Department-Operated Facilities

Garcon Point Bridge

Page 83

- $4.6 million total toll revenue
- Nearly 1.3 million total transactions
- SunPass participation increased to 37.6 percent during the year.

Mid-Bay Bridge

Page 93

- $15.7 million total toll revenue
- 6.5 million total transactions
- SunPass participation decreased to 63.7 percent during the year.

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Garcon Point Bridge

7.1 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 7.1 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 Sykes 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 the debt serivce reserve fund being depleted, it was determined that the Santa Rosa Bay Bridge Authority would not have enough funds for the July 1, 2011 debt service payment. Consequently, on April 27, 2011, The Bank of New York Mellon sent a notice of default to the Authority. A second notice of default was sent to the Authority on June 29, 2012 from the Bank of New York Mellon stating that there would not be enough funds to pay the debt service owing as of July 1, 2012 and thus no payment would be made. As a result of the first debt service payment default, a majority of the board members resigned and a new board was formed to look into possible restructuring of the Authority's debt. 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 continues to operate and maintain the Garcon Point Bridge. Further details can be found in **Section 7.6 - Revenue Sufficiency.**

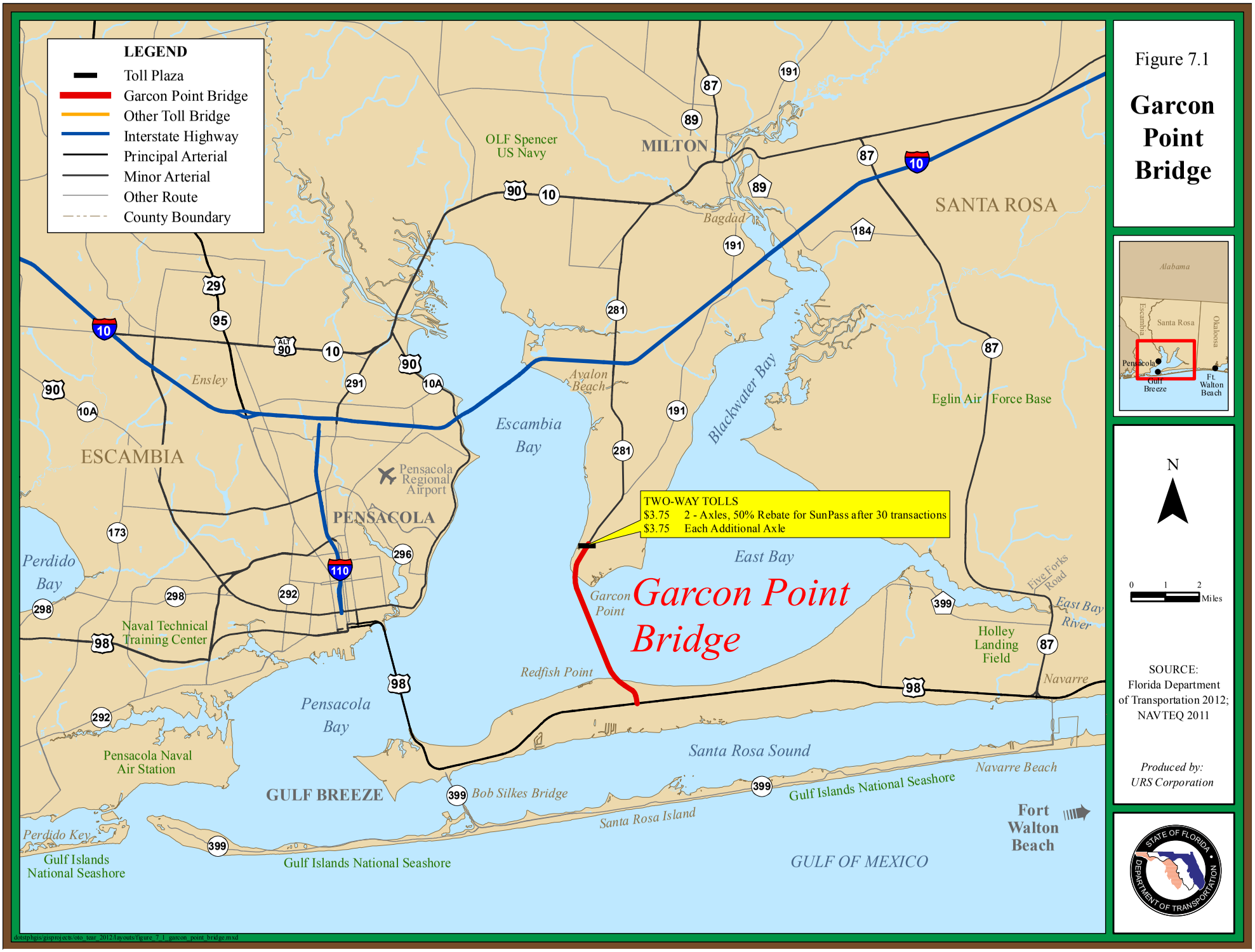


Figure 7.1

Garcon Point Bridge

SOURCE:
Florida Department of Transportation 2012; NAVTEQ 2011

Produced by:
URS Corporation

STATE OF FLORIDA · DEPARTMENT OF TRANSPORTATION

dotsiphgis/gisprojects/oto_tear_2012/layouts/figure_7_1_garcon_point_bridge.mxd

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 the toll rate increase schedule discussed in **Section 7.5**, the toll rate was increased to $2.50 for two-axle vehicles in FY 2002. On July 1, 2004 (FY 2005) the two-axle toll rate increased to $3.00, reflecting the second scheduled toll rate increase. The third scheduled toll rate increase went into effect on July 1, 2007 (FY 2008), which increased the two-axle rate to $3.50. On January 5, 2011 (FY 2011) the two-axle rate increased to $3.75, reflecting the fourth scheduled toll rate increase. 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 toll facility. Tolls for vehicles with three or more axles are calculated using the "N minus 1" method and increase at the rate of $3.75 per axle above that of the two-axle toll.

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 and the Authority's bond year for debt service payments.

Table 7.1 shows historical transactions and revenue growth on the Garcon Point Bridge. As a result of a toll increase in FY 2002, annual transactions totaled over 1.2 million, resulting in toll revenues of approximately $2.9 million. As a result of said toll rate increase, transactions decreased 8.9 percent from approximately 1.3 million transactions in FY 2001 to approximately 1.2 million transactions in FY 2002, while toll revenue increased 11.9 percent from approximately $2.6 million in FY 2001 to approximately $2.9 million in FY 2002. In FY 2005, total transactions increased 1.2 percent from FY 2004, while revenue increased by approximately 28.3 percent. The modest increase in transactions can be attributed to the active hurricane season, as well as the elasticity associated with the July 2004 toll rate increase. The increase in toll revenue is due to the toll rate increase and increased truck traffic brought about by post-hurricane construction in the area. FY 2008 transactions and toll revenue decreased by 13.6 and 0.5 percent, respectively. The decrease in traffic and revenue in FY 2007 and FY 2008 can primarily be attributed to the economic slowdown and rising fuel prices. Additionally, FY 2008 transactions were negatively impacted by the July 2007 toll rate increase. Despite the impacts of the economic slowdown, FY 2008 revenue only decreased by 0.5 percent due to the additional revenue generated from the

Table 7.1
Garcon Point Bridge
Historical Transactions and Revenue Growth
FY 2002 through FY 2012

Fiscal Year	Transactions (000)				Toll Revenue[1] ($000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2002	1,197	19	1,216	-	$2,878	-	$2.367
2003	1,267	20	1,287	5.8%	3,117	8.3%	2.422
2004	1,477	18	1,495	16.2	3,588	15.1	2.400
2005	1,489	24	1,513	1.2	4,604	28.3	3.043
2006	1,660	29	1,689	11.6	4,997	8.5	2.959
2007	1,666	4	1,670	(1.1)	4,790	(4.1)	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	3.559

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.

toll rate increase. FY 2009 transactions and toll revenue decreased by 8.6 percent and 8.3 percent, respectively. The decrease in traffic and revenue in FY 2009 can be attributed to the economic recession. Traffic decreased in FY 2010 due to the continuing recession, but also due to the Gulf Oil Spill which began in April 2010 and continued during the remainder of the fiscal year.

