

Department-operated Facility



Mid-Bay Bridge and Walter Francis Spence Parkway

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- \$29.4 million total toll revenue
- 11.4 million total transactions
- SunPass participation increased to 61.9 percent during the year

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Mid-Bay Bridge Authority System

7.1 Background

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

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

at Forest Road and Town Center Boulevard (both are located between Range Road and SR 285, north of the toll gantry).

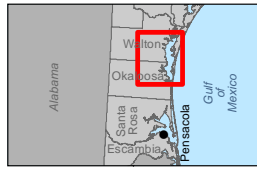
The Authority was established in 1986 as a dependent special district in Okaloosa County to plan, construct, operate, and maintain a bridge traversing Choctawhatchee Bay, and other transportation facilities that become part of its System. The Authority entered into a Lease-Purchase Agreement with the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

The Authority operates on the Okaloosa County fiscal year which runs from October 1 to September 30 each year. However, for consistency across all Department-owned and Department-operated facilities, all FY 2022 data for this facility are reported according to the Department’s fiscal year ending June 30, 2022, unless otherwise noted.

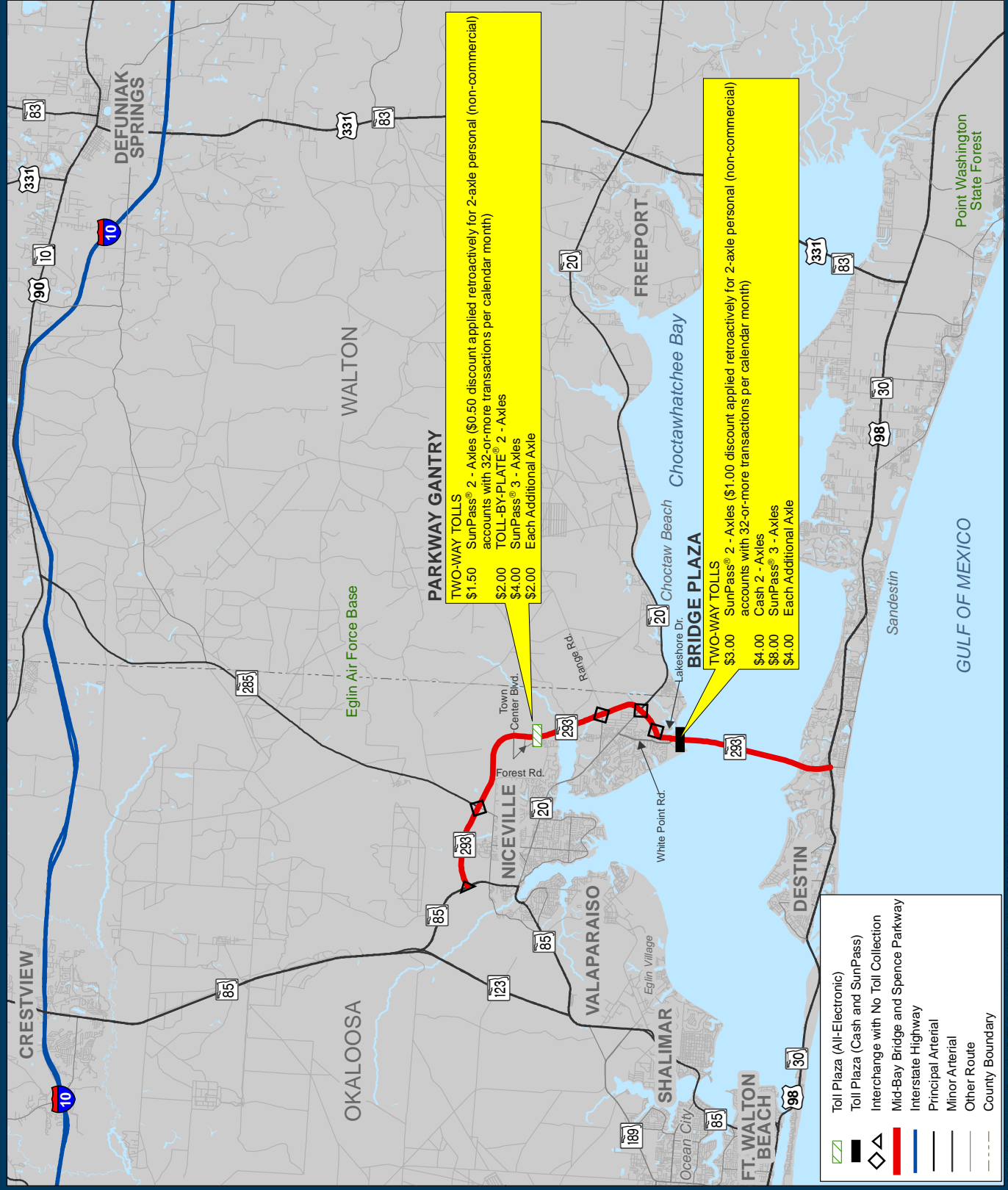
Tolls are collected in both directions on the Bridge and Parkway with Parkway tolls one-half



