



December 20, 2019

Mr. Bren Dietrich, C.P.A.
Chief Financial Officer, Florida's Turnpike Enterprise
Florida Department of Transportation
Florida's Turnpike, Milepost 263
Building 5315, Turkey Lake Service Plaza
Ocoee, Florida 34761

Dear Mr. Dietrich:

AECOM is pleased to submit this Traffic Engineer's Annual Letter Report on Florida's Turnpike for the fiscal year ended June 30, 2019, in accordance with our role as the Traffic Engineering Consultant for the Florida Turnpike Enterprise. The Turnpike Revenue Bond Resolution, under Section 5.14, requires the Traffic Engineer to annually provide a traffic and earnings report to the Department.

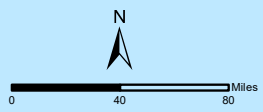
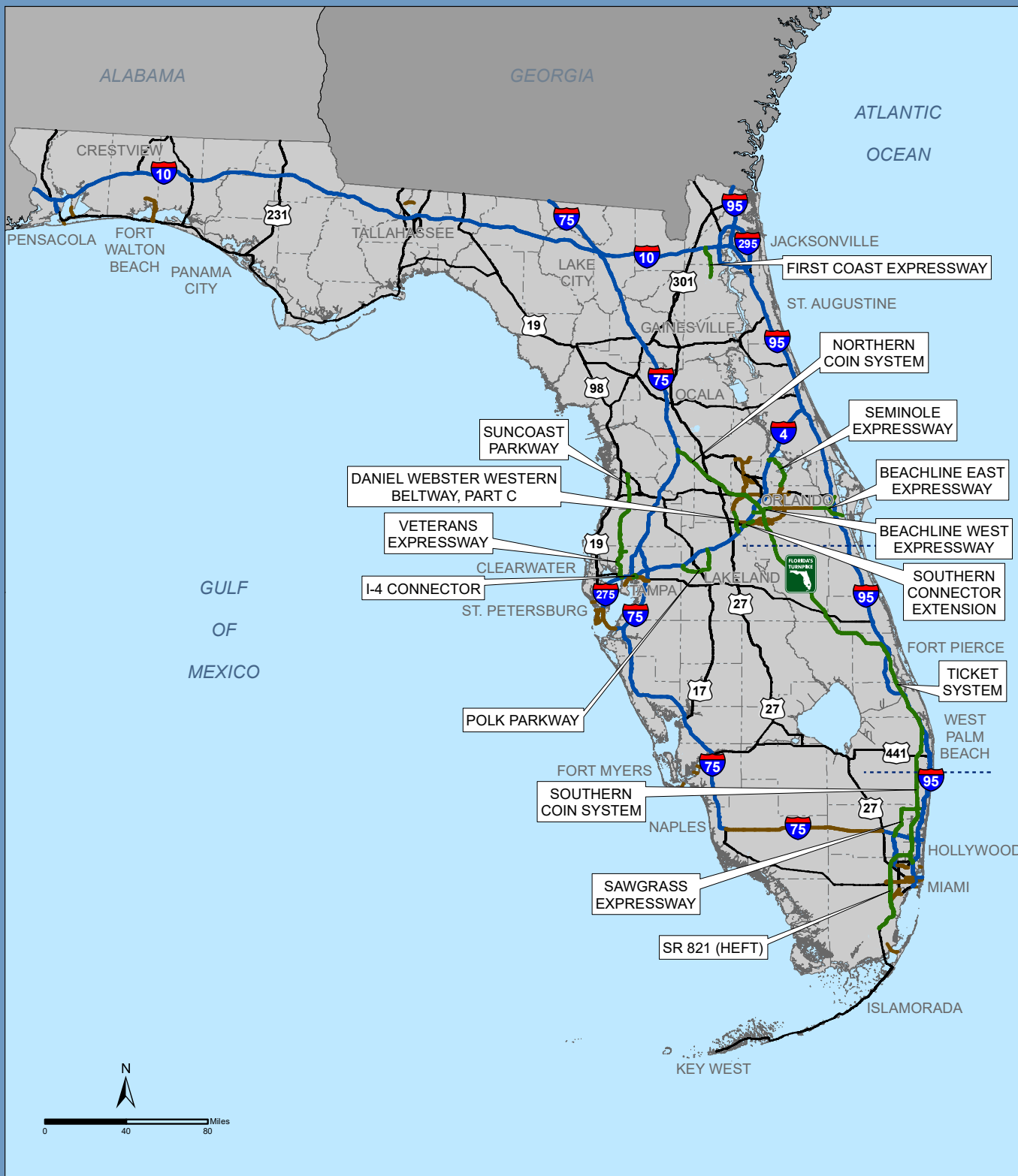
BACKGROUND

