

# Department-operated Facilities



## GARCON POINT BRIDGE

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- \$7.1 million total toll revenue
- 2.0 million total transactions
- SunPass® participation increased to 49.2 percent during the year



## MID-BAY BRIDGE AND WALTER FRANCIS SPENCE PARKWAY

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- \$27.3 million total toll revenue
- 10.2 million total transactions
- SunPass® participation increased slightly to 64.7 percent during the year

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# GARCON POINT BRIDGE

## 6.1 BACKGROUND

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

**Figure 6.1** shows a map of Garcon Point Bridge and the surrounding area. The toll plaza is located at the southern end of Garcon Point, and tolls are collected in both directions. Beyond the Gulf Breeze peninsula, south of Santa Rosa Sound, the Sikes Bridge (SR 399) and Navarre Bridge provide access to the resort communities on Santa Rosa Island.

The Santa Rosa Bay Bridge Authority, established in 1984, oversaw the financing and construction of the Garcon Point Bridge. Construction of this two-lane facility was financed by the Series 1996 Revenue Bonds. The two-lane bridge opened to traffic on May 14, 1999.



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

As a result of low traffic levels and despite four toll rate increases, revenues were not enough to meet debt service. Consequently, in April 2011 bond debt service went into default as the Authority was not able to make its July 2011 debt service payment. As of FY 2017, the bonds remained in default. (It should be noted that the bond documents clearly advised investors that neither the State of Florida nor Santa Rosa County would have any responsibility for payment of the bond debt). The Department, however, continues to operate and maintain the Garcon Point Bridge. Further details can be found in **Section 6.7 - Revenue Sufficiency**.

When the Garcon Point Bridge opened to traffic in May 1999, the toll for passenger cars and other two-axle vehicles was set at \$2.00. Based on an adopted toll rate program, tolls were increased every three years. Beginning July 1, 2001 (FY 2002), the toll rate was increased to \$2.50 for two-axle vehicles in FY 2002, to \$3.00 in FY 2005, to \$3.50 in FY 2008 and to \$3.75 on January 5, 2011 (FY 2011), reflecting the fourth scheduled toll rate increase. This rate is still in effect today. SunPass® users of two-axle vehicles receive a 50 percent rebate after they reach a threshold of 30 toll transactions per month on the Garcon Point Bridge. Vehicles with three or more axles pay an additional \$3.75 per axle calculated using the “N minus 1” method.

ENTERPRISE TOLL OPERATIONS



**Table 6.1** shows historical transactions and revenue growth on the Garcon Point Bridge. Traffic and revenue in the last 10 years has grown from 1.7 million transactions and \$4.8 million in toll revenues to 2.0 million transactions and \$7.1 million in toll revenues in FY 2017. Traffic and revenue declined during the period of economic recession and also decreased as a result of toll increases. In addition, there was a decline in traffic and revenue as a result of the BP Oil Spill that occurred in April 2010.

Compared to FY 2016, total transactions increased 13.3 percent while revenues increased

**TABLE 6.1 - GARCON POINT BRIDGE  
HISTORICAL TRANSACTIONS AND REVENUE GROWTH  
FY 2007 THROUGH FY 2017**

Fiscal Year	Transactions (000)				Toll Revenue <sup>(1)</sup> (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2007	1,666	4	1,670	-	\$4,790	-	\$2.868
2008	1,439	4	1,443	(13.6%)	4,767	(0.5%)	3.304
2009	1,312	7	1,319	(8.6)	4,369	(8.3)	3.312
2010	1,264	4	1,268	(3.9)	4,203	(3.8)	3.315
2011	1,243	8	1,251	(1.3)	4,276	1.7	3.418
2012	1,268	22	1,290	3.1	4,592	7.4	3.560
2013	1,284	26	1,310	1.6	4,736	3.1	3.615
2014	1,421	19	1,440	9.9	5,225	10.3	3.628
2015	1,551	18	1,569	9.0	5,648	8.1	3.600
2016	1,719	18	1,737	10.7	6,327	12.0	3.642
2017	1,948	20	1,968	13.3	7,146	12.9	3.631

Source: FDOT Office of the Comptroller and Turnpike Enterprise Finance Office.  
 Note: The non-revenue class includes authorized vehicles that pass through a toll plaza without incurring a toll (i.e., law enforcement, emergency vehicles) and transactions reported during toll suspensions attributable to hurricanes.  
 (1) Toll revenue reported net of the SunPass discount since the facility opened.

12.9 percent. This increase in transactions and revenue can be attributed to generally improving economic conditions in Florida. Pointing to this recovery, FY 2017 hotel bed tax collections in Santa Rosa County were up 17 percent over FY 2016 collections.

Historical operating and routine maintenance expenses from FY 2007 through FY 2017 are

presented in **Table 6.2**. Total operating and maintenance expenses have increased slightly from approximately \$1.1 million in FY 2007 to \$1.3 million in FY 2017.

**TABLE 6.2 - GARCON POINT 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	\$1,020	\$118	\$1,138
2008	1,051	124	1,175
2009	997	98	1,095
2010	956	135	1,091
2011	969	160	1,129
2012	1,017	196	1,213
2013	987	148	1,135
2014	1,014	159	1,173
2015	1,123	102	1,225
2016	1,101	82	1,183
2017	1,128	141	1,269

Source: FDOT Office of the Comptroller.

Maintenance activities that include roadside mowing and upkeep, guardrail repair, shoulder repair, bridge inspection and other routine maintenance items are provided in-house by the department. Toll facilities maintenance and bridge inspections are performed outside the scope of the Asset Maintenance Contract.

## 6.2 FY 2017 TRANSACTIONS AND TOLL REVENUE

Monthly transactions and toll revenue on the Garcon Point Bridge during FY 2017 are presented in **Table 6.3**. The second and third quarters generated a slightly lower number of transactions and toll revenue as these are not the peak months for travel.