In FY 2011, total transactions decreased 1.3 percent from FY 2010, while toll revenue increased by 1.7 percent. The decrease in transactions can be attributed to the elasticity associated with the January 2011 toll rate increase, as well as the continuing uncertainty of the economic recovery. The slight increase in toll revenue is due to the toll rate increase (partial year impact), however the facility continues to be impacted by the slow economy.

In FY 2012, there were a total of nearly 1.3 million transactions, generating revenues of almost $4.6 million. Compared to FY 2011, total transactions increased 3.1 percent while revenues increased 7.4 percent. This increase in traffic and revenue can be attributed to a rebound in traffic and the full impact of the January 2011 toll rate increase (i.e., the toll rate increase was in effect throughout FY 2012). FY 2012 toll revenue includes a $339 thousand reduction as a result of the SunPass discount program.

The factors contributing to the effects on traffic and revenue are discussed in greater detail in the **Overview** chapter of this report.

In September 2004 Hurricane Ivan struck the Pensacola area. The storm severely damaged the I-10 bridges across Escambia Bay resulting in their full closure to traffic for two months until a temporary two-lane (one lane in each direction) was opened in October of 2004. In November of 2004 additional construction was performed to allow for three lanes of traffic to flow over the bridge (two lanes westbound and one lane eastbound). During this period when the I-10 bridges were completely closed, traffic destined for Santa Rosa Island had to detour via the US 98 bridge over Pensacola Bay Bridge and the Garcon Point Bridge which resulted in increased traffic and toll revenue volumes on the Garcon Point Bridge. The permanent replacement bridges on I-10 did not fully open until late in 2007 which resulted in further reductions in traffic and toll revenue volumes on the Garcon Point Bridge.

Transactions and toll revenue during the last two months of FY 2010 and especially during the summer of 2010 (FY 2011) were affected by the BP oil spill, which began with the explosion of the Deepwater Horizon drilling platform on April 20, 2010. The oil slick moved eastward from the waters off of Louisiana to Mississippi and Alabama, and eventually began affecting the beaches at Pensacola and Santa Rosa Island in May. Before the oil spill, Garcon Point Bridge traffic and revenue were down 1.8 percent and 0.5 percent, respectively, in April 2010 compared to the prior year due to the sluggish economy following the recession. The numbers further declined to 6.7 percent and 7.0 percent, respectively, in May 2010, and to 6.3 percent and 5.6 percent in June 2010. The decline in May 2010 and June 2010 is primarily due to the oil spill.

In July 2010 (FY 2011), traffic and revenue further declined to 12.0 percent and 12.5 percent, respectively, below the prior year. However, by September 2010 the facility had rebounded to just slightly below prior year levels. This strong rebound was the result of the capping of the well on July 15, 2010 the "static (top) kill" on August 5, 2010 and the permanent "bottom kill" (relief well) on September 19, 2010. By the spring of 2011, traffic began to rebound from the suppressed levels of 2010. While traffic was rebounding from the oil spill, toll revenues increased, particularly in May 2011 and June 2011 (above the 10 percent level), due to both the recovery from the oil spill and the toll rate increase in January 2011.

Historical operating and routine maintenance expenses from FY 2002 through FY 2012 are presented in **Table 7.2**. Operating expenses have increased from $929 thousand in FY 2002 to $1.0 million in FY 2012. In FY 2012, total operating expenses increased by 4.9 percent or $48 thousand from FY 2011. This increase in operating expenses is primarily due to an increase in toll plaza operating contracts.

Table 7.2
Garcon Point Bridge
Historical Operating and Routine Maintenance Expenses ($000)
FY 2002 through FY 2012

Fiscal Year	Operating Expense	Routine Maintenance Expense	Total O&M Expenses
2002	$929	$145	$1,074
2003	835	45	880
2004	1,174	14	1,188
2005	994	99	1,093
2006	868	93	961
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

Source: FDOT Office of the Comptroller.

Maintenance of the Garcon Point Bridge is performed under a private Asset Maintenance Contract, beginning in FY 2005, with the Department providing oversight through its Asset Management Coordinator. Maintenance activities include roadside mowing and upkeep, guardrail repair, shoulder repair and other routine maintenance items. The Asset Maintenance Contract expired in FY 2011 so all maintenance activity has been provided in-house beginning in FY 2012. Toll facilities maintenance and bridge inspections are performed outside the scope of the Asset Maintenance Contract. FY 2012 routine maintenance expenses increased approximately $36 thousand from the prior year due to an increase in general maintenance on the facility and bridge inspection costs.

7.2 FY 2012 Transactions and Toll Revenues

Monthly transactions and toll revenue on the Garcon Point Bridge during FY 2012 are presented in **Table 7.3**. The fourth quarter (i.e., April through June) generated the most transactions and revenue with 359 thousand and $1.3 million, respectively.

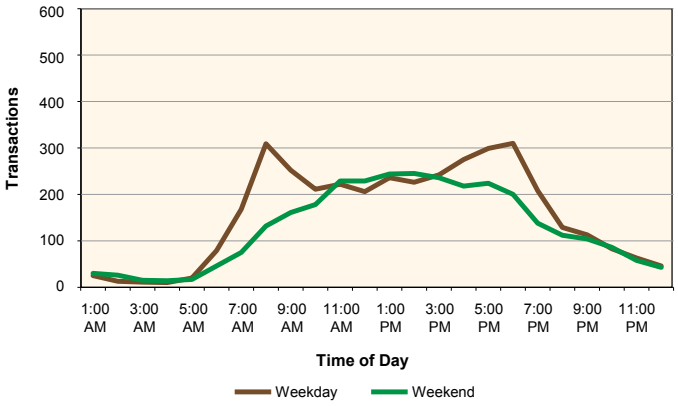
Table 7.3
Garcon Point Bridge
Monthly Transactions and Toll Revenue
FY 2012

Month	Transactions (000)	Toll Revenue ($000)
July 2011	139	$508
August	114	406
September	99	351
1st Quarter Total	352	1,265
October	102	364
November	93	329
December	92	325
2nd Quarter Total	287	1,018
January 2012	88	305
February	89	308
March	115	403
3rd Quarter Total	292	1,016
April	110	390
May	119	429
June	130	474
4th Quarter Total	359	1,293
Annual Total	**1,290**	**$4,592**

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

Graph 7.1 shows the number of hourly weekday and weekend transactions of a typical week during FY

Graph 7.1
Garcon Point Bridge
Typical Hourly Transactions
FY 2012



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, August 15, 2011.

2012 on the Garcon Point Bridge. As indicated, weekday demand for travel on the facility is highest during the morning and evening peak hours. The morning peak hour occurs from 7:00 a.m. to 8:00 a.m. and the afternoon peak occurs from 4:00 p.m. to 6:00 p.m. Additionally, midday traffic volumes of nearly 242 vehicles per hour show the relative influence of non-commuters (tourist/recreational travelers) on the facility. The influence of tourists and recreational travelers is more pronounced on the weekends.

