1984. In honor of former Florida Governor Bob Graham, who spearheaded the state-of-the-art design of



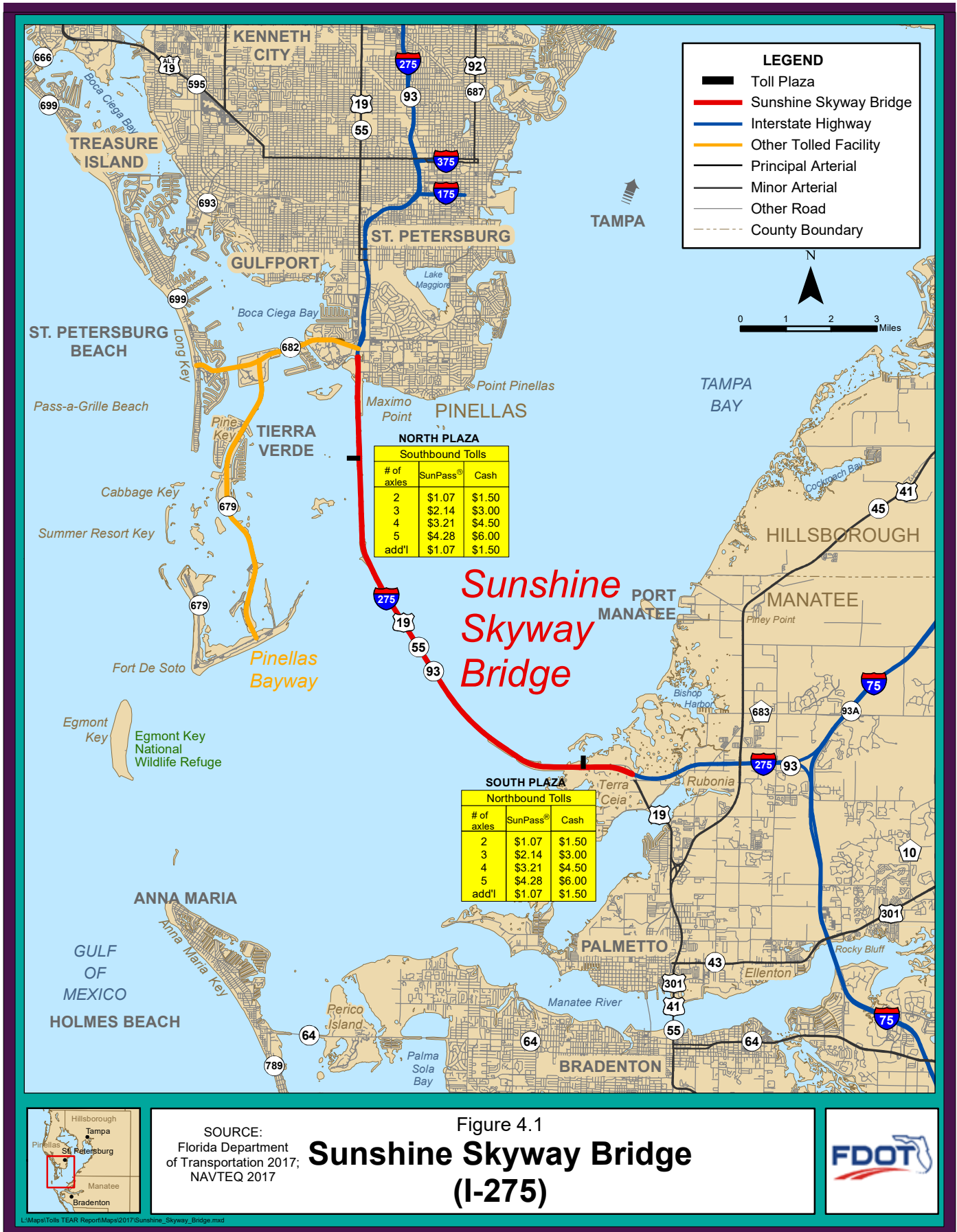
the new bridge, the Sunshine Skyway Bridge was designated the Bob Graham Sunshine Skyway Bridge effective July 1, 2005 (FY 2006) with the signing of House Bill 385.