Figure 7.1
Mid-Bay Bridge Authority System (SR 293)



SOURCE:
 Florida Department
 of Transportation 2022;
 HERE 2022



those on the Bridge. Further, tolls on the Parkway are collected using AET technology. Customers have the option of paying with SunPass (or interoperable transponder) or TOLL-BY-PLATE (TBP) upon receiving a statement sent to them via US mail. Currently, two-axle tolls on both the Bridge and the Parkway are as follows:

Bridge:

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

Parkway:

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

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

7.2 FY 2022 Transactions and Toll Revenues

The annual change in traffic and toll revenue for the facility from FY 2012 through FY 2022 is presented in **Table 7.1**. Traffic and toll revenue have grown from 6.5 million transactions and \$15.7 million in FY 2012 to 11.4 million transactions and \$29.4 million in FY 2022. During this period, toll revenues increased due to higher traffic, toll rate increases, and the opening of the Parkway. The noticeable increase in traffic and toll revenue ramping up in FY 2014 is due to the opening of

the Spence Parkway in January 2014. In FY 2018 there was a 3.0 percent decrease in toll revenue, primarily attributable to a 15-day toll suspension (estimated \$1.1 million toll revenue loss) beginning on September 5, 2017, to aid in the evacuation and recovery efforts due to Hurricane Irma. Further, the toll revenue decrease is also impacted due to FY 2018 being a full year of implementation of the lower threshold frequent-user discount program that began January 2017. In FY 2019 there was a decrease in revenues of 3.1 percent mainly prompted by the 11-day toll suspension beginning on October 8, 2018 for Hurricane Michael that resulted in an estimated toll revenue loss of \$0.8 million. Additionally, the 8-day Bridge closure starting January 8, 2019 due to deterioration of eight post-tensioning tendons in the Bridge, as well as restrictions on multi-axle vehicles and intermittent closures for final repairs resulted in an estimated toll revenue loss of \$1.0 million. In FY 2021, traffic was impacted by Hurricane Sally from September 15, 2020 through September 17, 2020. During this period, cash toll collection

**Table 7.1 - Mid-Bay Bridge Authority
 Historical Transactions and Revenue Growth
 State FY 2012 through State FY 2022**

Fiscal Year	Transactions (000)				Toll Revenue ⁽¹⁾ (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2012	6,491	30	6,521	0.5	15,699	1.5	2.407
2013	6,523	42	6,565	0.7	15,797	0.6	2.406
2014 ⁽²⁾	7,644	43	7,687	17.1	17,015	7.7	2.213
2015	9,720	54	9,774	27.1	19,934	17.2	2.039
2016 ⁽³⁾	9,984	52	10,036	2.7	25,351	27.2	2.526
2017 ⁽³⁾	10,105	54	10,159	1.2	27,289	7.6	2.686
2018	10,104	500	10,604	4.4	26,475	(3.0)	2.497
2019	10,134	389	10,523	(0.8)	25,660	(3.1)	2.438
2020	9,502	62	9,564	(9.1)	24,101	(6.1)	2.520
2021	10,882	62	10,944	14.4	28,319	17.5	2.588
2022	11,335	57	11,392	4.1	29,394	3.8	2.580

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

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

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

⁽²⁾ The Spence Parkway opened to traffic on January 4, 2014. Toll collection on the facility started on January 6, 2014.

⁽³⁾ Tolls increased October 1, 2015, and frequent user discount modified on January 1, 2017.