Florida's Turnpike Enterprise consists of the Turnpike System, as well as nine Department-owned and two Department-operated toll facilities in the State. For the purpose of this report, traffic and revenue information for FY 2019 is reported only for those facilities that are part of the Turnpike System (referred to herein interchangeably as "Turnpike" or "Turnpike System"). Similar information for the same period on Department-owned and operated facilities is included in separate reports.

The Turnpike System consists of several components; the principal one is the Mainline with a length of 320 miles. The Mainline includes five different subcomponents: SR 821 (Homestead Extension of Florida's Turnpike - HEFT); the Southern Coin System; the Ticket System; the Northern Coin System; and the Beachline West Expressway. The first four segments of the Mainline are continuous with a north-south direction extending 312 miles from Florida City in southern Miami-Dade County to I-75 at Wildwood in Sumter County to the north. The fifth segment, the 8-mile Beachline West Expressway, intersects with the Northern Coin System in Orlando and has an east-west orientation.

The Turnpike also includes nine expansion projects that are currently open to traffic: Sawgrass Expressway in Broward County; Seminole Expressway in Seminole County; Veterans Expressway in Hillsborough County; Southern Connector Extension in Orange and Osceola counties; Polk Parkway in Polk County; Suncoast Parkway in Hillsborough, Pasco and Hernando counties; Western Beltway, Part C in Orange and Osceola counties; the I-4 Connector in Hillsborough County; and the Beachline East Expressway in Orange and Brevard Counties.

Additionally, toll collection on the First Coast Expressway, a new expansion project, started in July 2019 (FY 2020). This project is a 15-mile, four-lane, divided, and limited access All-Electronic Tolling (AET) facility in Duval and Clay counties in the Jacksonville area. It connects Blanding Boulevard (SR 21) to I-10 and features five mainline gantries. A map of the Turnpike System is presented in **Figure 1**.



Florida's Turnpike System

Turnpike Enterprise, Florida Department of Transportation
Figure 1



- Toll System Boundary
- Existing Turnpike System Facility
- Other Toll Road
- Interstate Highway
- Arterial
- County Boundary

Sources: HERE 2019
Florida's Turnpike Enterprise, 2019

FISCAL YEAR 2019 OVERVIEW

FY 2019 marks another record year with Turnpike System revenue continuing to exceed \$1 billion. The combined revenue impact from the systemwide traffic growth, no hurricane related revenue loss (\$45 million Hurricane Irma toll suspension in FY 2018), and the full year impact of the cash, SunPass® and TOLL-BY-PLATE® toll rate adjustments in October 2017 (eight months in FY 2018) resulted in a revenue increase of \$35 million, or 3.4 percent in FY 2019, compared to the preceding year.

As indicated in **Table 1**, the Mainline continues to provide the majority of Turnpike transactions at 61 percent, while generating 69 percent of the total gross toll revenues.

Table 1
Florida's Turnpike System
Traffic/Transactions and Gross Toll Revenue for FY 2019