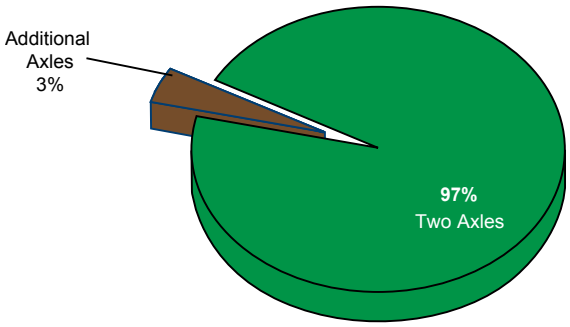
Table 7.4 shows the monthly seasonal transaction variation in FY 2012. On average, approximately 3,500 drivers use the bridge each day. Based on average daily transactions, the facility experienced 4,300 vehicles per day during the month of June, resulting in 23 percent more traffic than the annual average. 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 29 percent. January was the lowest month at 20 percent below the average.

Table 7.4
Garcon Point Bridge
Seasonal Transaction Variation
FY 2012

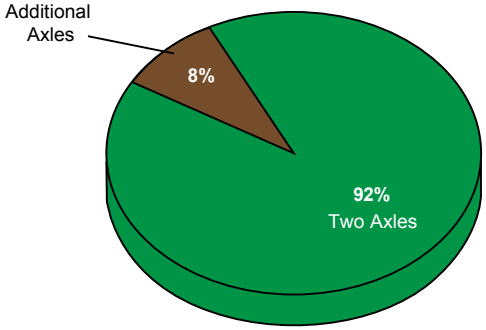
Month	Average Daily Transactions	Seasonal Factor
July 2011	4,500	1.29
August	3,700	1.06
September	3,300	0.94
October	3,300	0.94
November	3,100	0.89
December	3,000	0.86
January 2012	2,800	0.80
February	3,000	0.86
March	3,700	1.06
April	3,700	1.06
May	3,800	1.09
June	4,300	1.23
AADT	**3,500**	**1.00**

Traffic and revenue contributions for trucks on the Garcon Point Bridge are shown in **Graph 7.2**. For FY 2012, trucks accounted for approximately 3 percent of traffic on the facility. Correspondingly, the revenue collected from truck traffic translated into 8 percent of the total revenue on the facility. The revenue percentage for trucks is influenced by the "N minus 1" toll structure. In terms of actual revenues, trucks provided approximately $0.4 million of the total, while passenger vehicles comprised the remaining $4.2 million.

Graph 7.2
Garcon Point Bridge
Transactions by Axle Class
FY 2012



Revenue Contribution by Axle Class
FY 2012



7.3 SunPass

SunPass was implemented on the Garcon Point Bridge concurrent with the opening of the facility on May 14, 1999. 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 7.5 shows the SunPass transactions on Garcon Point Bridge during FY 2012. SunPass usage totaled 485 thousand transactions in FY 2012, resulting in a SunPass participation rate of 37.6 percent, up slightly from 36.2 percent in FY 2011. On a daily basis, approximately 1,300 vehicles out of 3,500 utilize SunPass. The monthly SunPass participation ranged from 27.3 percent to 45.5 percent during FY 2012, peaking during the winter months due to a lower percentage of tourists.

Table 7.5
Garcon Point Bridge
Transactions by Payment Method
FY 2012

Month	Transactions (000)			Percent SunPass
	SunPass	Non-SunPass	Total	
July 2011	38	101	139	27.3%
August	41	73	114	36.0
September	40	59	99	40.4
October	42	61	102	40.8
November	39	54	93	41.9
December	38	54	92	41.3
January 2012	40	48	88	45.5
February	39	49	88	44.3
March	42	73	115	36.5
April	42	68	110	38.2
May	43	76	119	36.1
June	41	89	130	31.5
Total	**485**	**805**	**1,290**	
Percentage	**37.6%**	**62.4%**	**100.0%**	

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

Revenue attributable to SunPass for FY 2012 totaled over $1.5 million, as shown in **Table 7.6**. This amount represents 34.0 percent of all toll revenue. The SunPass revenue amount is net of the SunPass discount for the facility, which for FY 2012, amounted to approximately $339 thousand. The monthly SunPass revenue contribution ranged from a low of 24.9 percent to a high of 41.3 percent during FY 2012.

Table 7.6
Garcon Point Bridge
Gross Toll Revenue by Payment Method
FY 2012

Month	Gross Toll Revenue ($000)			Percent SunPass
	SunPass	Non-SunPass	Total	
July 2011	$126	$381	$507	24.9%
August	133	273	406	32.8
September	129	223	352	36.6
October	135	229	364	37.1
November	126	203	329	38.3
December	124	202	326	38.0
January 2012	126	179	305	41.3
February	122	186	308	39.6
March	133	270	403	33.0
April	134	255	389	34.4
May	139	290	429	32.4
June	134	340	474	28.3
Total	**$1,561**	**$3,031**	**$4,592**	
Percentage	**34.0%**	**66.0%**	**100.0%**	

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

Non-SunPass payments accounted for 66.0 percent of total revenue.

7.4 FY 2012 Expenses and Liabilities

Beginning in FY 2012, with the expiration of the Asset Maintenance Contract at the end of FY 2011, all maintenance activity will be provided in-house. The actual operating and routine maintenance expenses expended in FY 2012 are shown in **Table 7.7**.

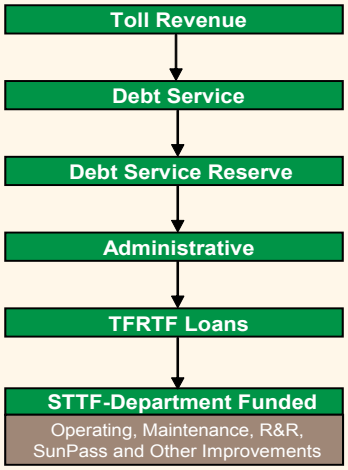
Table 7.7
Garcon Point Bridge
Operating and Routine Maintenance Expenses ($000)
FY 2012

Type of Expense	Actual
Operating	$1,017
Routine Maintenance	196
Total	**$1,213**

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office. There is no FY 2012 budget as the Asset Maintenance Contract expired in FY 2011. All maintenance activity is provided in-house beginning in FY 2012.

As shown in **Figure 7.2**, Garcon Point Bridge has liabilities payable to the Department for TFRTF loans and an advance from the STTF. The first payable is an advance from the Department's Toll Facility Revolving Trust Fund (TFRTF). As of June 30, 2012, the TFRTF balance was approximately $7.9 million, to be paid back when sufficient funds become available (i.e., when the debt service reserve is fully funded).

Figure 7.2
Flow of Funds
Series 1996
Garcon Point Bridge Revenue Bonds



The second payable 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. As such, the Department considers these expenses as long-term receivables. This liability is to be paid subsequent to the payment of the TFRTF loans. An analysis of the long-term liability for FY 2012 is presented in **Table 7.8**. As indicated, the long-term liability balance as of June 30, 2012 was approximately $18.0 million.

Table 7.8
Garcon Point Bridge
Long-Term Liability ($000)
FY 2012

Transaction		Amount
Balance, July 1, 2011		$16,760
Additions	Operating & Routine Maintenance	1,213
	Other[1]	86
Balance, June 30, 2012		$18,059

(1) Other additions represent increases in the long-term liability to other periodic maintenance expenses.

7.5 Noteworthy Events

Based on actual toll revenues on the Garcon Point Bridge, it was determined that future toll revenue is not sufficient to meet minimum debt service coverage requirements. As such, the Santa Rosa Bay Bridge Authority adopted a toll rate increase program to increase tolls every three years beginning July 1, 2001 (FY 2002). Since FY 2002, there have been four toll rate increases from $2.00 to the current toll rate of $3.75.