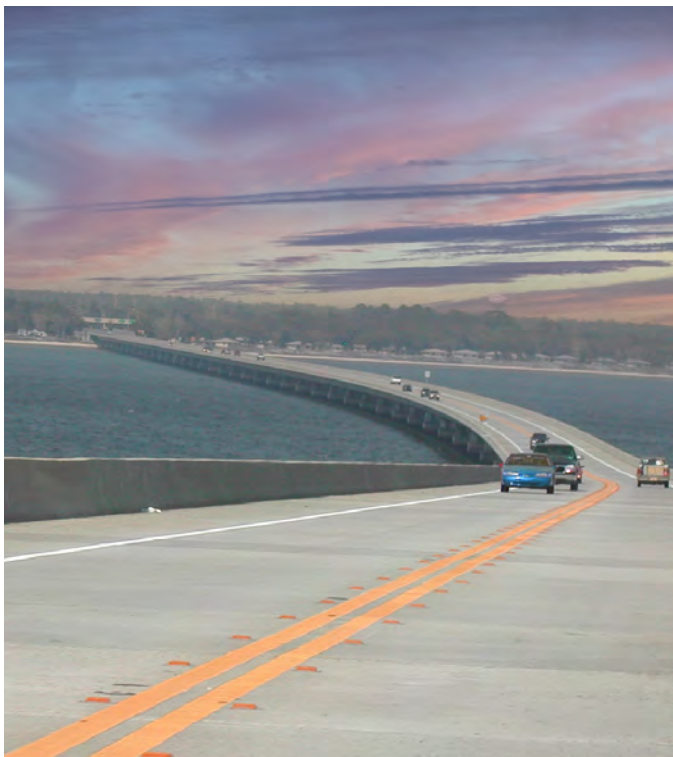
at the Bridge was temporarily replaced with TOLL-BY-PLATE collection to ensure the safety of the toll collectors.

Compared to FY 2020, total transactions and total revenues in FY 2021 increased 14.4 percent and 17.5 percent, respectively, largely due to the continued recovery following the pandemic. As COVID-19 cases began to fall and the state reopened gradually in FY 2021, the Authority experienced significant recovery in traffic volumes, especially given Mid-Bay’s unique advantage of serving tourists to Florida’s pristine beaches. This recovery continued in FY 2022 with transaction and revenue growth of 4.1 percent and 3.8 percent, respectively. Monthly transactions and toll revenue on the Bridge and the Parkway facilities during FY 2022 are presented in **Table 7.2**. The first and fourth quarters, which include the peak season, experienced the

**Table 7.2 - Mid-Bay Bridge Authority
 Monthly Transactions and Toll Revenue
 State FY 2022**

Month	Transactions (000)			Toll Revenue (\$000)		
	Mid-Bay Bridge	Spence Parkway	Total	Mid-Bay Bridge	Spence Parkway	Total
July 2021	829	406	1,235	\$2,690	\$633	\$3,323
August	683	317	1,000	2,163	478	2,641
September	630	293	923	1,963	441	2,404
1st Quarter Total	2,142	1,016	3,158	6,816	1,552	8,368
October	653	296	949	2,056	459	2,515
November	573	242	815	1,743	356	2,099
December	601	238	839	1,830	347	2,177
2nd Quarter Total	1,827	776	2,603	5,629	1,162	6,791
January 2022	511	205	716	1,528	293	1,821
February	523	214	737	1,580	306	1,886
March	681	302	983	2,111	440	2,551
3rd Quarter Total	1,715	721	2,436	5,219	1,039	6,258
April	695	311	1,006	2,120	445	2,565
May	738	330	1,068	2,260	458	2,718
June	770	351	1,121	2,362	332	2,694
4th Quarter Total	2,203	992	3,195	6,742	1,235	7,977
Annual Total	7,887	3,505	11,392	\$24,406	\$4,988	\$29,394

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

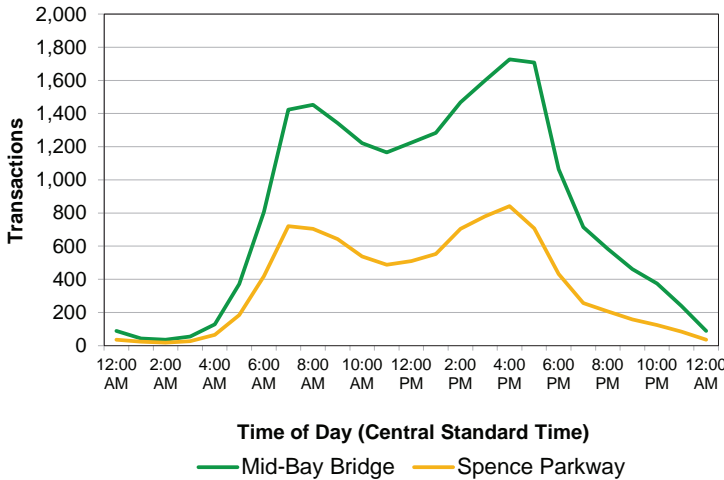


highest traffic and toll revenue of any other quarters.