**Graph 6.1** shows the number of hourly weekday

**ENTERPRISE TOLL OPERATIONS**

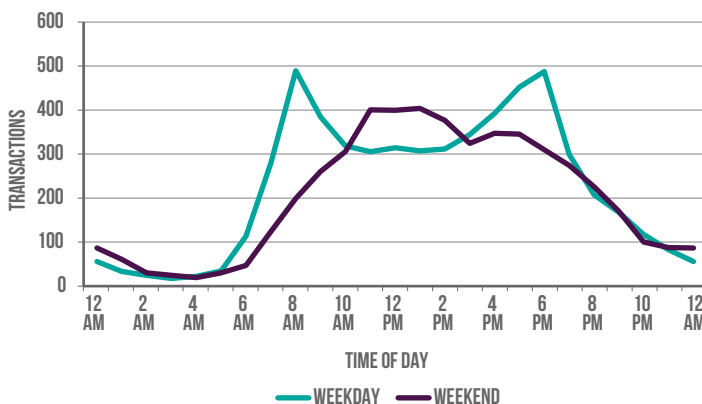
**TABLE 6.3 - GARCON POINT BRIDGE  
MONTHLY TRANSACTIONS AND TOLL REVENUE  
FY 2017**

Month	Transactions (000)	Toll Revenue (\$000)
July 2016	203	\$750
August	169	613
September	152	549
1st Quarter Total	524	1,912
October	154	554
November	140	509
December	137	491
2nd Quarter Total	431	1,554
January 2017	132	476
February	137	494
March	181	662
3rd Quarter Total	450	1,632
April	180	666
May	190	687
June	193	695
4th Quarter Total	563	2,048
<b>Annual Total</b>	<b>1,968</b>	<b>\$7,146</b>

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

and weekend transactions of a typical week during FY 2017 on the Garcon Point Bridge. As indicated, weekday demand for travel on the facility is the highest during the morning and evening peak hours. The morning peak

**GRAPH 6.1 - GARCON POINT BRIDGE  
TYPICAL HOURLY TRANSACTIONS  
FY 2017**



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, August 15, 2016.

hour occurs from 8:00 a.m. to 10:00 a.m. and the afternoon peak occurs from 5:00 p.m. to 7:00 p.m. In addition, midday traffic volumes of approximately 300 vehicles per hour show the relative influence of non-commuters (tourist/recreational travelers) on the facility. The influence of tourists and recreational travelers is noticeably more pronounced on the weekends.

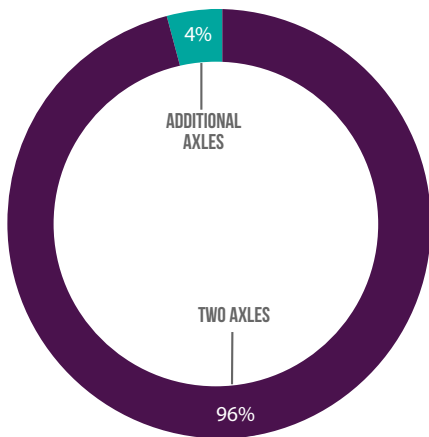
**Table 6.4** shows the monthly seasonal transaction variation in FY 2017. On average, approximately 5,400 vehicles use the bridge each day, up 700 vehicles per day from FY 2016. During the spring and summer months, transactions exceed the normal pattern observed on this facility due to tourists and seasonal residents with July exceeding the average by 20 percent. January was the lowest month at 20 percent below the average.

**TABLE 6.4 - GARCON POINT BRIDGE  
SEASONAL TRANSACTION VARIATION  
FY 2017**

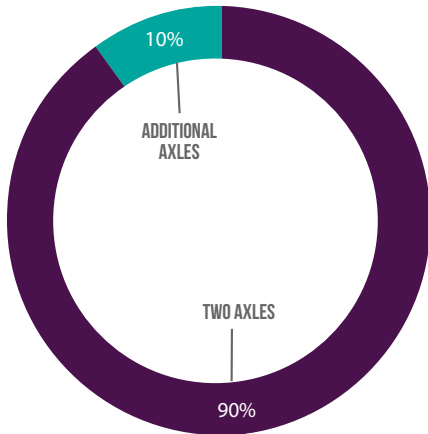
Month	Average Daily Transactions	Seasonal Factor
July 2016	6,500	1.20
August	5,400	1.00
September	5,100	0.94
October	5,000	0.93
November	4,700	0.87
December	4,400	0.81
January 2017	4,300	0.80
February	4,900	0.91
March	5,800	1.07
April	6,000	1.11
May	6,100	1.13
June	6,400	1.19
<b>AADT</b>	<b>5,400</b>	<b>1.00</b>

Traffic and revenue contributions for trucks on the Garcon Point Bridge are shown in **Graph 6.2**. For FY 2017, trucks accounted for approximately four percent of traffic on the facility. Correspondingly, the revenue

**GRAPH 6.2 - GARCON POINT BRIDGE  
TRANSACTIONS BY AXLE CLASS  
FY 2017**



**REVENUE CONTRIBUTION BY AXLE CLASS FY 2017**



collected from truck traffic translated into ten percent of the total revenue on the facility. The revenue percentage for trucks is calculated by the “N minus 1” toll method. In terms of actual revenues, trucks provided approximately \$695 thousand of the total revenues, while passenger vehicles comprised the remaining \$6.4 million.

### 6.3 SUNPASS®

SunPass® was implemented on the Garcon Point Bridge concurrent with the opening of the facility. The toll plaza has five lanes, and tolls are collected in both directions with SunPass® technology available in select lanes (see **Appendix A** for the lane configurations). A discount is provided to users of SunPass®



beyond the threshold of 30 transactions on the Garcon Point Bridge toll facility per month. As such, drivers of two-axle vehicles are given a 50 percent retroactive discount once they exceed the threshold.

**Table 6.5** shows the SunPass® transactions on Garcon Point Bridge during FY 2017. SunPass® usage totaled 968 thousand transactions in FY 2017, resulting in a SunPass® participation rate of 49 percent, up from 44 percent in FY 2016.

**TABLE 6.5 - GARCON POINT BRIDGE  
TRANSACTIONS BY PAYMENT METHOD  
FY 2017**

Month	Transactions (000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	74	129	203	36.5%
August	77	92	169	45.6
September	74	78	152	48.7
October	80	74	154	51.9
November	75	65	140	53.6
December	74	63	137	54.0
January 2017	76	56	132	57.6
February	75	62	137	54.7
March	90	91	181	49.7
April	89	91	180	49.4
May	95	95	190	50.0
June	89	104	193	46.1
<b>Total</b>	<b>968</b>	<b>1,000</b>	<b>1,968</b>	
<b>Percentage</b>	<b>49.2%</b>	<b>50.8%</b>	<b>100.0%</b>	

Source: Turnpike Enterprise Finance Office.  
Note: SunPass and Cash transactions represent toll-paying and non-revenue transactions.

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On a daily basis, approximately 2,700 vehicles out of 5,400 utilize SunPass®. The monthly SunPass® participation ranged from 37 percent in July 2016 to 58 percent in January 2017, peaking during the winter months due to a lower percentage of tourists.

Revenue attributable to SunPass® for FY 2017 totaled \$3.3 million, as shown in **Table 6.6**. This amount represents 47 percent of all toll revenue. The SunPass® revenue amount is net of the SunPass® discount for the facility, which for FY 2017, amounted to approximately \$520 thousand. The monthly SunPass® revenue contribution ranged from a low of 34 percent to a high of 54 percent during FY 2017.