Component	Miles	Transactions		Gross Toll Revenue		Average Toll
		Volume (000)	Percent of Total	Amount (\$000)	Percent of Total	
SR 821 (HEFT)	47	202,544	21.7%	\$172,813	16.4%	\$0.85
Southern Coin System	43	174,282	18.7	177,242	16.8	1.02
Ticket System	155	57,804	6.3	183,916	17.5	3.18
Northern Coin System	67	97,949	10.5	164,120	15.6	1.68
Beachline West Expressway	8	35,636	3.8	29,320	2.8	0.82
Total Mainline	320	568,215	61.0%	\$727,411	69.1%	\$1.28
Sawgrass Expressway	23	96,558	10.3	88,747	8.4	0.92
Seminole Expressway	18	45,404	4.9	60,209	5.7	1.33
Veterans Expressway	15	70,158	7.5	56,582	5.4	0.81
Southern Connector Extension	6	18,828	2.0	15,148	1.4	0.80
Polk Parkway	25	38,121	4.1	36,848	3.5	0.97
Suncoast Parkway	42	36,810	4.0	29,214	2.8	0.79
Western Beltway, Part C	11	16,638	1.8	16,942	1.6	1.02
I-4 Connector	1	19,847	2.1	14,390	1.4	0.73
Beachline East Expressway	22	21,151	2.3	6,866	0.7	0.32
Total Expansion Projects	163	363,515	39.0%	\$324,946	30.9%	\$0.89
Total System	483	931,730	100.0%	\$1,052,357	100.0%	\$1.13

Source: Turnpike Enterprise Finance Office.

The Turnpike continues to invest in the state-of-the-art tolling equipment and prioritize conversion of certain facilities to All-Electronic Tolling (AET). This innovative toll collection method eliminates cash toll booths and allows customers to pay tolls electronically while traveling uninterrupted at highway speeds. Electronic tolling at highway speeds increases throughput, shortens travel times, enhances safety and reduces pollution. Customers today experience the benefits of AET on the HEFT, Sawgrass and Veterans Expressways, I-4 Connector, First Coast Expressway and on most sections of the Southern Coin System. More such conversions are planned with the Suncoast Parkway starting in FY 2020, the Northern Coin System in FY 2021, and the Ticket System and Polk Parkway in FY 2022.

Additionally, the Turnpike provides convenient, affordable and high-quality services by increasing capacity through widening projects. Key projects on the Turnpike System planned in the five-year Work Program include widenings: from Biscayne Drive to the Miramar Toll Plaza on SR 821 (HEFT); from Sunrise Boulevard to Powerline Road on the Sawgrass Expressway; from Kissimmee /St. Cloud South to Orlando South, and from Clermont to Leesburg North on the Northern Coin System; and the entire Beachline West Expressway.

The Turnpike also continues to invest in building more access points to the Mainline with AET technology. On the Northern Coin System, more ramps will be added on the roadway segment at SR 417 enabling all movements between these two major roadways in FY 2022, followed by a new interchange at Sand Lake Road in FY 2024. Further, a new interchange at Ridge Road on Suncoast Parkway and at NW 170th Street on the HEFT are planned for opening in FY 2023 and FY 2025, respectively.

The Turnpike operates eight service plazas located on the Turnpike Mainline. All of them have fully reopened after the renovation that started in FY 2011.

COMPARISON OF ACTUAL REVENUES TO ESTIMATED REVENUES

Table 2 provides a comparison of actual FY 2019 and FY 2018 total revenues. It also shows a comparison of actual and projected FY 2019 total revenue as included in the FY 2018 Annual Letter Report. FY 2019 total revenue of nearly \$1.1 billion (includes \$9 million of concession revenues) represents an increase of \$34 million, or 3.3 percent over the preceding fiscal year.

Table 2
Florida's Turnpike System
Comparison of FY 2019 Actual vs. FY 2018 Actual and FY 2019 Estimated Revenue