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

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the years. In FY 2017, total transactions increased to 21.6 million, while toll revenues increased to approximately \$25.5 million. Annual transactions and revenue for the facility from FY 2007 through FY 2017 are presented in **Table 4.1**. As with other 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 2016, FY 2017 transactions and revenue increased by 2.5 percent and 2.9 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 2016.

TABLE 4.1 - SUNSHINE SKYWAY BRIDGE HISTORICAL TRANSACTIONS AND REVENUE GROWTH FY 2007 THROUGH FY 2017

Fiscal Year	Transactions (000)				Toll Revenue ⁽¹⁾ (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2007	18,748	12	18,760	-	\$17,758	-	\$0.947
2008	18,192	15	18,207	(2.9%)	17,025	(4.1%)	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	22,679	4.4	1.182
2015	20,233	59	20,292	5.8	23,995	5.8	1.182
2016	20,985	61	21,046	3.7	24,809	3.4	1.179
2017	21,517	64	21,581	2.5	25,532	2.9	1.183

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.

Historical operating and routine maintenance expenses from FY 2007 through FY 2017 are presented in **Table 4.2**. Annual operating expenses have approximated \$5 million during the 10-year period. FY 2017 operating expenses increased \$275 thousand, or 5.9 percent, from FY 2016. This increase is primarily attributed to higher

TABLE 4.2 - SUNSHINE SKYWAY BRIDGE HISTORICAL OPERATING AND ROUTINE MAINTENANCE EXPENSES FY 2007 THROUGH FY 2017

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense (\$000)	Total O&M Expenses (\$000)
2007	\$5,340	\$1,686	\$7,026
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	4,749	1,651	6,400
2015	4,875	2,365	7,240
2016	4,684	2,326	7,010
2017	4,959	3,932	8,891

Source: FDOT Office of the Comptroller.

operational costs associated with electronic toll collection resulting from growth in SunPass® transactions. During the same period, routine maintenance expenses increased \$1.6 million to \$3.9 million primarily due to biennial bridge inspection and roadway repairs.

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, \$9.9 million for renewal and replacement, toll system improvements, lighting and bridge repairs were incurred during FY 2017.

4.2 FY 2017 TRANSACTIONS AND TOLL REVENUES

Monthly transactions and toll revenue on the Sunshine Skyway Bridge during FY 2017 are presented in **Table 4.3** for the north and south mainline plazas. There were approximately 10.9 million transactions at the north plaza and 10.6 million transactions at the south plaza, for a

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**TABLE 4.3 - SUNSHINE SKYWAY BRIDGE
MONTHLY TRANSACTIONS AND TOLL REVENUE
FY 2017**

Month	Transactions (000)			Toll Revenue (\$000)		
	North Plaza	South Plaza	Total	North Plaza	South Plaza	Total
July 2016	884	869	1,753	\$1,046	\$1,031	\$2,077
August	856	835	1,691	1,009	989	1,998
September	789	769	1,558	923	906	1,829
1st Quarter Total	2,529	2,473	5,002	2,978	2,926	5,904
October	878	834	1,712	1,035	976	2,011
November	901	877	1,778	1,073	1,047	2,120
December	915	891	1,806	1,087	1,055	2,142
2nd Quarter Total	2,694	2,602	5,296	3,195	3,078	6,273
January 2017	914	888	1,802	1,084	1,052	2,136
February	920	888	1,808	1,093	1,053	2,146
March	1,081	1,048	2,129	1,286	1,250	2,536
3rd Quarter Total	2,915	2,824	5,739	3,463	3,355	6,818
April	981	957	1,938	1,160	1,129	2,289
May	938	910	1,848	1,105	1,079	2,184
June	892	866	1,758	1,046	1,018	2,064
4th Quarter Total	2,811	2,733	5,544	3,311	3,226	6,537
Annual Total	10,949	10,632	21,581	\$12,947	\$12,585	\$25,532

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.

total of nearly 22 million transactions during FY 2017. The corresponding annual revenue was \$12.9 million at the north plaza and \$12.6 million at the south plaza, for a total of approximately \$25.5 million during FY 2017. The third quarter experienced the largest amount of transactions and revenue in FY 2017, with March being the busiest month.