**TABLE 6.6 - GARCON POINT BRIDGE GROSS TOLL REVENUE BY PAYMENT METHOD FY 2017**

Month	Gross Toll Revenue (\$000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	\$258	\$492	\$750	34.4%
August	263	350	613	42.9
September	253	296	549	46.1
October	271	283	554	48.9
November	259	250	509	50.9
December	253	238	491	51.5
January 2017	257	219	476	54.0
February	258	236	494	52.2
March	312	350	662	47.1
April	314	352	666	47.1
May	322	365	687	46.9
June	306	389	695	44.0
<b>Total</b>	<b>\$3,326</b>	<b>\$3,820</b>	<b>\$7,146</b>	
<b>Percentage</b>	<b>46.5%</b>	<b>53.5%</b>	<b>100.0%</b>	

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

**6.4 FY 2017 EXPENSES AND LIABILITIES**

A comparison between actual and budgeted operating and routine maintenance expenses in

FY 2017 are shown in **Table 6.7**. Actual operating and routine maintenance expenses were approximately 2.5 percent, or \$33 thousand, lower than the FY 2017 budget.

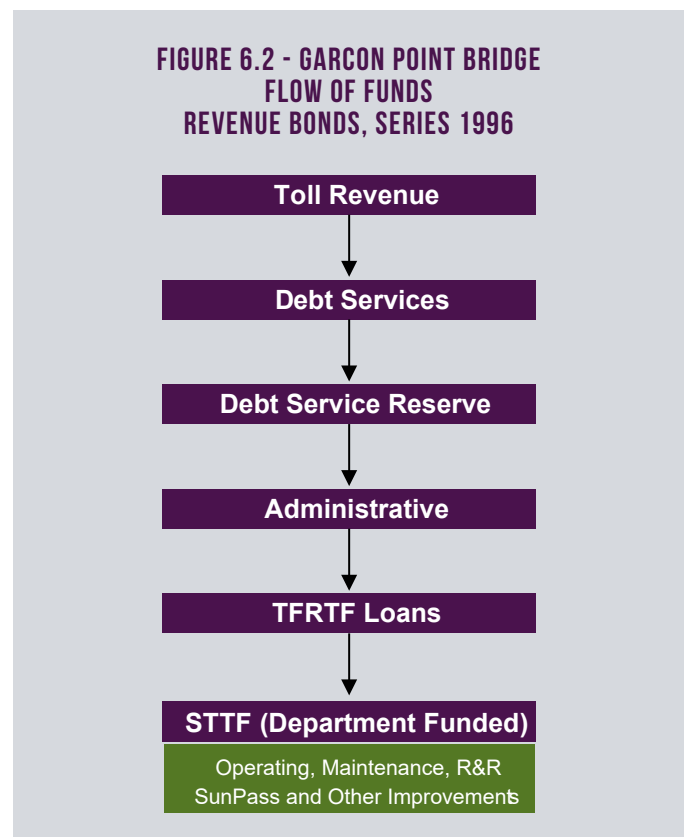
**TABLE 6.7 - GARCON POINT BRIDGE OPERATING AND ROUTINE MAINTENANCE EXPENSES FY 2017**

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$1,102	\$1,128	\$26	2.4%
Routine Maintenance	200	141	(59)	(29.5)
<b>Total</b>	<b>\$1,302</b>	<b>\$1,269</b>	<b>(\$33)</b>	<b>(2.5%)</b>

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

As shown in **Figure 6.2**, Garcon Point Bridge has liabilities payable to the Department for Toll Facility Revolving Trust Fund (TFRTF) loans and an advance from the STTF. As of June 30, 2017, the TFRTF balance was approximately \$7.9 million, to be repaid when sufficient funds become available.

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





The second liability is an advance for the costs of operating and maintaining the toll facility. The Department, in accordance with the Lease-Purchase Agreement between the Department and the Santa Rosa Bay Bridge Authority, pays operating and maintenance expenses on the bridge. These costs are considered long-term receivables by the Department. This liability is to be paid subsequent to the payment of the TFRTF loans. An analysis of long-term liabilities for FY 2017 is presented in **Table 6.8**. The long-term liability balance as of June 30, 2017 was approximately \$25.3 million.

**TABLE 6.8 - GARCON POINT BRIDGE LONG-TERM LIABILITY FY 2017**

Transaction	Amount (\$000)
Balance, July 1, 2016	\$23,069
Additions: Costs for FY 2017 <sup>(1)</sup>	2,192
Balance, June 30, 2017	\$25,261

(1) Costs for FY 2017 include the following: Toll Operations (TOBC - Direct & Indirect), Total Routine Maintenance and Other DSBC Costs (Capital Costs Direct & Capital Costs Indirect).

### 6.5 NOTEWORTHY EVENTS

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

On September 5, 2017 (FY 2018), tolls were suspended for 15 days due to Hurricane Irma evacuation and recovery efforts. The toll suspension resulted in a \$331 thousand loss in revenue collections.

### 6.6 EXPENSE FORECASTS

Projected operating and routine maintenance expenses for FY 2018 through FY 2028 are shown in **Table 6.9**. Budgeted operating expenses for FY 2018 are approximately \$1.0 million. The operating expense budget is developed by the Turnpike Enterprise Finance Office.

**Appendix C** contains 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 Department’s Office of Project Finance through FY 2023. Subsequent to FY 2023, routine maintenance expenses were increased at approximately 2.0 percent annually.

**TABLE 6.9 - GARCON POINT BRIDGE PROJECTED OPERATING AND ROUTINE MAINTENANCE EXPENSES FY 2018 THROUGH FY 2028**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense (\$000)	Total Operating & Routine Maintenance Expenses (\$000)
2018	\$1,047	\$424	\$1,471
2019	1,068	113	1,181
2020	1,089	113	1,202
2021	1,111	113	1,224
2022	1,133	113	1,246
2023	1,156	113	1,269
2024	1,179	115	1,294
2025	1,203	117	1,320
2026	1,227	119	1,346
2027	1,252	122	1,374
2028	1,277	124	1,401

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

### 6.7 REVENUE SUFFICIENCY

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

Each year, an amount of principal and accrued interest on the outstanding bonds becomes due and payable. This amount is known as the annual debt service. As a test of the ability of a facility to repay the annual debt service, a “coverage” ratio calculation is performed. In accordance with the Series 1996 Bond Resolution, gross revenues are

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required to provide 120 percent of the Annual Net Debt Service Requirement (or a 1.2 coverage ratio). The Authority has never met the required coverage ratio.