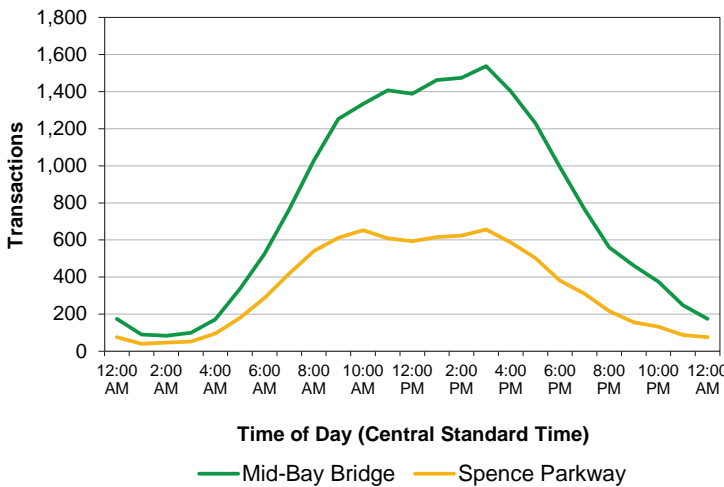
Graph 7.1 shows the number of hourly (Central Standard Time) weekday and weekend transactions of a typical week during FY 2022 for the Bridge and the Parkway. As expected, the demand for travel on the facilities during weekdays is highest during the morning and evening peak hours. Approximately 1,500 vehicles used the Bridge during the morning peak hour from 8:00 a.m. to 9:00 a.m. while, during the same time period, approximately 700 vehicles used the Parkway. In the evening peak period approximately 1,700 vehicles used the Bridge and over 800 vehicles used the Parkway facility from 4:00 p.m. to 5:00 p.m. On weekends, there is no clear morning or evening peak periods indicating that a large number of non-commuters, many associated with recreational travel, use each of the facilities. On

Saturdays, however, during the peak (summer) season, traffic tends to peak during the morning in the northbound direction, as tourists check-out of their accommodations and begin their trip home, while in the southbound direction

**Graph 7.1 - Mid-Bay Bridge Authority
 Typical Hourly Weekday Transactions
 State FY 2022**



**Typical Hourly Weekend Transactions
 State FY 2022**



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, October 18, 2021.

traffic tends to peak later in the day as tourists arrive to check-in to their accommodations.

The monthly transaction variations for the Bridge and the Parkway in FY 2022 are analyzed in **Table 7.3**. The overall two-way Annual Average

Daily Traffic (AADT) for the combined Bridge and Parkway for FY 2022 was 31,200. The peak season typically occurs between May and August. Typically, the lowest transaction levels

**Table 7.3 - Mid-Bay Bridge Authority
 Seasonal Transaction Variation
 State FY 2022**

Month	Average Daily Transactions			Seasonal Factor
	Mid-Bay Bridge	Spence Parkway	Total	
July 2021	26,700	13,100	39,800	1.28
August	22,000	10,200	32,200	1.03
September	21,000	9,800	30,800	0.99
October	21,100	9,600	30,700	0.98
November	19,100	8,100	27,200	0.87
December	19,400	7,700	27,100	0.87
January 2022	16,500	6,600	23,100	0.74
February	18,700	7,600	26,300	0.84
March	22,000	9,700	31,700	1.02
April	23,200	10,400	33,600	1.08
May	23,800	10,600	34,400	1.10
June	25,700	11,700	37,400	1.20
AADT	21,600	9,600	31,200	1.00