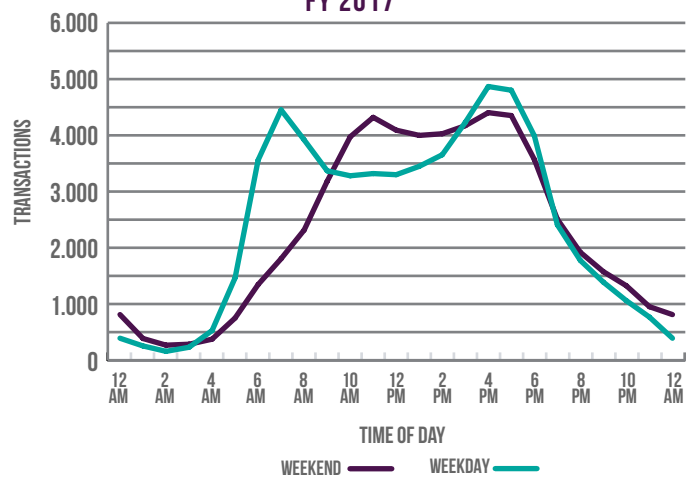
Graph 4.1 shows the number of hourly weekday and weekend transactions of a typical week during FY 2017 for both northbound and southbound traffic combined. The weekday traffic on the facility has a morning peak from 7:00 a.m. to 9:00 a.m. and an evening peak from 3:00 p.m. to 6:00 p.m., reflecting the presence of commuters on the facility. During weekends from 9:00 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 2017 monthly transaction variation is analyzed in **Table 4.4**. Annual average daily transactions (AADT) on the Sunshine Skyway Bridge for FY 2017 was 59,100. The peak season occurred from February through April, with March being the highest month at 16 percent above average for the facility. This is due to tourists and seasonal residents. September was the lowest month at 12 percent below average. Historically, the month of September has the fewest transactions.

The traffic and revenue contributions from trucks on the Sunshine Skyway Bridge are shown in **Graph 4.2**. For FY 2017, 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 \$2.3 million, while two-axle vehicles comprised the remaining \$23.2 million.