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

## MID-BAY BRIDGE AUTHORITY SYSTEM

### 7.1 BACKGROUND

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

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

The Authority was established in 1986 as a dependent special district of 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 as lease payments. The lease term runs concurrently with the bonds and when the bonds mature and are fully paid, the Department will



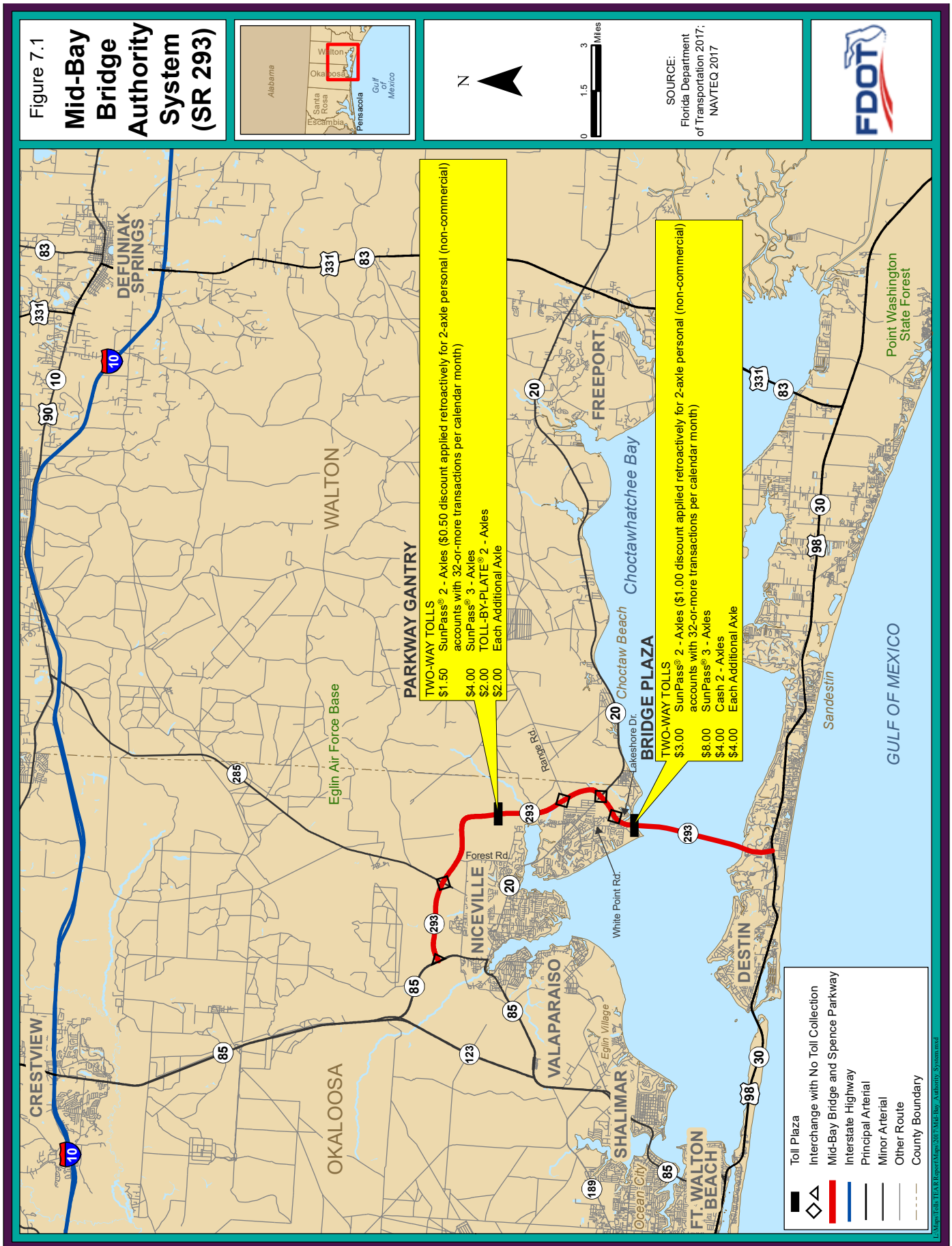
obtain ownership of the facility.

The Authority operates on the Okaloosa County fiscal year which ends September 30. However, for consistency across all Department-owned and Department-operated facilities, all FY 2017 data for this facility is reported according to the Department’s fiscal year ending June 30, 2017, unless otherwise noted.

Tolls are collected in both directions on the Bridge and Parkway with Parkway tolls one-half those on the bridge. Further, tolls on the Parkway are collected using AET technology. Users have the option of paying with SunPass® or TOLL-BY-PLATE® (TBP). Those electing to pay by TBP have the option of either setting up a prepaid account (to avoid service charges) or having a statement sent to them via US mail.

On November 17, 2016 the Mid-Bay Bridge Authority voted to modify the two axle frequent user SunPass® toll rate by lowering the threshold required to take advantage of the lowest toll rates from 41-or-more trips per month per account to 32-or-more trips per month per account. This change was effective January 1, 2017.

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

Bridge:

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

Parkway:

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

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

## 7.2 FY 2017 TRANSACTIONS AND TOLL REVENUES

Generally, both traffic and revenue on the Bridge have increased over the years. The annual increase in traffic and revenue for the facility from FY 2007 through FY 2017 is presented in **Table 7.1**. Traffic and toll revenue have grown from 7.5 million transactions and \$14.2 million in FY 2007 to 10.2 million transactions and \$27.3 million in FY 2017. Toll revenues increased due to the toll rate increases and the opening of the Parkway. However, Bridge traffic did decline during the Great Recession as a result of the economic slowdown affecting the state of Florida, particularly the reduced level of tourism in Okaloosa and Walton counties.

Transactions and revenue during the late spring-early summer of 2010 (FY 2011) were also affected

by the BP oil spill, which began with the explosion of the Deepwater Horizon drilling platform on April 20, 2010. While the oil slick moved eastward from the waters off of Louisiana to Mississippi and Alabama, and began affecting the beaches in Escambia and Santa Rosa Counties, it only minimally affected Okaloosa Island to the west of Destin.

Post-oil spill transactions (and toll revenue) began an upward climb as tourists began to return to the area and as the economy began to recover. In fact, Northwest Florida again experienced another positive tourist season. Most currently, the first two months of FY 2018 (July and August 2017) revealed that the hotel bed tax collections in Okaloosa and Walton counties (combined) were up over 14 percent compared to the same months in FY 2017.