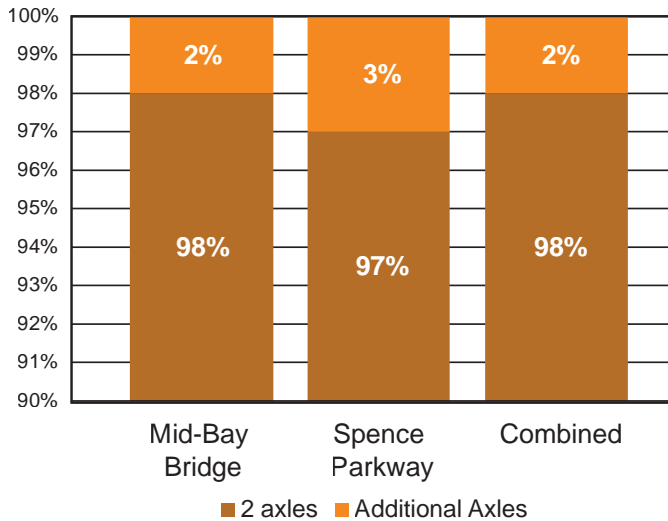
occur from November through February, as it is the off-season for tourists and seasonal residents in northwest Florida.

The traffic and toll revenue contributions from trucks on the Bridge, the Parkway and the combined facilities are shown in **Graph 7.2**. For FY 2022, trucks accounted for approximately two percent of traffic on the Bridge, three percent on the Parkway and two percent on the combined facilities. Correspondingly, the toll revenue collected from truck traffic amounted to six percent of the total on the Bridge, nine percent on the Parkway and six percent on the combined facilities. In terms of actual amounts, vehicles with three or more axles provided approximately \$1.4 million on the Bridge, \$467 thousand on the Parkway and \$1.9 million total.

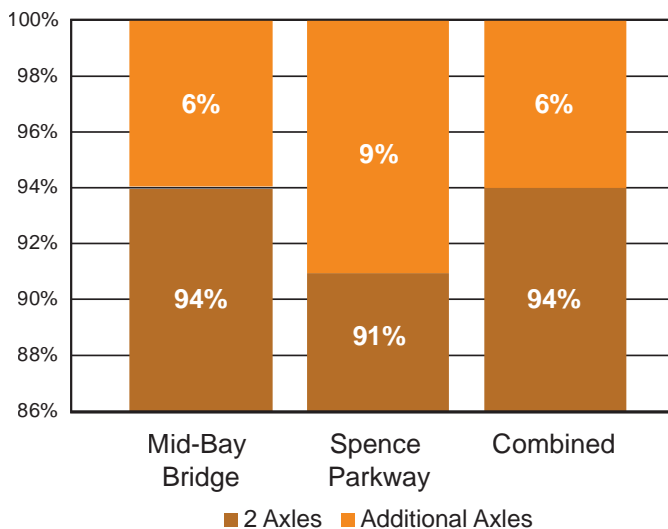
7.3 SunPass

The Mid-Bay Bridge toll plaza is an eight-lane plaza. Toll collection on the Parkway

Graph 7.2 Mid-Bay Bridge Authority Transactions by Axle Class State FY 2022



Revenue Contribution by Axle Class State FY 2022



is accomplished via AET at a four-lane toll gantry (See **Appendix A** for the toll plaza configurations). The percentage of SunPass transactions on the System during FY 2022 is shown in **Table 7.4**. As indicated, SunPass transactions totaled approximately 7.0 million, resulting in a participation rate of 62 percent. Individually, the SunPass participation rate on the Bridge during FY 2022 was 63 percent while on the Parkway the participation rate was 60 percent. On a monthly basis, the highest SunPass participation rate occurred during the winter

months (November through February) when commuters constitute a larger share of the total volume on both the Bridge and the Parkway.

Table 7.4 - Mid-Bay Bridge Authority Transactions by Payment Method State FY 2022

Month	Transactions (000)			Percent SunPass
	SunPass	Non-SunPass	Total	
July 2021	649	586	1,235	52.6%
August	585	415	1,000	58.5
September	566	357	923	61.3
October	591	358	949	62.3
November	551	264	815	67.6
December	579	260	839	69.0
January 2022	509	207	716	71.1
February	513	224	737	69.6
March	617	366	983	62.8
April	625	381	1,006	62.1
May	634	434	1,068	59.4
June	629	492	1,121	56.1
Total	7,048	4,344	11,392	
Percentage	61.9%	38.1%	100.0%	

Source: Turnpike Enterprise Finance Office.

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

In June 2021, the Department introduced a new portable transponder, SunPass PRO™. This transponder can be used everywhere E-ZPass is accepted across 19 states, enabling seamless travel from Florida to Maine and west to Minnesota. Priced at \$14.95, plus tax, SunPass PRO™ can be purchased at CVS pharmacies, Walgreens, Publix, Mid-Bay Bridge Administration Office, online at www.sunpass.com, or by calling 888-TOLL-FLA.