Despite the adopted toll rate increase program, the Santa Rosa Bay Bridge Authority had its first payment default on July 1, 2011. As previously mentioned, the Department continues to operate and maintain the Garcon Point Bridge.

FDOT District 3 is widening SR 87 from two to four lanes in four stages from US 98 to US 90, north of I-10. The 4-mile segment from US 98 to north of Five Forks Road has been completed. A contract to widen the 3-mile segment between Five Forks Road and the Eglin Air Force Base boundary was executed in August 2010 with an estimated completion date of March 2013. The widening of the remaining nine miles is not programmed for construction within the current Work Program. Over the long term, this increased capacity on SR 87 will negatively impact traffic and revenue on the Garcon Point Bridge as customers are diverted to the newly-widened competing facility.

7.6 Revenue Sufficiency

Based on estimates provided by the Department's Office of Project Finance, as of June 30, 2012, bonds in the principal amount of $116.8 million remain outstanding from the Series 1996 issue. 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" calculation is performed. In accordance with the Series 1996 Bond Resolution, gross revenues are required to provide 120 percent of the Annual Net Debt Service Requirement (or 1.2 coverage ratio). It should be noted that the Authority has not met the required coverage ratio in a number of years.

As required by the bond resolution, annual "net" debt service is defined as annual debt service less interest earnings attributable to the debt service and debt service reserve funds and capitalized interest.

Pursuant to the bond resolutions, approximately $9.2 million in Santa Rosa Bay Bridge Authority, Series 1996 bond proceeds were deposited into a Debt Service Reserve Fund established to meet debt service payment in instances where toll revenues are deficient. During FY 2002 through FY 2011, approximately $7.4 million of these funds were used to supplement gross toll revenues to satisfy debt service requirements. As a result, the remaining balance ($1.8 million) was not sufficient to pay for the July 1, 2011 debt service payment. The Bank of New York Mellon sent a notice of default to the Authority on April 27, 2011. A new board has been formed to look into possible restructuring of the debt. The Department continues to collect toll revenues from the bridge which are remitted to the Bank of New York Mellon. On June 29, 2012 a notice was sent to the Authority from the Bank of New York Mellon stating that "on or about March 26, 2012, the Trustee disbursed amounts remaining in the Reserve Account as set forth in its Notice of Special Distribution for Holders dated March 6, 2012. It is anticipated that Gross Revenues will be insufficient to pay debt service for the foreseeable future. Accordingly, the Trustee will not be making any payments on July 1, 2012."

It should be noted, effective January 2, 2013, the Bank of New York Mellon serving as trustee, noticed that all principal on all the outstanding bonds is due immediately. Such notice permits the trustee to make regular distributions to all bondholders from the revenues made available.

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Mid-Bay Bridge

8.1 Background

The Mid-Bay Bridge is a 3.6-mile toll bridge that extends over Choctawhatchee Bay from SR 20, east of Niceville, to US 98 near the coastal resort community of Destin in southeast Okaloosa County. This two-lane bridge opened to traffic in June 1993 with one mainline toll plaza located on the north side of the bay. **Figure 8.1** shows a map of the bridge, and the 11-mile Mid-Bay Bridge Connector (to SR 85), under construction. The first section of the Connector to SR 20 opened to traffic in May 2011 as a four-lane, limited-access approach. The second section from SR 20 to Range Road opened to traffic in September 2011.

The bridge and roadway segments that comprise this facility are designated as SR 293. On the north side of the bay, with the completion of SR 293 to SR 20 and Range Road, the north approach is now four lanes. On the south side of the bay, it continues as a four lane approach (Danny Wuerffel Way) for one mile and intersects with US 98. Overall, SR 293 is currently 7.5 miles to Range Road and will be 15.5 miles when complete to SR 85. The Connector has full interchanges at Lakeshore Drive, SR 20 and Range Road (presently a partial interchange pending completion of SR 85). In the future, the Connector will have full interchanges at SR 285, SR 85 and an at-grade intersection at Forrest Road.

The Mid-Bay Bridge Authority was established in 1986 to oversee the financing and construction of the Mid-Bay Bridge. The Authority entered into a Lease-Purchase Agreement with the Department whereby the Department maintains and operates the Bridge and remits all of the tolls collected to the Authority as lease payments. The term of the lease runs concurrently with the bonds. At the time that the bonds mature and are fully paid, the Department will own the Bridge. While the bonds presently mature in 2040, the lease term will be extended through the payoff date of the outstanding bonds should the bonds, or any additional issuance of bonds, be outstanding on October 1, 2040.

The Mid-Bay Bridge Authority operates on a fiscal year ending September 30. However, for consistency across all seven Department-owned and Department-operated facilities, all FY 2012 data for this facility is reported according to the Department's fiscal year ending June 30, 2012.

Tolls are collected in both directions on the Mid-Bay Bridge. The toll for two-axle vehicles was $2.00 from 1993, when the bridge opened, until September 30, 2004. A book of 20 coupons, valid for one month, was offered for sale to commuters at a cost of $20 (a 50 percent discount). With the conversion to SunPass, coupons were discontinued on May 31, 1999. The discount for two-axle vehicles continued under SunPass with a $1.00 discount off the $2.00 cash toll without any limitations on trip frequency. Effective October 1, 2004 (FY 2005), the two-axle toll rate increased to $2.50 for cash customers and $1.50 for SunPass customers. Then, on June 1, 2010 (FY


Figure 8.1
Mid-Bay Bridge
CRESTVIEW
DEFUNIAK SPRINGS
OKALOOSA
WALTON
Eglin Air Force Base
NICEVILLE
VALPARAISO
SHALIMAR
Ocean City
Eglin Village
Seminole
Range Road
FREEPORT
Choctaw Beach
Villa Tasso
Choctawhatchee Bay
Mid-Bay Bridge
MARY ESTHER
FT. WALTON BEACH
DESTIN
Turquoise Beach
Sandestin
Point Washington State Forest
Seaside
Seagrove Beach
GULF OF MEXICO
SCHEDULED OPENING JANUARY 2014
TWO-WAY TOLLS
$1.00 SunPass 2 - Axles Only
$1.50 TOLL-BY-PLATE 2 - Axles
$1.50 Each Additional Axle
TWO-WAY TOLLS
$2.00 SunPass 2 - Axles Only
$3.00 Cash 2 - Axles
$3.00 Each Additional Axle
LEGEND
Toll Plaza
Planned Mid-Bay Bridge Connector Toll Plaza
Mid-Bay Bridge
Interstate Highway
Principal Arterial
Minor Arterial
Other Route
Planned Mid-Bay Bridge Connector
County Boundary
Alabama
Santa Rosa
Escambia
Okaloosa
Walton
Pensacola
Gulf of Mexico
N
0 1 2 3
Miles
SOURCE:
Florida Department of Transportation 2012;
NAVTEQ 2011
Produced by:
URS Corporation
STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION
dotstphgis/gisprojects/oto_tear_2012/layouts/figure_8_1_mid-bay_bridge.mxd

2010) tolls were increased to $3.00 for cash customers and $2.00 for SunPass customers. Tolls for vehicles with three or more axles (regardless of whether they pay by cash or SunPass) are calculated using the "N minus 1" method and increase at the rate of $3.00 per axle over the two-axle toll.