**TABLE 7.1 - MID-BAY BRIDGE AUTHORITY HISTORICAL TRANSACTIONS AND REVENUE GROWTH STATE FY 2007 THROUGH STATE FY 2017**

Fiscal Year	Transactions (000)				Toll Revenue (\$000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2007	7,452	3	7,455	-	\$14,200	-	\$1.905
2008	7,165	3	7,168	(3.8%)	13,421	(5.5%)	1.872
2009	6,789	50	6,839	(4.6)	12,586	(6.2)	1.840
2010	6,755	4	6,759	(1.2)	12,867	2.2	1.904
2011	6,476	13	6,489	(4.0)	15,472	20.2	2.384
2012	6,491	30	6,521	0.5	15,699	1.5	2.407
2013	6,523	42	6,565	0.7	15,797	0.6	2.406
2014 <sup>(1)</sup>	7,644	43	7,687	17.1	17,021	7.7	2.214
2015	9,720	54	9,774	27.1	19,954	17.2	2.042
2016 <sup>(2)</sup>	9,984	52	10,036	2.7	25,371	27.1	2.528
2017	10,105	54	10,159	1.2	27,298	7.6	2.687

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) The Spence Parkway opened to traffic on January 4, 2014. Toll collection on the facility started on January 6, 2014.  
 (2) Tolls increased October 1, 2015 and frequent user discount modified on January 1, 2017.

In FY 2017 there was an increase of 1.2 percent in transactions and 7.6 percent in toll revenue,

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respectively, over FY 2016, with the revenue increase being partially attributable to the toll rate increase implemented during the prior fiscal year.

Monthly transactions and toll revenue on the Bridge and the Parkway facilities during FY 2017 are presented in **Table 7.2**. The first quarter (July through September), which includes the peak season, experienced the highest revenue of any quarter while the fourth quarter (April through June) experienced the most transactions of any quarter.

**TABLE 7.2 - MID-BAY BRIDGE AUTHORITY MONTHLY TRANSACTIONS AND TOLL REVENUE STATE FY 2017**

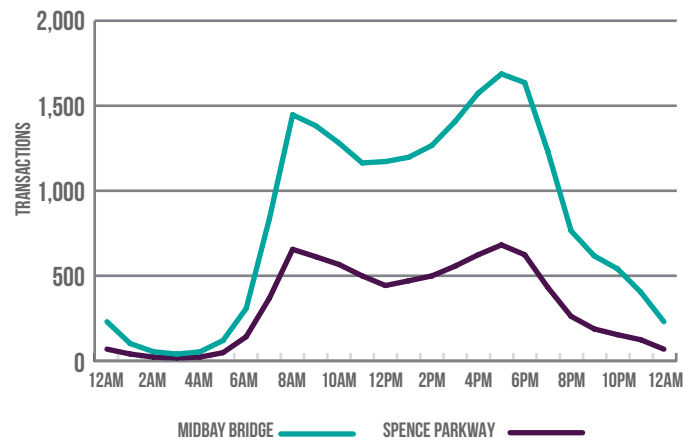
Month	Transactions (000)			Toll Revenue (\$000)		
	Mid-Bay Bridge	Spence Parkway	Total	Mid-Bay Bridge	Spence Parkway	Total
July 2016	753	325	1,078	\$2,529	\$503	\$3,032
August	631	250	881	2,023	380	2,403
September	577	231	808	1,854	355	2,209
<b>1st Quarter Total</b>	<b>1,961</b>	<b>806</b>	<b>2,767</b>	<b>6,406</b>	<b>1,238</b>	<b>7,644</b>
October	602	240	842	1,934	364	2,298
November	525	192	717	1,663	293	1,956
December	550	185	735	1,712	275	1,987
<b>2nd Quarter Total</b>	<b>1,677</b>	<b>617</b>	<b>2,294</b>	<b>5,309</b>	<b>932</b>	<b>6,241</b>
January 2017	488	171	659	1,473	244	1,717
February	496	176	672	1,520	257	1,777
March	633	255	888	1,969	371	2,340
<b>3rd Quarter Total</b>	<b>1,617</b>	<b>602</b>	<b>2,219</b>	<b>4,962</b>	<b>872</b>	<b>5,834</b>
April	634	263	897	2,011	379	2,390
May	690	286	976	2,166	404	2,570
June	702	304	1,006	2,220	399	2,619
<b>4th Quarter Total</b>	<b>2,026</b>	<b>853</b>	<b>2,879</b>	<b>6,397</b>	<b>1,182</b>	<b>7,579</b>
<b>Annual Total</b>	<b>7,281</b>	<b>2,878</b>	<b>10,159</b>	<b>\$23,074</b>	<b>\$4,224</b>	<b>\$27,298</b>

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

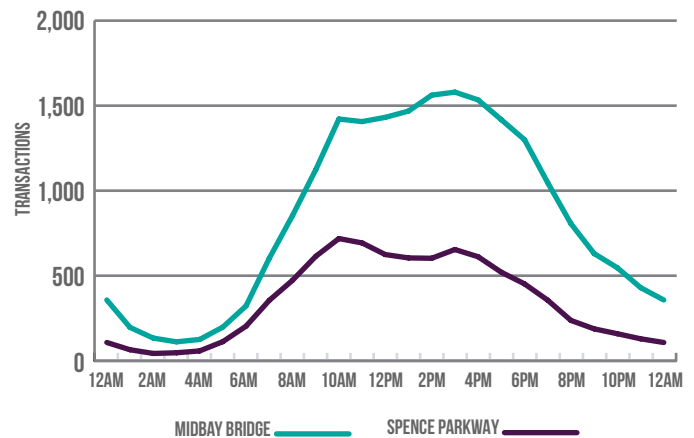
Note: Transactions represent toll-paying and non-revenue traffic at Mid-Bay Bridge and the Spence Parkway plazas.

**Graph 7.1** shows the number of hourly weekday and weekend transactions of a typical week during FY 2017 for the Bridge and the Parkway. As expected, the demand for travel on the facilities during weekdays is highest during the morning and evening peak hours. Almost 1,500 vehicles used the Bridge during the morning peak hour from 8:00 a.m. to 9:00 a.m. while, during the same time period, almost 700 vehicles used the Parkway. In the evening peak period nearly 1,700 vehicles used the Bridge and almost 700 vehicles used the

**GRAPH 7.1 - MID-BAY BRIDGE AUTHORITY TYPICAL HOURLY WEEKDAY TRANSACTIONS STATE FY 2017**



**TYPICAL HOURLY WEEKEND TRANSACTIONS STATE FY 2017**



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, October 10, 2016.

Parkway facility from 5:00 p.m. to 6:00 p.m. On weekends, there is no clear morning or evening peak periods indicating that a large number of non-commuters, many associated with recreational travel, use each of the facilities. On Saturdays, however, during the peak (summer) season, traffic tends to peak during the early morning in the northbound direction as tourists check-out of their accommodations and begin their trip home, while in the southbound direction traffic tends to peak in the late morning to late afternoon as tourists arrive to check-in to their accommodations.