**GRAPH 4.1 - SUNSHINE SKYWAY BRIDGE
TYPICAL HOURLY TRANSACTIONS
(NORTHBOUND & SOUTHBOUND)
FY 2017**

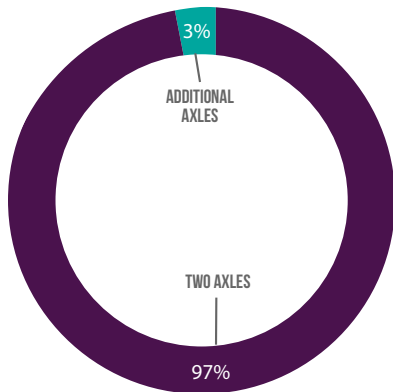


Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, November 7, 2016

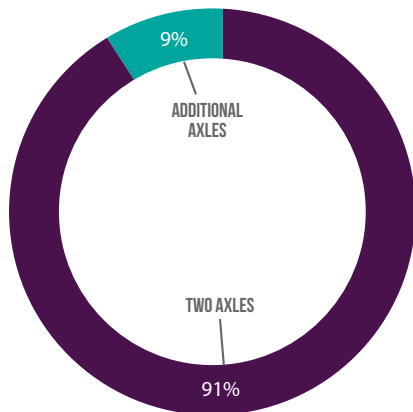
**TABLE 4.4 - SUNSHINE SKYWAY BRIDGE
SEASONAL TRANSACTION VARIATION
FY 2017**

Month	Average Daily Transactions			Seasonal Factor
	North Plaza	South Plaza	Total	
July 2016	28,500	28,000	56,500	0.96
August	27,600	26,900	54,500	0.92
September	26,300	25,600	51,900	0.88
October	28,300	26,900	55,200	0.93
November	30,000	29,200	59,200	1.00
December	29,500	28,700	58,200	0.98
January 2017	29,500	28,600	58,100	0.98
February	32,800	31,700	64,500	1.09
March	34,900	33,800	68,700	1.16
April	32,700	31,900	64,600	1.09
May	30,300	29,400	59,700	1.01
June	29,700	28,900	58,600	0.99
AADT	30,000	29,100	59,100	1.00

**GRAPH 4.2 - SUNSHINE SKYWAY BRIDGE
TRANSACTIONS BY AXLE CLASS
FY 2017**



**REVENUE CONTRIBUTION BY AXLE CLASS
FY 2017**



4.3 SUNPASS®

SunPass® was installed at the north and south plazas on the Sunshine Skyway Bridge in August of 2000 (FY 2001). Currently, there are two dedicated SunPass® lanes and four mixed-use lanes at each toll plaza, serving both cash and SunPass® users (see **Appendix A** for the lane configurations).

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 \$25 thousand in FY 2017.

Table 4.5 shows the percentage of transactions by payment method on the Sunshine Skyway Bridge. Non-SunPass® transactions amounted to approximately 8.3 million, or 39 percent of all

**TABLE 4.5 - SUNSHINE SKYWAY BRIDGE
TRANSACTIONS BY PAYMENT METHOD
FY 2017**

Month	Transactions (000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	1,033	720	1,753	58.9%
August	1,046	645	1,691	61.9
September	969	589	1,558	62.2
October	1,036	676	1,712	60.5
November	1,100	678	1,778	61.9
December	1,098	708	1,806	60.8
January 2017	1,109	693	1,802	61.5
February	1,088	720	1,808	60.2
March	1,270	859	2,129	59.7
April	1,186	752	1,938	61.2
May	1,187	661	1,848	64.2
June	1,129	629	1,758	64.2
Total	13,251	8,330	21,581	
Percentage	61.4%	38.6%	100.0%	

Source: Turnpike Enterprise Finance Office.

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

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transactions; whereas, SunPass® transactions totaled nearly 13.3 million, or 61 percent of all transactions on the facility. Over the course of FY 2017, the monthly SunPass® transaction percentage ranged from approximately 59 to 64 percent.

Table 4.6 shows the gross toll revenue by payment method. Revenue attributable to SunPass® was approximately \$15.2 million, representing approximately 60 percent of the total system revenue in FY 2017. Toll revenue is reported net of the SunPass® discount. Non SunPass® constituted the remaining 40 percent of revenue. Monthly SunPass® revenue percentages ranged from 58 to approximately 63 percent during the year.

**TABLE 4.6 - SUNSHINE SKYWAY BRIDGE
GROSS TOLL REVENUE BY PAYMENT METHOD
FY 2017**

Month	Gross Toll Revenue (\$000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	\$1,199	\$878	\$2,077	57.7%
August	1,216	782	1,998	60.9
September	1,117	712	1,829	61.1
October	1,188	823	2,011	59.1
November	1,265	855	2,120	59.7
December	1,254	888	2,142	58.5
January 2017	1,264	872	2,136	59.2
February	1,240	906	2,146	57.8
March	1,456	1,080	2,536	57.4
April	1,349	940	2,289	58.9
May	1,356	828	2,184	62.1
June	1,290	774	2,064	62.5
Total	\$15,194	\$10,338	\$25,532	
Percentage	59.5%	40.5%	100.0%	

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

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) or similar inflation indicator effective as of July 1, 2007. 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.

Since the CPI for calendar year 2015 of 0.1 percent did not prompt a minimum of \$0.01 increase in the two-axle toll rate, toll rates for SunPass® were not indexed on July 1, 2016 (FY 2017). For calendar year 2016, however, 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.