Historically, traffic and revenue on the Mid-Bay Bridge have increased over the years. The annual increase in traffic and revenue for the facility from FY 2002 through FY 2012 is presented in **Table 8.1**. In FY 2002, total transactions were approximately 5.0 million and toll revenues were approximately $7.5 million. In FY 2005, transactions and toll revenues increased by 9.8 percent and 31.9 percent, respectively, primarily due to the October 2004 toll rate increase and continued development in the area. From FY 2006 to FY 2007, transactions decreased by 3.0 percent and revenues decreased by 2.3 percent. This decrease in traffic and revenue in FY 2007 can be attributed to the residual impact of the severe hurricane seasons in 2004 and 2005, as well as the economic slowdown affecting the state of Florida. Behind this has been the reduced level of tourism in Okaloosa and Walton counties. Potential visitors were not making motel-hotel-condominium reservations, not only because of any renewed hurricane threat, but apparently due to post-hurricane concerns (from the 2004-2005 seasons) back in their respective communities. The decline in traffic and revenue in FY 2008 and FY 2009 can be attributed to the economic recession. In FY 2011, transactions decreased by 4.0 percent, whereas revenue increased by 20.2 percent compared to FY 2010. FY 2011 transactions were negatively impacted by the June 2010 toll rate increase and the continuing uncertainty of the economic recovery, which is further discussed in the **Overview chapter** of this report. However, FY 2011 revenue significantly increased due to the additional revenue generated from the first full year of the toll rate increase.

Table 8.1
Mid-Bay Bridge
Historical Transactions and Revenue Growth
FY 2002 through FY 2012

Fiscal Year	Transactions (000)				Toll Revenue ($000)		Average Toll
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change	
2002	4,951	17	4,968	-	7,483	-	$1.506
2003	5,691	19	5,710	14.9%	8,764	17.1%	1.535
2004	6,915	21	6,936	21.5	10,254	17.0	1.478
2005	7,361	256	7,617	9.8	13,528	31.9	1.776
2006	7,529	156	7,685	0.9	14,540	7.5	1.892
2007	7,452	3	7,455	(3.0)	14,200	(2.3)	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

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.

Transactions and revenue during the late spring-early summer of 2010 (FY 2011) were 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. Accordingly, it appears that Mid-Bay Bridge traffic was affected more by media reports than by the actual oil spill.

In FY 2012, transactions increased a modest 0.5 percent while revenues increased 1.5 percent compared to FY 2011. The increase in transactions is the first upward change since the 0.9 percent increase between FY 2005 and FY 2006, while the increase in revenues is due, in part, to the fact that the toll increase of June 2010 has been in effect for over a year now.

Historical operating and routine maintenance expenses from FY 2002 through FY 2012 are presented in **Table 8.2**. Operating expenses have increased from approximately $1.3 million in FY 2002 to over $2.1 million in FY 2012. This increase represents an annual compounded growth rate of 5.1 percent. FY 2012 operating expenses increased by approximately 3.1 percent, or $63 thousand, from FY 2011. The increase in FY 2012 operating expenses was primarily related to an increase in equipment maintenance and repair costs.

Table 8.2
Mid-Bay Bridge
Historical Operating and Routine Maintenance Expenses ($000)
FY 2002 through FY 2012

Fiscal Year	Operating Expense	Routine Maintenance Expense	Total O&M Expenses
2002	1,290	62	1,352
2003	1,495	122	1,617
2004	1,852	131	1,983
2005	1,624	196	1,820
2006	1,643	194	1,837
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

Source: FDOT Office of the Comptroller.

Maintenance of the Mid-Bay Bridge has been performed under a private Asset Maintenance Contract beginning in FY 2005. Maintenance activities include roadside mowing and upkeep, guardrail repair, shoulder repair and other routine maintenance items. FY 2012 routine maintenance expenses decreased 7.4 percent, or $15 thousand, from FY 2011 primarily due to a decrease in facility maintenance expenses and work performed under the Asset Maintenance Contract. In addition to routine maintenance expenses, approximately $104 thousand in periodic maintenance and capital improvement expenses were incurred during FY 2012 primarily for general repairs and computer system upgrades.

8.2 FY 2012 Transactions and Toll Revenues

Monthly transactions and toll revenue on the Mid-Bay Bridge during FY 2012 are presented in **Table 8.3**. The fourth quarter (April through June) experienced the most transactions and highest revenue of any quarter.

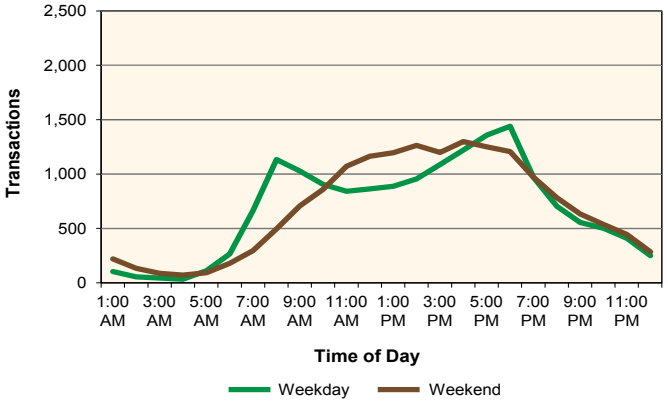
Table 8.3
Mid-Bay Bridge
Monthly Transactions and Toll Revenue
FY 2012

Month	Transactions (000)	Toll Revenue ($000)
July 2011	684	$1,716
August	569	1,379
September	494	1,182
1st Quarter Total	1,747	4,277
October	517	1,236
November	462	1,087
December	498	1,158
2nd Quarter Total	1,477	3,481
January 2012	446	1,036
February	450	1,055
March	576	1,391
3rd Quarter Total	1,472	3,482
April	553	1,337
May	624	1,516
June	648	1,606
4th Quarter Total	1,825	4,459
Annual Total	**6,521**	**$15,699**

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 plaza.

Graph 8.1 shows the number of hourly weekday and weekend transactions of a typical week during FY 2012. As expected, the demand for travel on the facility during weekdays is highest during the morning and evening peak hours. Approximately 1,100 vehicles use the facility during the morning peak hour from 7:00 a.m. to 8:00 a.m. and in the evening peak period approximately 1,400 vehicles use the 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 the facility.

Graph 8.1
Mid-Bay Bridge
Typical Hourly Transactions
FY 2012



Source: Data obtained from Turnpike Enterprise Finance Office for the 7-day period beginning Monday, August 22, 2011.

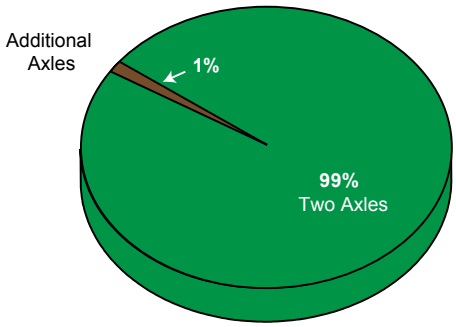
The monthly transaction variation in FY 2012 is analyzed in **Table 8.4**. The two-way annual average daily traffic (AADT) on the Mid-Bay Bridge for FY 2012 was 17,800. The peak season occurs in the late spring and early summer, continuing from March through August. July was the highest month at 24 percent above the average for the facility. January was the lowest month at 19 percent below the average. Typically, the lowest transaction levels occur from November through January, as it is the off-season for tourists and seasonal residents in northwest Florida.