The monthly transaction variations for the Bridge and the Parkway in FY 2017 are analyzed in **Table 7.3**. The overall two-way Annual Average Daily Traffic (AADT) for the combined Bridge and Parkway for FY 2017 was 27,800. The peak season occurs in spring and summer. May, June and July were the highest months with July at 25 percent above the average for the combined facilities. January was the lowest month at 24 percent below the average. Typically, the lowest transaction levels

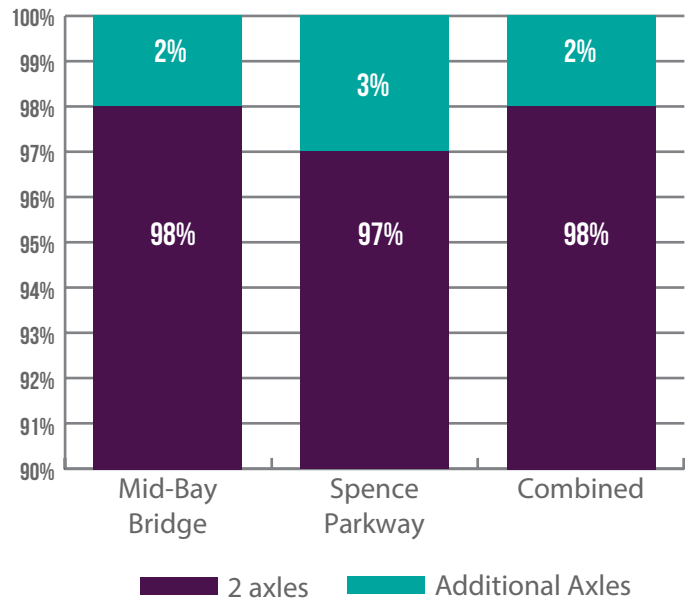
occur from November through February, as it is the off-season for tourists and seasonal residents in northwest Florida.

The traffic and revenue contributions from trucks on the Bridge, the Parkway and the combined facilities are shown in **Graph 7.2**. For FY 2017, trucks accounted

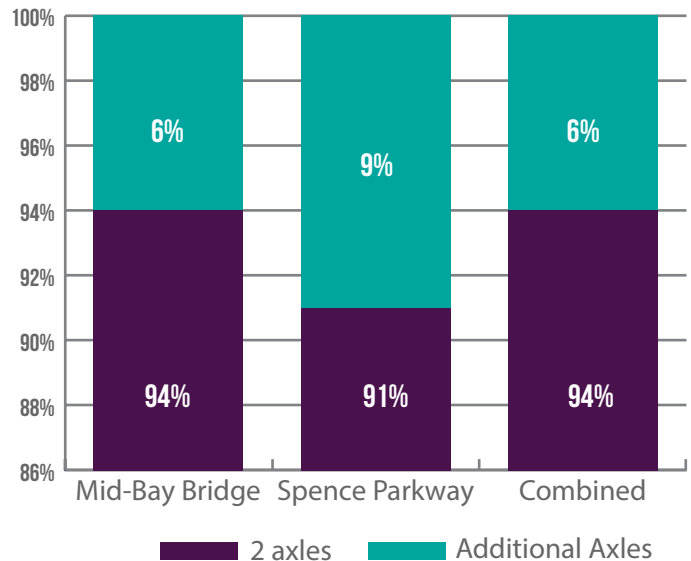
**TABLE 7.3 - MID-BAY BRIDGE AUTHORITY SEASONAL TRANSACTION VARIATION STATE FY 2017**

Month	Average Daily Transactions			Seasonal Factor
	Mid-Bay Bridge	Spence Parkway	Total	
July 2016	24,300	10,500	34,800	1.25
August	20,400	8,100	28,500	1.03
September	19,200	7,700	26,900	0.97
October	19,400	7,700	27,100	0.97
November	17,500	6,400	23,900	0.86
December	17,700	6,000	23,700	0.85
January 2017	15,700	5,500	21,200	0.76
February	17,700	6,300	24,000	0.86
March	20,400	8,200	28,600	1.03
April	21,100	8,800	29,900	1.08
May	22,200	9,200	31,400	1.13
June	23,400	10,100	33,500	1.21
<b>AADT</b>	<b>19,900</b>	<b>7,900</b>	<b>27,800</b>	<b>1.00</b>

**GRAPH 7.2 MID-BAY BRIDGE AUTHORITY TRANSACTIONS BY AXLE CLASS STATE FY 2017**



**REVENUE CONTRIBUTION BY AXLE CLASS STATE FY 2017**



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for approximately 2 percent of traffic on the Bridge, three percent on the Parkway and two percent on the combined facilities. Correspondingly, the revenue collected from truck traffic amounted to six percent of the total on the Bridge, nine percent on the Parkway and six percent on the combined facilities. In terms of actual amounts, vehicles with three or more axles provided approximately \$1.3 million on the Bridge, \$375 thousand on the Parkway and \$1.7 million total.

**7.3 SUNPASS®**

The Mid-Bay Bridge toll plaza was originally constructed as a three-lane plaza accommodating two-way traffic. In May 1999, capacity improvements were completed and the toll plaza was widened from three to six lanes. The conversion to SunPass® occurred concurrently with the widening in May 1999. The Mid-Bay Bridge toll plaza was expanded again in May 2007 from six to eight lanes. Toll collection on the Parkway is accomplished via AET at a four-lane (two lanes each way) toll gantry (See **Appendix A** for the toll plaza configurations).

The percentage of SunPass® transactions on the System during FY 2017 is shown in **Table 7.4**. As indicated, SunPass® transactions totaled approximately 6.6 million, resulting in a participation nearly 65 percent. Individually, the SunPass® participation rate on the Bridge during FY 2017 was 67 percent while on the Parkway the participation rate was 60 percent. On a monthly basis, the highest SunPass® participation occurred during the winter months (November through February) when commuters constitute a larger share of the total volume on both the Bridge and the Parkway.

The resulting SunPass® revenue on the Bridge

**TABLE 7.4 - MID-BAY BRIDGE AUTHORITY  
TRANSACTIONS BY PAYMENT METHOD  
STATE FY 2017**

Month	Transactions (000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	573	505	1,078	53.2%
August	557	324	881	63.2
September	524	284	808	64.9
October	547	295	842	65.0
November	514	203	717	71.7
December	537	198	735	73.1
January 2017	492	167	659	74.7
February	487	185	672	72.5
March	575	313	888	64.8
April	569	328	897	63.4
May	610	366	976	62.5
June	586	420	1,006	58.3
<b>Total</b>	<b>6,571</b>	<b>3,588</b>	<b>10,159</b>	
<b>Percentage</b>	<b>64.7%</b>	<b>35.3%</b>	<b>100.0%</b>	

Source: Turnpike Enterprise Finance Office.  
Notes: Non-SunPass® transactions represent toll-paying and non-revenue transactions.

and the Parkway is approximately \$16.2 million, nearly 60 percent of all revenue collected on the System. The SunPass® revenue amount is net of the SunPass® rebates for the two facilities (for those eligible accounts incurring 32-or-more transactions per calendar month per facility) which, for FY 2017, amounted to approximately \$1.9 million. **Table 7.5** shows revenue contributions from SunPass® and non-SunPass® on the combined facilities by month. Note that while SunPass® contributed 59.2 percent of the total combined toll revenue in FY 2017, SunPass® comprised approximately 64.7 percent of the overall, combined facilities traffic. This is due to the lower (discounted) toll paid by two-axle SunPass® customers.