4.5 FY 2017 EXPENSES AND LIABILITIES

A comparison between actual and budgeted operating and routine maintenance expenses for FY 2017 is shown in **Table 4.7**.

Actual FY 2017 operating expenses were 6.7 percent, or \$310 thousand, higher than the FY 2017 operating budget. This variance is primarily due to the increase in electronic toll collection costs. Routine maintenance expenses were 23.1 percent, or \$737 thousand, higher than the FY 2017 budget amount primarily due to higher than anticipated bridge repair costs. Overall, actual FY 2017

TABLE 4.7 - SUNSHINE SKYWAY BRIDGE OPERATING AND ROUTINE MAINTENANCE EXPENSE FY 2017

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$4,649	\$4,959	\$310	6.7%
Routine Maintenance	3,195	3,932	737	23.1
Total	\$7,844	\$8,891	\$1,047	13.3%

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2016 Enterprise Toll Operations Traffic Engineer's Annual Report.

operating and routine maintenance expenses were 13.3 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 2017 liability for facility costs is presented in **Table 4.8**, which shows the State Transportation Trust Fund (STTF) advances for facility costs.

TABLE 4.8 - SUNSHINE SKYWAY BRIDGE STTF ADVANCES FOR FACILITY COSTS FY 2017

Transaction	Amount (\$000)
Balance, beginning of year	\$9,506
Additions ⁽¹⁾	9,884
Reductions ⁽²⁾	(9,506)
Balance, end of year	\$9,884

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.

The second liability is for off-system improvements and is presented in **Table 4.9**. Off-system capital projects, including 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.

TABLE 4.9 - SUNSHINE SKYWAY BRIDGE DEFERRED STTF ADVANCES FOR OFF-SYSTEM IMPROVEMENTS FY 2017

Transaction	Amount (\$000)
Balance, beginning of year	\$17,930
Additions	1,989
Reductions	(7,528)
Balance, end of year	\$12,391

Source: FDOT Office of the Comptroller.

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

From FY 2007 to FY 2017, the annual compounded traffic growth rate on the Sunshine Skyway Bridge was approximately 1.4 percent. The historical annual compounded population growth rate for the same period for the five counties was similar at 1.2 percent. According to the latest economic outlook prepared by the Florida Legislature Office of Economic and Demographic Research in April 2017, Florida's population growth is forecast to increase at a compounded growth rate of 1.6 percent through 2020.

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**TABLE 4.10 - SUNSHINE SKYWAY BRIDGE
TRAFFIC AND GROSS TOLL REVENUE FORECASTS
FY 2018 THROUGH FY 2028**

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	2016 Annual Report Forecast	Variance	
							Amount	Percent
2018	22,002	\$25,109	\$1,186	(\$27)	\$26,268	\$27,882	(\$1,614)	(5.8%)
2019	22,507	26,721	1,936	(28)	28,629	28,575	54	0.2
2020	22,954	27,284	2,171	(30)	29,425	29,273	152	0.5
2021	23,372	27,829	2,424	(31)	30,222	29,979	243	0.8
2022	23,759	28,331	2,691	(33)	30,989	30,713	276	0.9
2023	24,163	28,784	3,726	(34)	32,476	32,165	311	1.0
2024	24,511	29,216	4,009	(35)	33,190	32,945	245	0.7
2025	24,801	29,596	4,349	(36)	33,909	33,719	190	0.6
2026	25,069	29,981	4,701	(37)	34,645	34,492	153	0.4
2027	25,284	30,341	5,021	(38)	35,324	35,289	35	0.1
2028	25,547	30,644	6,155	(39)	36,760	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.

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 2020 for the five counties is 1.5 percent, previously shown in **Table 1.3**. 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 1.5 percent per year. Traffic profiles are provided in **Appendix B**, showing two-way AADT on the facility for FY 2017 through FY 2028.