Table 8.4
Mid-Bay Bridge
Seasonal Transaction Variation
FY 2012

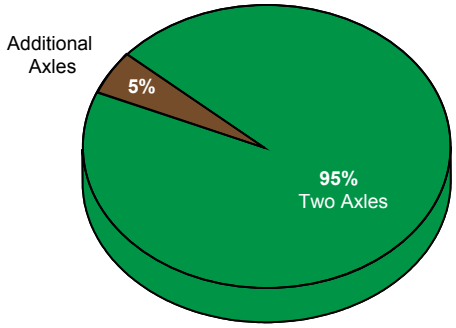
Month	Average Daily Transactions	Seasonal Factor
July 2011	22,100	1.24
August	18,400	1.03
September	16,500	0.93
October	16,700	0.94
November	15,400	0.87
December	16,100	0.90
January 2012	14,400	0.81
February	15,500	0.87
March	18,600	1.04
April	18,400	1.03
May	20,100	1.13
June	21,600	1.21
AADT	**17,800**	**1.00**

The traffic and revenue contributions from trucks on the Mid-Bay Bridge are shown in **Graph 8.2**. For FY 2012, trucks accounted for approximately 1 percent of traffic on the facility. Correspondingly, the revenue collected from truck traffic amounted to 5 percent of the total. In terms of actual numbers, vehicles with three or more axles provided approximately $0.7 million, while two-axle vehicles comprised the remaining $15.0 million.

Graph 8.2
Mid-Bay Bridge
Transactions by Axle Class
FY 2012



Revenue Contribution by Axle Class
FY 2012



8.3 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. (See **Appendix A** for the toll plaza configurations).

The percentages of SunPass transactions on Mid-Bay Bridge during FY 2012 are shown in **Table 8.5**. As indicated, SunPass transactions totaled nearly 4.1 million, resulting in a participation rate of 63.7 percent. Correspondingly, non-SunPass transactions accounted for the remaining 2.4 million transactions, or 36.3 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 the bridge.

Table 8.5
Mid-Bay Bridge
Transactions by Payment Method
FY 2012

Month	Transactions (000)			Percent SunPass
	SunPass	Non-SunPass	Total	
July 2011	374	310	684	54.7%
August	357	212	569	62.7
September	323	171	494	65.4
October	339	178	517	65.6
November	317	145	462	68.6
December	350	148	498	70.3
January 2012	318	128	446	71.3
February	312	138	450	69.3
March	363	213	576	63.0
April	351	202	553	63.5
May	381	243	624	61.1
June	367	281	648	56.6
Total	**4,152**	**2,369**	**6,521**	
Percentage	**63.7%**	**36.3%**	**100.0%**	

Source: Turnpike Enterprise Finance Office.

The resulting SunPass revenue on the Mid-Bay Bridge is approximately $8.6 million, or 54.8 percent, of all revenue collected on the facility. Non-SunPass payments totaled approximately $7.0 million in FY 2012. **Table 8.6** shows revenue contributions from SunPass and non-SunPass on the Mid-Bay Bridge by month. Note that while SunPass contributed approximately 54.8 percent of the total toll revenue in FY 2012, as previously mentioned, SunPass comprised approximately 63.7 percent of traffic on the facility. This is due to the lower toll paid by two-axle SunPass customers.

Table 8.6
Mid-Bay Bridge
Gross Toll Revenue by Payment Method
FY 2012

Month	Gross Toll Revenue ($000)			Percent SunPass
	SunPass	Non-SunPass	Total	
July 2011	$779	$937	$1,716	45.4%
August	739	640	1,379	53.6
September	669	513	1,182	56.6
October	702	534	1,236	56.8
November	656	431	1,087	60.3
December	722	436	1,158	62.3
January 2012	657	379	1,036	63.4
February	643	412	1,055	60.9
March	752	639	1,391	54.1
April	727	610	1,337	54.4
May	791	725	1,516	52.2
June	763	843	1,606	47.5
Total	**$8,600**	**$7,099**	**$15,699**	
Percentage	**54.8%**	**45.2%**	**100.0%**	

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

8.4 FY 2012 Expenses and Liabilities

A comparison between actual and budgeted operating and routine maintenance expenses for FY 2012 is presented in **Table 8.7**. Actual FY 2012 operating expenses were less than the budget by $81 thousand, or 3.7 percent. This decrease in actual operating expenses is primarily due to fewer expenses than originally budgeted for credit card fees and salaries. Actual routine maintenance expenses of $187 thousand were less than the FY 2012 budget by approximately $31 thousand, or 14.2 percent, primarily due to a decrease in routine maintenance needed on the facility compared to what was originally budgeted. Overall, operating and routine maintenance expenses for FY 2012 were 4.6 percent less than budgeted amounts.

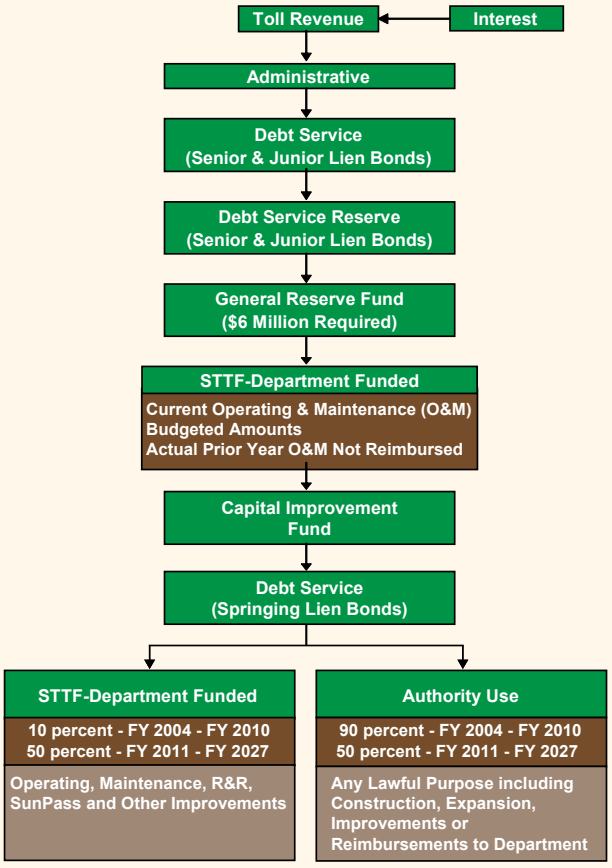
Table 8.7
Mid-Bay Bridge
Operating and Routine Maintenance Expenses
($000)
FY 2012

Type of Expense	Budget	Actual	Over/ (Under)	Variance
Operating	$2,205	$2,124	($81)	(3.7%)
Routine Maintenance	218	187	(31)	(14.2)
Total	**$2,423**	**$2,311**	**($112)**	**(4.6%)**

Source: FDOT Office of the Comptroller, Turnpike Enterprise Finance Office and the FY 2011 Enterprise Toll Operations Traffic Engineer's Annual Report.

As reflected in **Figure 8.2**, the Mid-Bay Bridge has a liability that is payable to the Department subsequent to the payment of annual debt service. This liability consists of funds advanced to the Authority to fund the costs of operations, maintenance and improvements. As provided in the Bond Covenants, the amount of repayment is based on the condition that if the moneys on deposit in the General Reserve (GR) Fund are in excess of $6.0 million, and if all the obligations of the debt service payments have been satisfied, the excess shall be transferred to reimburse the Department for the current budgeted cost of operation and maintenance and any actual prior year operations and maintenance costs not reimbursed.

Figure 8.2
Flow of Funds
Mid-Bay Bridge Authority Revenue Bonds
Series 2011A and 2011B



Moneys in excess of the current operating and maintenance liability to the Department are then deposited in the Capital Improvement Fund and 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 of the funds deposited in the Capital Improvements Fund is to be used by the Authority for any lawful purpose at such time as the Authority shall determine. The Department agreed to accept 10 percent of the amount in the Capital Improvement Fund and to defer the remaining amount due to the Department from FY 2004 through FY 2010. The moneys deferred helped finance a portion of the costs of design and construction of the north approach capacity improvements and toll plaza expansion. Beginning in FY 2011, the Department was supposed to begin receiving 50 percent of amounts deposited in the Capital Improvement Fund to reduce amounts owed to the Department. However, the Department has agreed to receive these payments only after the payment of the Springing Lien Bonds as established in the 2011A and 2011B Official Statement.