**7.4 FY 2017 EXPENSES AND LIABILITIES**

Historical operating and routine maintenance expenses from FY 2007 through FY 2017 are presented in **Table 7.6**. Operating expenses have increased from approximately \$1.9 million



**TABLE 7.5 - MID-BAY BRIDGE AUTHORITY  
GROSS TOLL REVENUE BY PAYMENT METHOD  
STATE FY 2017**

Month	Gross Toll Revenue (\$000)			Percent SunPass®
	SunPass®	Non-SunPass®	Total	
July 2016	\$1,447	\$1,585	\$3,032	47.7%
August	1,380	1,023	2,403	57.4
September	1,313	896	2,209	59.4
October	1,371	927	2,298	59.7
November	1,310	646	1,956	67.0
December	1,361	626	1,987	68.5
January 2017	1,192	525	1,717	69.4
February	1,187	590	1,777	66.8
March	1,375	965	2,340	58.8
April	1,365	1,025	2,390	57.1
May	1,457	1,113	2,570	56.7
June	1,403	1,216	2,619	53.6
<b>Total</b>	<b>\$16,161</b>	<b>\$11,137</b>	<b>\$27,298</b>	
<b>Percentage</b>	<b>59.2%</b>	<b>40.8%</b>	<b>100.0%</b>	

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

**TABLE 7.6 - MID-BAY BRIDGE AUTHORITY  
FLORIDA DEPARTMENT OF TRANSPORTATION  
HISTORICAL OPERATING AND ROUTINE  
MAINTENANCE EXPENSES  
STATE FY 2007 THROUGH STATE FY 2017**

Fiscal Year	Operating Expense (\$000)	Routine Maintenance Expense (\$000)	Total O&M Expenses (\$000)
2007	\$1,916	\$246	\$2,162
2008	2,058	213	2,271
2009	2,155	195	2,350
2010	1,971	167	2,138
2011	2,061	202	2,263
2012	2,124	187	2,311
2013	2,045	314	2,359
2014	2,348	261	2,609
2015	2,795	312	3,107
2016	2,969	220	3,189
2017	3,191	281	3,472

Source: FDOT Office of the Comptroller.

in FY 2007 to \$3.2 million in FY 2017. During the same period, routine maintenance expenses increased from \$246 thousand to \$281 thousand.

Combined, total O&M expenses increased from \$2.2 million in FY 2007 to \$3.5 million in FY 2017. FY 2017 operating and routine maintenance expenses increased by approximately 8.9 percent, or \$283 thousand, from FY 2016. Beginning in FY 2016, certain revenues no longer offset expense; thus, operating expenses in prior years appear lower in comparison to years subsequent to FY 2015.

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. FY 2017 maintenance expenses increased \$61 thousand. In addition to routine maintenance expenses, approximately \$1.2 million in periodic maintenance and capital improvement expenses were incurred during FY 2017 primarily for toll system enhancement.

A comparison between actual and budgeted operating and routine maintenance expenses for FY 2017 is presented in **Table 7.7**. Actual operating expenses of \$3.2 million were higher

**TABLE 7.7 - MID-BAY BRIDGE AUTHORITY  
FLORIDA DEPARTMENT OF TRANSPORTATION  
OPERATING AND ROUTINE MAINTENANCE EXPENSES  
STATE FY 2017**

Type of Expense	Budget (\$000)	Actual (\$000)	Over/ (Under) (\$000)	Variance
Operating	\$2,986	\$3,191	\$205	6.9%
Routine Maintenance	359	281	(78)	(21.7)
<b>Total</b>	<b>\$3,345</b>	<b>\$3,472</b>	<b>\$127</b>	<b>3.8%</b>

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

than the FY 2017 budget by approximately \$205 thousand, or 6.9 percent, primarily due to increased toll collection costs resulting from increased traffic growth. Actual routine maintenance expenses of \$281 thousand were

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lower than the FY 2017 budget by approximately \$78 thousand, or 21.7 percent. Overall, operating and routine maintenance expenses for FY 2017 were \$127 thousand more than budgeted amounts.

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

be used by the Authority for any lawful purpose at such time as the Authority shall determine.

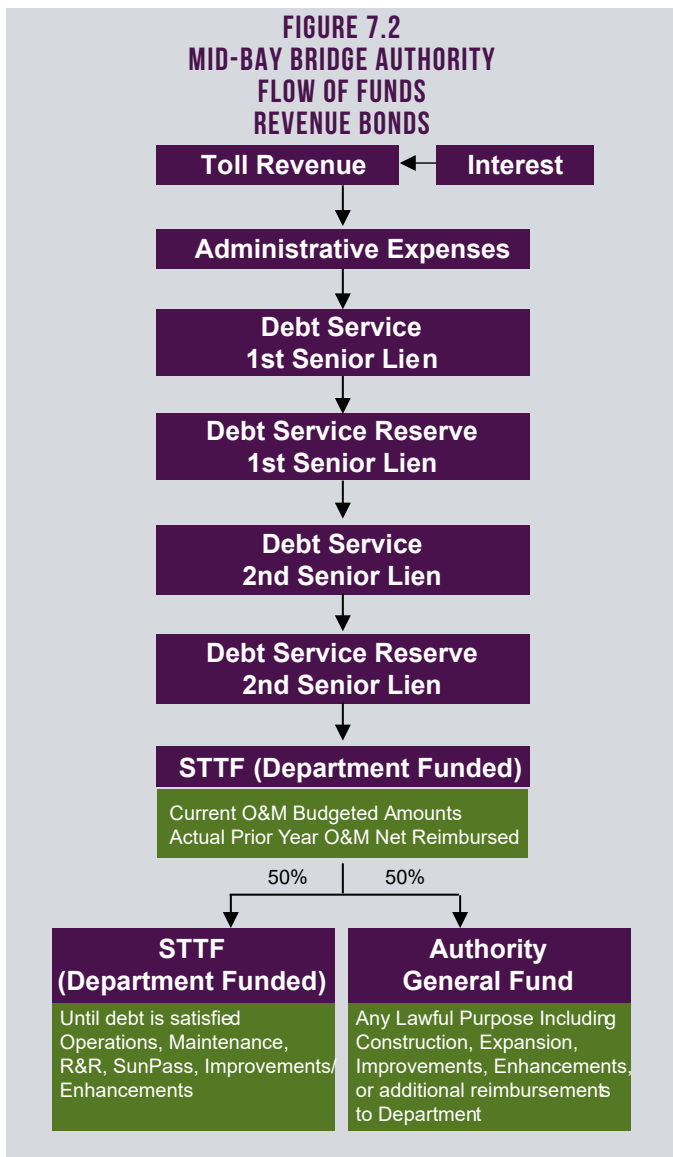
An analysis of the FY 2017 State Transportation Trust Fund (STTF) long-term liability is presented in **Table 7.8**. FY 2017 additions to the liability totaled approximately \$4.4 million and consisted of \$3.2 million for operating and maintenance expenses and \$1.2 million for capital improvement costs. During FY 2017, \$7.2 million reimbursed to the Department comprised of \$3.2 million for operating and maintenance expenses, \$3.4 million applied to the long-term liability and \$0.6 million for prior year capital improvement costs.