Turnpike System Component	Actual Revenue (\$000) FY 2019 vs. FY 2018		Actual Change FY 2019 vs. FY 2018		Estimated Revenue ⁽¹⁾ (\$000)	Comparison FY 2019 Actual vs. FY 2019 Estimated	
	FY 2019	FY 2018	Amount (\$000)	Change		FY 2019	Amount (\$000)
HEFT	\$172,813	\$170,216	\$2,597	1.5%	\$188,473	(\$15,660)	(8.3%)
Southern Coin System	177,242	173,999	3,243	1.9	183,690	(6,448)	(3.5)
Ticket System	183,916	176,191	7,725	4.4	189,391	(5,475)	(2.9)
Northern Coin System	164,120	157,042	7,078	4.5	167,462	(3,342)	(2.0)
Beachline West Expressway	29,320	28,984	336	1.2	30,738	(1,418)	(4.6)
Total Mainline	\$727,411	\$706,432	\$20,979	3.0%	\$759,754	(\$32,343)	(4.3%)
Sawgrass Expressway	88,747	86,650	2,097	2.4	91,518	(2,771)	(3.0)
Seminole Expressway	60,209	58,308	1,901	3.3	62,162	(1,953)	(3.1)
Veterans Expressway	56,582	53,670	2,912	5.4	59,075	(2,493)	(4.2)
Southern Connector Extension	15,148	14,409	739	5.1	15,358	(210)	(1.4)
Polk Parkway	36,848	35,482	1,366	3.8	37,510	(662)	(1.8)
Suncoast Parkway	29,214	27,620	1,594	5.8	29,029	185	0.6
Western Beltway, Part C	16,942	15,106	1,836	12.2	16,302	640	3.9
I-4 Connector	14,390	13,856	534	3.9	14,378	12	0.1
Beachline East Expressway	6,866	5,770	1,096	19.0	6,251	615	9.8
First Coast Expressway ⁽²⁾	NA	NA	NA	NA	3,568	(3,568)	NA
Total Expansion Projects	\$324,946	\$310,871	\$14,075	4.5%	\$335,151	(\$10,205)	(3.0%)
TURNPIKE SYSTEM TOTAL TOLL REVENUE	\$1,052,357	\$1,017,303	\$35,054	3.4%	\$1,094,905	(\$42,548)	(3.9%)
Concession Revenue	8,922	9,878	(956)	(9.7)	8,778	144	1.6
TURNPIKE SYSTEM GRAND TOTAL	\$1,061,279	\$1,027,181	\$34,098	3.3%	\$1,103,683	(\$42,404)	(3.8%)

⁽¹⁾ As forecast in the Traffic Engineer's FY 2018 Annual Letter Report.

⁽²⁾ Toll collection on First Coast Expressway commenced in July 2019 (FY 2020).

The systemwide traffic growth, full year revenue impact of cash, SunPass® and TOLL-BY-PLATE® toll rate adjustments in October 2017 (eight months impact in FY 2018), no hurricane related toll suspension (compared to \$45 million revenue loss in FY 2018 due to 15-day Hurricane Irma toll suspension), offset by a delay in billing and collections from the implementation of the Department's Centralized Customer Service System (CCSS), resulted in \$35 million toll revenue increase, or 3.4 percent in FY 2019. The systemwide traffic growth, notably on most Central Florida facilities, in large part was due to continuing low unemployment rates, population increase, and a record setting increase in Florida visitors.

Overall, toll revenue on the Mainline increased 3 percent (or \$21 million) and the actual revenue was \$32 million less than projected largely due to the delay in billing and collections related to the implementation of CCSS as described earlier. Similarly, toll revenues on expansion projects increased by 4.5 percent (or \$14 million) over FY 2018, while the actual revenue was approximately \$10 million less than forecast. In addition to the CCSS impact, the opening of the First Coast Expressway in July 2019 (FY 2020) compared to the assumed toll collection starting the second half in FY 2019 as reflected in FY 2018 Annual Letter Report forecast contributed to this variance.

Actual concession revenues decreased by approximately \$1 million, or 19 percent compared to the preceding fiscal year due to the substantial decline in noncompliance fines collected from the concessionaire resulting from delays in construction completion during the prior year.

COMBINED TOLL REVENUE FORECAST

The updated traffic and revenue forecasts depend on expectations about the strength of the economy, particularly population growth and low unemployment rates. While uncertainty about the future is always a concern, Florida's overall economy seems strong.

With these factors in mind, this year's forecast was prepared based on actual FY 2019 revenues, as well as other major events. Such events include capacity improvements, the future indexing of toll rates starting FY 2021, and the upcoming conversion to AET. Additionally, the forecast includes revenue from a new interchanges on the Northern Coin System at SR 417 (remaining movements in FY 2022) and Sand Lake in FY 2024, on the Suncoast Parkway at Ridge Road in January 2023 (FY 2023), on the Polk Parkway at Braddock Road in FY 2024, and on the HEFT at NW 170th Street in FY 2025.