An analysis of the FY 2012 STTF long-term liability is presented in **Table 8.8**. FY 2012 additions to the liability totaled approximately $2.4 million, comprised of $2.3 million in operating and maintenance expenses

Table 8.8
Mid-Bay Bridge
STTF Long-Term Liability ($000)
FY 2012

Transaction	Amount
Balance, July 1, 2011	$16,123
Additions[(1)]	2,415
Reductions[(2)]	9,082
Balance, June 30, 2012	$9,456

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 general reserve funds in the amount of $2,471,695 and $6,610,891 in in-kind service offset for SR 20.

and $0.1 million in periodic maintenance and capital improvements. According to the flow of funds, the Mid-Bay Bridge Authority is required to wire 1/12 of the operating and maintenance budget to the Department each month. During FY 2012, $2.5 million was reimbursed to the Department for budgeted operating and maintenance expenses. The Department offset the debt by $6.6 million for SR 20 construction costs as explained in **Section 8.5**.

The Mid-Bay Bridge Authority has a second liability consisting of various advances from a $1.5 million loan (plus investment interest) from the Department's Toll Facilities Revolving Trust Fund (TFRTF) for a corridor study, traffic and revenue study and project design work. As shown in **Table 8.9**, the TFRTF liability balance as of June 30, 2012 was $746 thousand. As reflected in **Table 8.10**, the TFRTF liability is to be paid back from excess toll revenues available in the Capital Improvement Fund in installments from FY 2013 through FY 2016.

Table 8.9
Mid-Bay Bridge
TFRTF Liability ($000)
FY 2012

Transaction		Amount
Balance, July 1, 2011		$997
Additions	New loans	-
	Interest	-
Reductions		251
Balance, June 30, 2012		$746

Source: FDOT Office of Project Finance.

Table 8.10
Mid-Bay Bridge
Payment Schedule
TFRTF Liability ($000)

Fiscal Year	Payment
2013	252
2014	252
2015	158
2016	84
Balance	$746

Source: FDOT Office of Project Finance.

8.5 Noteworthy Events

The Authority continues to follow-through on its Capital Improvement Program that includes new and expanded approach roads and eventually a second, parallel span to the existing two-lane bridge over Choctawhatchee Bay. Specifically, the Mid-Bay Bridge Connector extends from the Mid-Bay Bridge toll plaza (expanded to eight lanes in May 2007) to SR 85; and the widening of SR 20 from White Point Road (which has served as the bridge's north approach since its opening in 1993) to the Connector (the new north approach).

The Mid-Bay Bridge Capital Improvement Program is being developed as a cooperative effort among the Mid-Bay Bridge Authority, the US Air Force, the Florida Department of Transportation, and the local County and City governments and communities. Many of the improvements are located on Eglin Air Force Base, owned by the US Government. Following are the Connector components of the program, under construction and looking forward, with anticipated time lines:

Mid-Bay Bridge Connector – 3 Phases

Phase 1: Mid-Bay Bridge to Range Road. This section was completed and opened to SR 20 in May 2011 and to Range Road in September 2011.

Phase 2: Range Road to State Road 285. Scheduled completion by January 2014.

Phase 3: State Road 285 to State Road 85. Scheduled completion by January 2014.

Tolls will be collected on the Mid-Bay Bridge Connector at one-half of the rate for Mid-Bay Bridge through All-Electronic Tolling (AET). The single toll plaza will be located north of Range Road on the Connector.

The Authority has combined Phases 2 and 3 of the Connector (Range Road to SR 85) to run concurrently, with completion to SR 85 scheduled for FY 2014. The Series 2011 bonds were issued in early 2011 to fund the Capital Improvement Program.

The second component of the Capital Improvement Program is the widening of SR 20 from White Point Road to the Connector. The widening to four lanes was completed in May 2011. The Authority and the Department entered into an agreement in December 2006 that was amended in April 2008 and again in September 2009. This agreement allows for offsetting the Authority's Long Term Debt for costs incurred in construction of SR 20 up to an amount which shall not exceed the total amount owed. The project was completed in April 2012 in the amount of $6.6 million.

Finally, the third component is the expansion of the Mid-Bay Bridge. With the slowdown in bridge traffic growth during the past three years and an anticipated modest recovery, the need for the bridge expansion is not projected to be needed until the mid 2020's.

8.6 Traffic, Revenue and Expense Forecasts

In forecasting traffic and revenue for the bridge, prior traffic and revenue performance was used as a guide to estimate the total traffic and revenue for FY 2013 through FY 2023. The forecasts presented in **Table 8.11** and **Table 8.12** show traffic and gross toll revenues, respectively, as forecast in the Authority's Series 2011 Official Statement.

Current revenue forecasts for FY 2013 through FY 2023 were unchanged from the prior year as actual FY 2012 revenues were virtually identical to forecasted revenues. The forecast accounts for the previously implemented toll rate increase on the Mid-Bay Bridge on June 1, 2010 (FY 2010), the planned opening

Table 8.11
Mid-Bay Bridge
Traffic Forecast
FY 2013 through FY 2023

Fiscal Year	Mid-Bay without Connector (000)	Connector Impact to Bridge (000)	Connector (000)	Toll Rate Increase Impact (000)	Total Traffic (000)
2013	6,826	N/A	N/A	N/A	6,826
2014(1)	7,059	1,018	1,678	N/A	9,755
2015	7,340	1,059	2,526	N/A	10,925
2016(2)	7,482	1,008	2,841	(707)	10,624
2017	7,721	1,040	2,932	(729)	10,964
2018	7,975	1,074	3,029	(753)	11,325
2019	8,216	1,104	3,126	(769)	11,677
2020	8,408	1,131	3,224	(787)	11,976
2021	8,580	1,156	3,322	(807)	12,251
2022	8,768	1,181	3,395	(824)	12,520
2023	8,945	1,205	3,464	(841)	12,773

Note: Traffic and revenue forecasts correspond to the Authority's fiscal year. However, for purposes of this report, these forecasts are shown in terms of the Department's fiscal year.
(1) Opening of the Mid-Bay Bridge Connector, January 2014.
(2) Planned toll increase, subject to change as financial conditions warrant.

Table 8.12
Mid-Bay Bridge
Gross Toll Revenue Forecast
FY 2013 through FY 2023

Fiscal Year	Mid-Bay Bridge without Connector ($000)	Connector Impact to Bridge ($000)	Connector ($000)	Toll Rate Increase Impact ($000)	Toll Revenue Comparisons ($000)			
					FY 2012 Gross Revenue	2011 Annual Report Forecast	Variance	
							Amount	Percent
2013	$16,089	N/A	N/A	N/A	$16,089	$16,089	$0	0.0%
2014(2)	16,589	2,392	1,717	N/A	20,698	20,698	0	0.0%
2015	17,198	2,480	2,577	N/A	22,255	22,255	0	0.0%
2016(2)	20,245	3,441	2,924	4,612	31,222	31,222	0	0.0%
2017	20,846	3,544	3,011	4,749	32,150	32,150	0	0.0%
2018	21,467	3,649	3,101	4,890	33,107	33,107	0	0.0%
2019	22,020	3,740	3,187	5,077	34,024	34,024	0	0.0%
2020	22,459	3,818	3,275	5,217	34,769	34,769	0	0.0%
2021	22,835	3,892	3,364	5,345	35,436	35,436	0	0.0%
2022	23,237	3,960	3,423	5,439	36,059	36,059	0	0.0%
2023	23,602	4,023	3,477	5,525	36,627	N/A	N/A	N/A

Note: Traffic and revenue forecasts correspond to the Authority's fiscal year. However, for purposes of this report, these forecasts are shown in terms of the Department's fiscal year.
(1) Opening of the Mid-Bay Bridge Connector, January 2014.
(2) Planned toll increase, subject to change as financial conditions warrant.
N/A The FY 2011 Traffic Engineer's Annual Report forecast went through FY 2022.

and collection of tolls for the Mid-Bay Bridge Connector in January 2014 (FY 2014), as well as a planned increase in tolls on both the bridge and Connector in FY 2016 (subject to change as financial conditions warrant). The forecast tables include the additional traffic and revenue anticipated for the Connector, as well as the impact that the Connector will have on Bridge traffic and revenue. The positive revenue variances in FY 2016-2017 reflect the Authority's programming for the next toll increase in FY 2016 instead of FY 2018 in support of its finance plan in the 2011 Official Statement. The modest traffic increases on the bridge reflect a gradual return to normal economic conditions as described in the **Overview** chapter of this report. However, Florida's economic recovery over the next 10 years will not achieve growth rates as high as those seen in the years leading up to the recession.