**TABLE 7.8 - MID-BAY BRIDGE AUTHORITY  
STTF LONG-TERM LIABILITY  
STATE FY 2017**

Transaction	Amount (\$000)
Balance, July 1, 2016	\$11,080
Additions <sup>(1)</sup>	4,387
Reductions <sup>(2)</sup>	7,240
Balance, June 30, 2017	\$8,227

Source: FDOT Office of the Comptroller.

- (1) Additions represent increases in the long-term liability due to O&M expenses and improvements.
- (2) As used here, reductions represent reimbursements made by the Authority to the Department from its revenue fund.



**7.5 NOTEWORTHY EVENTS**

On September 5, 2017 (FY 2018) tolls were suspended for 15 days due to Hurricane Irma evacuation and recovery efforts. Based on the Department’s estimate, the toll suspension resulted in a \$1.1 million loss in revenue collections.

**7.6 EXPENSE FORECASTS**

The Department’s projected operating and maintenance expenses for FY 2018 through FY 2028 are shown in **Table 7.9**. The operating expenses in FY 2018 represent the budget amount for that fiscal year (see **Appendix C** for a detailed description of the operating expense budget). Subsequent to FY 2018, operating

**TABLE 7.9 - MID-BAY BRIDGE AUTHORITY  
FLORIDA DEPARTMENT OF TRANSPORTATION  
PROJECTED OPERATING AND MAINTENANCE EXPENSES  
STATE FY 2018 THROUGH STATE FY 2028**

Fiscal Year	Operating Expense (\$000)	Maintenance Expenses		Total O&M Expenses (\$000)
		Routine (\$000)	Periodic <sup>(1)</sup> (\$000)	
2018	\$2,826	\$241	\$219	\$3,286
2019	2,883	770	425	4,078
2020	2,941	770	296	4,007
2021	3,000	770	119	3,889
2022	3,060	770	98	3,928
2023	3,121	770	100	3,991
2024	3,183	786	102	4,071
2025	3,247	801	104	4,152
2026	3,312	817	106	4,235
2027	3,378	834	109	4,321
2028	3,446	851	111	4,408

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2018 and inflated at 2.0 percent annually.  
 (1) Periodic maintenance expenses were provided by the FDOT Project Finance Office based on estimated expenditures from the 5-Year Work Program and are reported on a cash basis. Periodic maintenance expenses beyond FY 2023 include a minimal level of preservation (excluding extraordinary expense such as major bridge repairs) that are based on FY 2023 expenses increased at 2.0 percent annually.

FY 2022, respectively. Subsequent years have been increased at 2.0 percent annually through FY 2028. The notable increase in routine maintenance expenses beginning in FY 2019 reflects maintenance for the expanded footprint of the Parkway and bridge maintenance activities required by the asset maintenance contractor.

**7.7 REVENUE SUFFICIENCY**

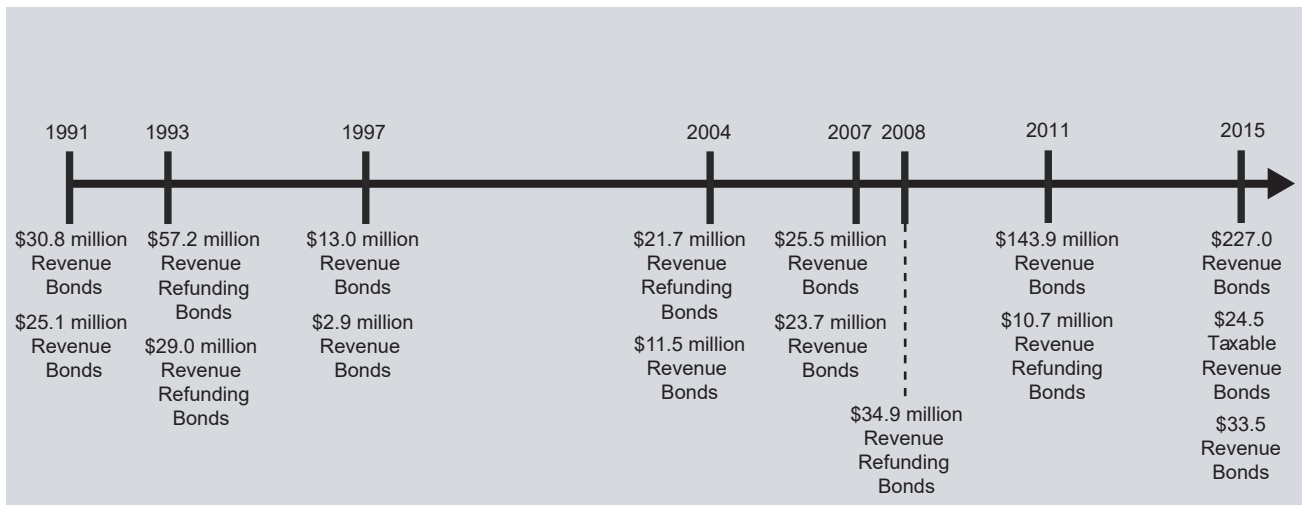
In June 2015, the Authority refinanced all outstanding debt with issuance of the Series 2015 Revenue Bonds. The total amount of the bond issue was \$285,040,000.

As of September 30, 2017, bonds in the principal amount of \$281.3 million remained outstanding from the Series 2015. A timeline of Mid-Bay Bridge bond sales for the facility is shown in **Figure 7.3**.

expenses are projected to grow at 2.0 percent annually to allow for inflation.

Routine and Periodic Maintenance expenses are provided by the Department's Office of Project Finance through FY 2023 and

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



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

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