Table 7.5 shows SunPass toll revenue on the Bridge and the Parkway is \$17.0 million, 58 percent of all toll revenue collected on the System. The SunPass toll revenue amount is net of the SunPass rebates for the two facilities (for those eligible accounts incurring 32-or-more transactions per calendar month per facility) which amounted to \$2.0 million. SunPass toll revenue percentage is lower than the SunPass transaction percentage due to the lower (discounted) toll paid by two-axle SunPass customers.

**Table 7.5 - Mid-Bay Bridge Authority
 Gross Toll Revenue by Payment Method
 State FY 2022**

Month	Gross Toll Revenue (\$000)			Percent SunPass
	SunPass ⁽¹⁾	Non-SunPass	Total	
July 2021	\$1,545	\$1,778	\$3,323	46.5%
August	1,383	1,258	2,641	52.4
September	1,346	1,058	2,404	56.0
October	1,430	1,085	2,515	56.9
November	1,323	776	2,099	63.0
December	1,416	761	2,177	65.0
January 2022	1,226	595	1,821	67.3
February	1,249	637	1,886	66.2
March	1,523	1,028	2,551	59.7
April	1,498	1,067	2,565	58.4
May	1,528	1,190	2,718	56.2
June	1,522	1,172	2,694	56.5
Total	\$16,989	\$12,405	\$29,394	
Percentage	57.8%	42.2%	100.0%	

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

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

7.4 FY 2022 Expenses and Liabilities

Historical operating and routine maintenance expenses from FY 2012 through FY 2022 are presented in **Table 7.6**. Operating expenses have increased from approximately \$2.1 million in FY 2012 to \$4.6 million in FY 2022. The significant increase in FY 2014 and FY 2015 is due to the opening of the Parkway and overall growth in traffic transactions. The decrease in operating expense in FY 2019 is due to the resumption of TOLL-BY-PLATE invoice processing in the second half of FY 2019. Consequently, fewer invoices were mailed in FY 2019 resulting in lower processing costs. The subsequent increases are attributed to a higher cost of full year processing and mailing invoices, transaction growth, and increase in payment card processing fees. During the same period, routine maintenance expenses increased from \$187 thousand to \$777 thousand. The significant increase in maintenance expenses beginning in FY 2019 is due to the expanded footprint of the Parkway and Bridge maintenance activities required by the asset maintenance contract. Combined,

**Table 7.6 - Mid-Bay Bridge Authority
 Florida Department of Transportation
 Historical Operating and
 Routine Maintenance Expenses
 State FY 2012 through State FY 2022**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense ⁽¹⁾ (\$000)	Total O&M Expenses (\$000)
2012	\$2,124	\$187	\$2,311
2013	2,045	314	2,359
2014	2,348	261	2,609
2015 ⁽²⁾	2,795	312	3,107
2016	2,969	220	3,189
2017	3,191	281	3,472
2018	3,270	281	3,551
2019	3,086	738	3,824
2020	3,667	781	4,448
2021	4,393	781	5,174
2022	4,647	777	5,424

Source: FDOT Office of the Comptroller.

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

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

total O&M expenses increased from \$2.3 million in FY 2012 to \$5.4 million in FY 2022.

Maintenance of the Bridge has been performed under a private Asset Maintenance Contract since FY 2005. Maintenance activities include roadside mowing and upkeep, guardrail repair, shoulder repair, bridge inspection and other routine maintenance. In addition to routine maintenance expenses, approximately \$85 thousand in periodic maintenance and capital improvement expenses were incurred during FY 2022 for bridge repairs and toll system enhancements.