The traffic and gross toll revenue forecasts for FY 2018 through FY 2028 are shown in **Table 4.10**. The gross toll revenue during the forecast period is slightly higher than the forecast presented in

the 2016 Annual Report due in large part to FY 2017 actual revenues exceeding last year's projection. The FY 2018 forecast, however, is reduced by \$1.0 million to reflect the 15-day toll suspension beginning on September 5, 2017, due to Hurricane Irma evacuation and recovery efforts.

The FY 2018 forecasts assume a negligible impact on traffic as a result of the October 29, 2017, toll rate indexing. Revenues, however, are positively impacted by \$1.2 million as the result of the FY 2018 indexing of toll rates.

The projected operating and maintenance expenses for FY 2018 through FY 2028 are shown in **Table 4.11**. The operating expenses in FY 2018 represent the budget amount for that fiscal year (see **Appendix C** for a detailed description of the FY 2018 operating expense budget). Subsequent to FY 2018, operating expenses are projected to grow at 2.0 percent annually to account for inflation.

**TABLE 4.11 - SUNSHINE SKYWAY BRIDGE
PROJECTED OPERATING AND MAINTENANCE EXPENSES
FY 2018 THROUGH FY 2028**

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)
2018	\$4,880	\$2,473	\$7,353	\$12,503	\$19,856
2019	4,978	3,172	8,150	11,942	20,092
2020	5,078	2,537	7,615	8,220	15,835
2021	5,180	3,223	8,403	7,593	15,996
2022	5,284	2,349	7,633	3,390	11,023
2023	5,390	3,353	8,743	3,457	12,200
2024	5,498	2,444	7,942	3,527	11,469
2025	5,608	3,488	9,096	3,597	12,693
2026	5,720	2,543	8,263	3,669	11,932
2027	5,834	3,629	9,463	3,742	13,205
2028	5,951	2,646	8,597	3,817	12,414

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2018.
 (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 2022 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 2022 expenses increased at 2.0 percent annually.

The routine maintenance expense forecast is provided by the Department’s Office of Project Finance through FY 2023. Subsequent to FY 2023, routine maintenance expenses have been increased 2.0 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 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 the



**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	First Quarter, 2018
	2B	Systems Interchange (Haas Road-Ondich Road)	0.78	First Quarter, 2016	First Quarter, 2018
	2C	Round Lake Road to Lake County-Orange County Line	1.40	Second Quarter, 2016	First Quarter, 2018
FDOT	3A	SR 46 from Vista View Lane to Round Lake Road	1.40	Third Quarter, 2017	Third Quarter, 2019
	3B	SR 46 from US 441 to Vista View Lane (US 441 flyover interchange)	0.00	Third Quarter, 2017	Third Quarter, 2019
	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	Fourth Quarter, 2020
	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, 2021

Source: www.wekivaparkway.com

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

5.2 FY 2017 TRANSACTIONS, REVENUES AND EXPENSES

As shown in **Table 5.2**, there were 736 thousand transactions in FY 2017 and toll revenues amounting to over \$588 thousand, resulting in an average toll of \$0.80 per vehicle.

The monthly transaction variation for FY 2017 is analyzed in **Table 5.3**. On average, 2 thousand vehicles traveled through the toll plaza each day. As shown in the table, the average daily traffic (ADT) has been steadily increasing each month that the facility has been opened due to ramp up.

**TABLE 5.2 - WEKIVA PARKWAY
MONTHLY TRANSACTIONS AND TOLL REVENUE
FY 2017**

Month	Transactions			Total Revenue	Average Toll
	Toll Paying	Non Revenue	Total		
FY 2016*	220,536	2,278	222,814	\$165,954	\$0.744
FY 2017:					
July 2016	50,569	461	51,030	\$40,059	
August	52,323	574	52,897	41,994	
September	53,765	515	54,280	44,173	
October	50,624	5,065	55,689	40,998	
November	58,163	555	58,718	47,119	
December	60,552	533	61,085	50,857	
January 2017	62,489	570	63,059	51,565	
February	61,620	492	62,112	51,683	
March	70,059	585	70,644	56,945	
April	66,924	616	67,540	53,376	
May	69,869	599	70,468	55,963	
June	68,185	571	68,756	53,459	
Total	725,142	11,136	736,278	\$588,191	\$0.799

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

* 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.