Table 8.13
Mid-Bay Bridge
Projected Operating and Maintenance Expenses ($000)
FY 2013 through FY 2023

Fiscal Year	Operating Expense	Maintenance Expenses		Total O&M Expenses
		Routine	Periodic[1]	
2013	$2,236	$203	$945	$3,384
2014	2,314	205	1,187	3,706
2015	2,395	207	1,082	3,684
2016	2,479	210	929	3,618
2017	2,566	195	1,084	3,845
2018	2,656	215	1,122	3,993
2019	2,749	223	1,161	4,133
2020	2,845	231	1,202	4,278
2021	2,944	239	1,244	4,427
2022	3,047	247	1,287	4,581
2023	3,154	256	1,333	4,743

Note: Operating expenses are based on the budget developed by Turnpike Enterprise Finance Office for FY 2013.
(1) Periodic maintenance expenses were provided by the FDOT Office of Project Finance based on estimated expenditures from the 5-Year Work Program and are reported on a cash basis. Periodic maintenance expenses beyond FY 2017 include a minimal level of preservation (excluding extraordinary expenses such as major bridge repairs) that are based on FY 2017 expenses increased at 3.5 percent annually.

Accordingly, revenues for the Bridge and Connector are projected to increase from $16.1 million in FY 2013 to $36.6 million in FY 2023. Traffic profiles are provided in **Appendix B** showing the two-way AADT on the Mid-Bay Bridge for FY 2012 through FY 2023.

The projected operating and maintenance expenses for FY 2013 through FY 2023 are shown in **Table 8.13**. The operating expenses in FY 2013 represent the budget amount for that fiscal year (see **Appendix C** for a detailed description of the FY 2012 operating expense budget). Estimated FY 2013 operating expenses are approximately $112 thousand higher than actual FY 2012 levels due, in part, to an expected increase in toll equipment repair/maintenance and toll plaza operating contracts. Subsequent to FY 2013, operating expenses are projected to grow at 3.5 percent annually to allow for inflation.

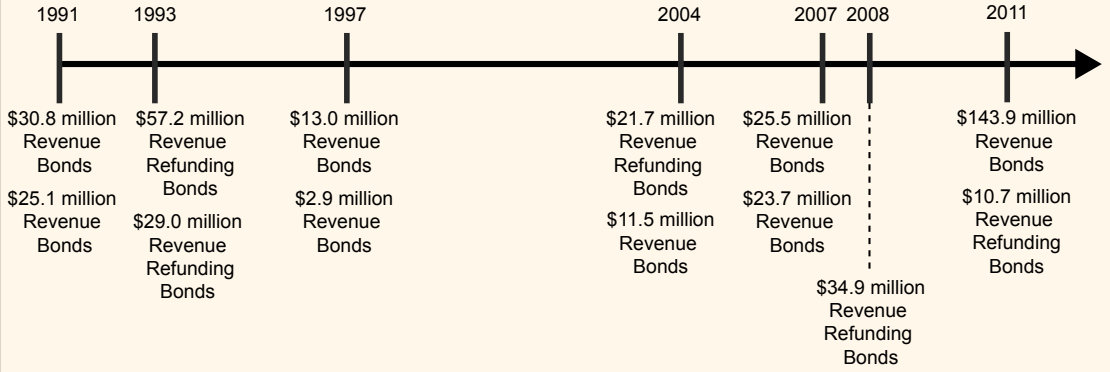
Routine Maintenance expenses are based on the Asset Maintenance Contract through FY 2018. Subsequent years have been increased at 3.5 percent annually through FY 2023. In addition, estimated costs for work not performed under the Asset Maintenance Contract are based on FY 2012 actual results increased for inflation at 3.5 percent annually. Periodic maintenance expenses are provided by the Department's Office of Project Finance and are based on the 5-year Work Program and include toll plaza improvements and toll system upgrades.

8.7 Revenue Sufficiency

As of September 30, 2012, bonds in the principal amount of $260.7 million (unaudited) remain outstanding from the Series 1993A, 1993D, 1997A, 2007A, 2007B, 2008A, 2011A and 2011B issues. 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" calculation is performed. In accordance with the Bond Resolution, gross revenues are first required to provide 100 percent of the administrative expenses. The amount of revenues remaining (net revenues) is then available for the payment of debt service. The net revenues and the amounts on deposit in the General Reserve Fund are required to be at least sufficient to pay 175 percent of the Annual Debt Service Requirement. A timeline of Mid-Bay Bridge bond sales for the facility is shown in **Figure 8.3**.

Figure 8.3
Mid-Bay Bridge Bond Issues



Note: A list of projects funded by each bond issue is included in **Table 1.5** of this report.

Table 8.14 provides a forecast of the sufficiency of the Mid-Bay Bridge to meet its annual debt service requirements through FY 2023. Interest earnings are based on actual FY 2012 amounts (unaudited) and held constant thereafter. Administrative expenses are based on actual FY 2012 expenses (unaudited), inflated annually at 3.5 percent. As shown in the table, the Mid-Bay Bridge exceeds the 1.75 minimum debt service coverage requirement.

Table 8.14
Mid-Bay Bridge
Analysis of Debt Service Coverage ($000)
FY 2012 through FY 2023

Fiscal Year	Gross Toll Revenue	Interest Earnings	Adminis-trative Expenses	Total Gross Revenue	General Reserve Fund	Total Available Revenue	Debt Service	
							Payment[1]	Coverage Ratio
2012	$15,699	$1,396	$569	$16,526	$6,000	$22,526	$9,589	2.4
2013	16,089	1,396	589	16,896	6,000	22,896	9,661	2.4
2014	20,698	1,396	610	21,484	6,000	27,484	13,352	2.1
2015	22,255	1,396	631	23,020	6,000	29,020	14,313	2.0
2016	31,222	1,396	653	31,965	6,000	37,965	20,964	1.8
2017	32,150	1,396	676	32,870	6,000	38,870	19,253	2.0
2018	33,107	1,396	699	33,804	6,000	39,804	20,731	1.9
2019	34,024	1,396	724	34,696	6,000	40,696	20,518	2.0
2020	34,769	1,396	749	35,416	6,000	41,416	20,621	2.0
2021	35,436	1,396	775	36,057	6,000	42,057	22,376	1.9
2022	36,059	1,396	803	36,652	6,000	42,652	23,700	1.8
2023	36,626	1,396	831	37,191	6,000	43,191	24,701	1.8

Note: Interest Earnings and Administrative Expenses for FY 2012 are preliminary totals and are subject to change.
(1) Taken from the Official Statement for the Series 2011A and 2011B Bonds.

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