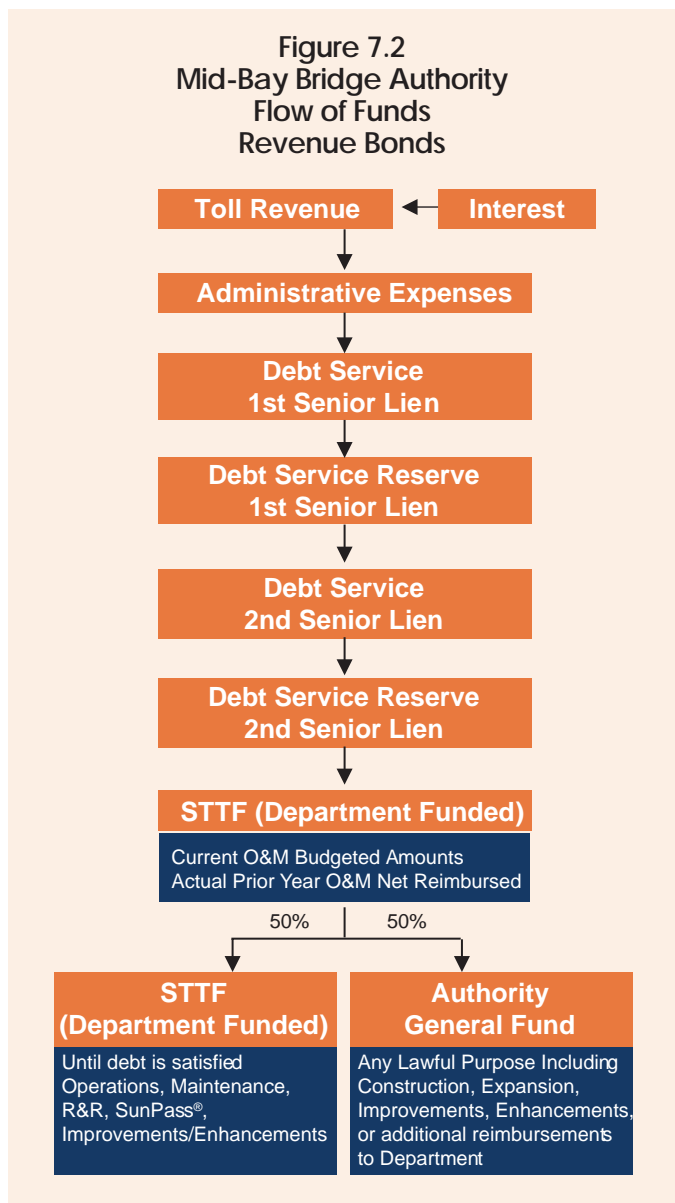
A comparison between actual and budgeted operating and routine maintenance expenses for FY 2022 is presented in **Table 7.7**. Actual operating expenses of \$4.6 million were more than the FY 2022 budget largely due to higher payment card fees pursuant to a new contract. Actual routine maintenance expenses were approximately the same as the FY 2022 budget. Overall, operating and routine maintenance expenses for FY 2022 were \$771 thousand higher than budgeted amounts.

**Table 7.7 - Mid-Bay Bridge Authority
 Florida Department of Transportation Operating
 and Routine Maintenance Expenses
 State FY 2022**

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$3,898	\$4,647	\$749	19.2%
Routine Maintenance	755	777	22	2.9
Total	\$4,653	\$5,424	\$771	16.6%

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2021 Enterprise Toll Operations Traffic Engineer's Annual Report.

As reflected in **Figure 7.2**, toll revenues in excess of the Authority's administrative expenses, debt service, and current year operating and



maintenance liability to the Department shall be applied as follows: 50 percent of the annual amount deposited shall be transferred to the Department until all outstanding amounts due to the Department are fully repaid. The remaining 50 percent is to be used by the Authority for any lawful purpose at such time as the Authority shall determine.

An analysis of the FY 2022 State Transportation Trust Fund (STTF) long-term liability is presented in **Table 7.8**. FY 2022 additions to the liability totaled approximately \$5.5 million. During FY 2022, \$8.7 million was reimbursed to the Department which comprised of \$5.9 million for operating and maintenance expenses, and \$2.8 million applied to the long-term liability.

**Table 7.8 - Mid-Bay Bridge Authority
 STTF Long-Term Liability (\$000)
 State FY 2022**

Transaction	Amount (\$000)
Balance, July 1, 2021	\$10,458
Additions ⁽¹⁾	5,510
Reductions ⁽²⁾	(8,738)
Balance, June 30, 2022	\$7,230

Source: FDOT Office of the Comptroller.

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

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

7.5 Noteworthy Events

In response to the evacuation and recovery efforts due to Hurricane Ian, tolls were suspended on the Mid-Bay Bridge and the Spence Parkway starting on September 26, 2022 for approximately 29 hours. This toll suspension resulted in a revenue loss of \$115 thousand. There were no toll suspensions in November 2022 related to Hurricane Nicole.