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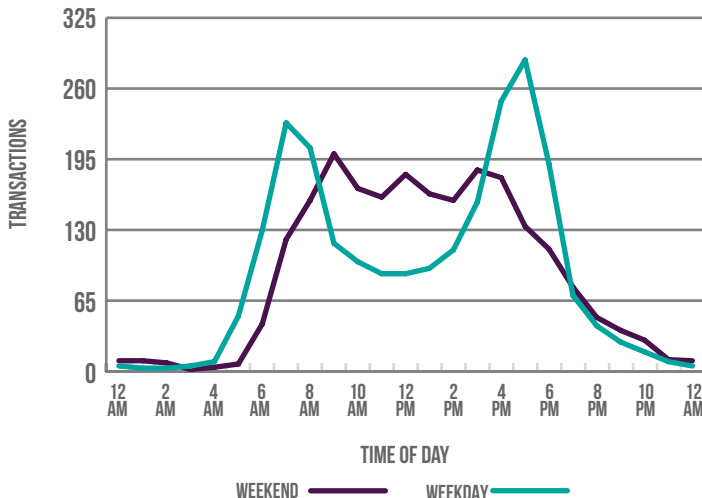
**TABLE 5.3 - WEKIVA PARKWAY
SEASONAL TRANSACTION VARIATION
FY 2017**

Month	Average Daily Transactions			Seasonal Factor*
	Northbound Lanes	Southbound Lanes	Total	
July 2016	900	800	1,700	0.85
August	900	800	1,700	0.85
September	1,000	800	1,800	0.90
October	1,000	800	1,800	0.90
November	1,000	900	1,900	0.95
December	1,100	900	2,000	1.00
January 2017	1,100	900	2,000	1.00
February	1,200	1,000	2,200	1.10
March	1,200	1,000	2,200	1.10
April	1,200	1,000	2,200	1.10
May	1,200	1,000	2,200	1.10
June	1,200	1,100	2,300	1.15
AADT	1,100	900	2,000	1.00

Source: FDOT Office of the Comptroller and Turnpike Enterprise Finance Office.
* Seasonal factors impacted by ramp up during early years after opening.

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 2017. 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 2017**



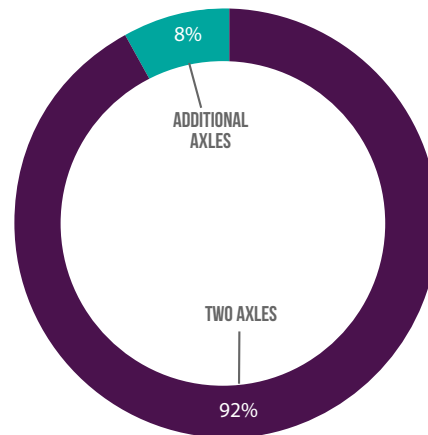
Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, January 16, 2017.

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.

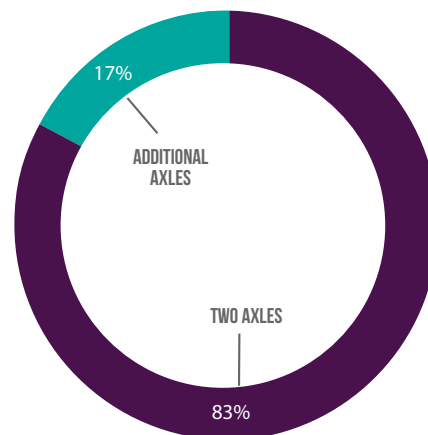
The "N minus 1" method of toll collection is used on the Wekiva Parkway. This method results in a more equitable toll structure for passenger cars relative to trucks.