7.6 Expense Forecasts

The Department's projected operating and maintenance expenses for FY 2023 through FY 2033 are shown in **Table 7.9**. The operating expenses in FY 2023 are projected to be lower than FY 2021 actual largely due to lower SunPass



Table 7.9
Mid-Bay Bridge Authority
Projected Operating and Maintenance Expenses
State FY 2023 through State FY 2033

Fiscal Year	Operating Expense (\$000)	Maintenance Expenses ⁽¹⁾		Total O&M Expenses (\$000)
		Routine (\$000)	Periodic (\$000)	
2023	\$3,937	\$850	\$97	\$4,884
2024	4,055	895	1,024	5,974
2025	4,177	852	1,408	6,437
2026	4,302	852	3,093	8,247
2027	4,431	878	10,001	15,310
2028	4,564	904	3,895	9,363
2029	4,701	931	945	6,577
2030	4,842	959	265	6,066
2031	4,987	988	53	6,028
2032	5,137	1,018	51	6,206
2033	5,291	1,049	53	6,393

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2023 and inflated at 3.0 percent annually.

⁽¹⁾ Routine maintenance and periodic maintenance expenses (prepared November 2022) from FY 2023 through FY 2032 were provided by the FDOT Project Finance Office and increased at 3.0 percent for FY 2033.

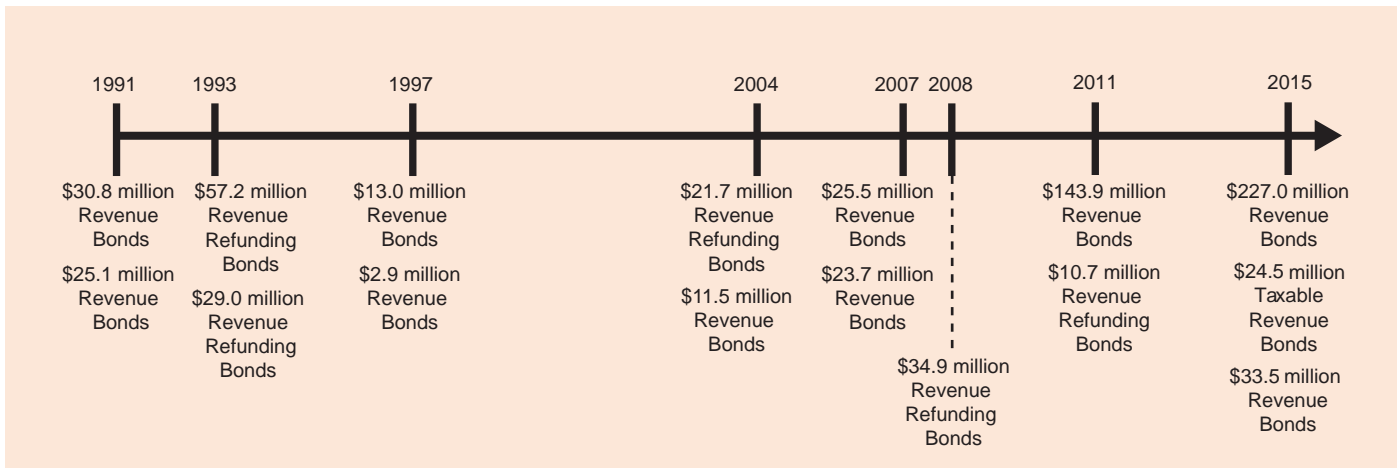
toll operation costs (see **Appendix C** for a detailed description of the operating expense budget). Subsequent to FY 2023, operating expenses are projected to grow at 3.0 percent annually to allow for inflation.

Routine Maintenance and Periodic Maintenance expenses are provided by the Department's Office of Project Finance through FY 2032 with FY 2033 projected to increase at 3.0 percent. The increase in Periodic Maintenance expenses starting in FY 2024 through FY 2028 primarily reflect approximately six miles of resurfacing on the southern and the northern section of the bridge to Range Road.

7.7 Revenue Sufficiency

In June 2015, the Authority refinanced all outstanding debt with issuance of the Series 2015 Revenue Bonds. The total amount of the bond issue was \$285.0 million. As of October 1, 2022, bonds in the principal amount of \$247.7 million remained outstanding from the Series 2015 Revenue Bonds. A timeline of Mid-Bay Bridge bond sales for the facility is shown in **Figure 7.3**.

Figure 7.3
 Mid-Bay Bridge Authority Bond Issues



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