Graph 5.2 shows the truck transactions and revenue contributions for FY 2017. Trucks (3+ axle vehicles) accounted for 8 percent of traffic on the facility and 17 percent of the revenue. In terms of actual revenue contributions, two-axle vehicles provided approximately \$490 thousand while

**GRAPH 5.2 - WEKIVA PARKWAY
TRANSACTIONS BY AXLE CLASS
FY 2017**



**REVENUE CONTRIBUTION BY AXLE CLASS
FY 2017**



vehicles with three or more axles provided \$98 thousand in revenue for FY 2017.

Table 5.4 shows the operating and routine maintenance expenses in FY 2017 along with a comparison between the FY 2017 actual and budgeted operating and routine maintenance expenses. For FY 2017, operating and routine maintenance expenses amounted to \$395 thousand, which exceeds forecast by \$163 thousand primarily due to higher costs associated with electronic toll collection, and roadway aesthetic improvements.

Maintenance of Wekiva Parkway, is under private 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 January 2016.

TABLE 5.4 - WEKIVA PARKWAY OPERATING AND ROUTINE MAINTENANCE EXPENSES FY 2017

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)
Operating	\$231	\$379	\$148
Routine Maintenance	1	16	15
Total	\$232	\$395	\$163

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2016 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 2017. SunPass® accounted for 85 percent of the total transactions in FY 2017. TOLL-BY-PLATE® transactions constituted the remaining 15 percent.

TABLE 5.5 - WEKIVA PARKWAY TRANSACTIONS BY PAYMENT METHOD FY 2017

Month	Transactions			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	42,011	9,019	51,030	82.3%
August	44,771	8,126	52,897	84.6
September	46,245	8,035	54,280	85.2
October	48,388	7,301	55,689	86.9
November	50,074	8,644	58,718	85.3
December	52,153	8,932	61,085	85.4
January 2017	53,759	9,300	63,059	85.3
February	52,992	9,120	62,112	85.3
March	60,269	10,375	70,644	85.3
April	57,274	10,266	67,540	84.8
May	60,146	10,322	70,468	85.4
June	58,267	10,489	68,756	84.7
Total	626,349	109,929	736,278	
Percentage	85.1%	14.9%	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 2017

Month	Gross Toll Revenue			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	\$34,148	\$5,911	\$40,059	85.2%
August	36,473	5,521	\$41,994	86.9
September	38,739	5,434	\$44,173	87.7
October	36,196	4,802	\$40,998	88.3
November	41,215	5,904	\$47,119	87.5
December	45,319	5,538	\$50,857	89.1
January 2017	45,620	5,945	\$51,565	88.5
February	45,805	5,878	\$51,683	88.6
March	50,552	6,393	\$56,945	88.8
April	47,290	6,086	\$53,376	88.6
May	50,232	5,731	\$55,963	89.8
June	48,663	4,796	\$53,459	91.0
Total	\$520,252	\$67,939	\$588,191	
Percentage	88.4%	11.6%	100.0%	

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

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approximately \$520 thousand, representing 88 percent of the total revenue in FY 2017. TOLL-BY-PLATE® constituted the remaining 12 percent of revenue. Monthly SunPass® revenue percentages ranged from 85 to 91 percent during the year.

5.4 FORECASTS

Wekiva Parkway traffic and revenue forecasts, as provided by the Office of Toll Finance, for FY 2018 through FY 2028 are shown in **Appendix D**. Projected operating and maintenance expenses during the FY 2018 through FY 2028 forecast period are shown in **Table 5.7**. The operating expenses for FY 2018 presented in this table represent the budgeted amount for that fiscal year (see **Appendix C** for a detailed description of the FY 2018 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 2018 THROUGH FY 2028**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense (\$000)	Total Operating & Routine Maintenance Expenses (\$000)
2018	\$266	\$181	\$447
2019	271	0	271
2020	276	5	281
2021	282	5	287
2022	288	5	293
2023	294	5	299
2024	300	5	305
2025	306	6	312
2026	312	6	318
2027	318	6	324
2028	324	6	330

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2018 and inflated at 2 percent annually.