Also, the revenue impacts from the addition of lanes on the Beachline West Expressway in FY 2020, and on SR 821 (HEFT) in FY 2020, FY 2021 and FY 2026 are included in the forecast. Further, revenue collections from additional lanes on sections of Northern Coin System in FY 2022, FY 2024 and FY 2028, and on northern section of Polk Parkway in FY 2024 are incorporated in the forecast. The forecast also includes the widening impact on the Sawgrass Expressway in FY 2027.

The revenue forecasts contained in this section are a result of analyses made of the individual segments of the Turnpike System covered in this Annual Letter Report. The forecasts through FY 2030 are detailed by Turnpike System component in order to facilitate monitoring and analysis of each component's performance. Gross toll revenue forecasts for the Mainline and expansion projects are shown in **Table 3** and **Table 4**, respectively.

Forecasts for the total Turnpike System toll and concession revenues are shown in **Table 5**. Toll revenue amounts in FY 2023 and FY 2028 reflect the cash toll rate increase that occurs every 5 years in addition to the annual toll indexing for SunPass® and TOLL-BY-PLATE® rates.

As indicated earlier, the revenue forecasts presented in this report are subject to significant economic uncertainties and contingencies beyond the control of AECOM. As such, if any number of unforeseen events occur, the forecasts may require adjustment.

Table 3
Florida's Turnpike Mainline
Toll Revenue Forecast (\$000)
FY 2020 through FY 2030

Fiscal Year	SR 821 (HEFT)	Southern Coin	Ticket System	Northern Coin	Beachline West	Total
2020	\$177,962	\$181,073	\$176,446	\$164,090	\$32,432	\$732,003
2021	190,776	189,436	183,177	164,474	34,498	762,361
2022	197,531	194,600	188,172	173,086	35,839	789,228
2023	203,408	199,903	192,905	180,258	38,345	814,819
2024	209,456	205,150	197,560	189,956	39,715	841,837
2025	216,165	210,532	202,329	196,995	41,062	867,083
2026	225,060	216,056	207,212	204,277	42,458	895,063
2027	233,705	221,505	212,213	211,601	43,835	922,859
2028	240,502	226,866	217,119	218,982	46,293	949,762
2029	247,254	232,126	222,139	226,099	47,719	975,337
2030	254,183	237,508	227,275	233,107	49,184	1,001,257

Note: FY 2020 revenue forecast reflects revenue loss from Hurricane Dorian toll suspension for approximately 4.5 days starting September 1, 2019. The above revenue forecasts reflect the implementation of All-Electronic Tolling on: the Southern Coin System from Sawgrass Expressway to Lantana, and the Northern Coin System in FY 2021; and the Ticket System in FY 2022. The forecasts also include revenues from additional lanes on the sections of the HEFT from Biscayne Drive to Bird Road in FY 2020, from Bird Road to SR 836 in FY 2021, and from SR 836 to Miramar Plaza in FY 2026. Similarly, the Beachline West forecast includes the impact from additional lanes on the entire facility in FY 2020. Additionally, the Northern Coin System reflects impact from additional lanes from Osceola Parkway to Orlando South in FY 2022, from Clermont to Leesburg North in FY 2024, and from Kissimmee South to Osceola Parkway in FY 2028. Further, the forecasts reflect new interchanges opening on the Northern Coin System at SR 417 (remaining movements) in FY 2022, and at Sand Lake Road in FY 2024, and on the HEFT at NW 170th Street in the second half of FY 2025.

Table 4
Florida's Turnpike Expansion Projects
Toll Revenue Forecast (\$000)
FY 2020 through FY 2030

Fiscal Year	Sawgrass Expressway	Seminole Expressway	Veterans Expressway	Southern Connector	Polk Parkway	Suncoast Parkway	Western Beltway - C	I-4 Connector	Beachline East	First Coast Expressway	Total
2020	\$93,129	\$59,579	\$61,993	\$15,526	\$36,989	\$29,807	\$17,525	\$16,019	\$6,008	\$6,633	\$343,208
2021	98,846	62,301	65,993	16,487	38,315	29,403	18,693	17,234	6,219	8,296	361,787
2022	102,126	64,033	68,992	17,138	37,709	30,224	19,489	17,982	6,357	9,393	373,443
2023	105,515	67,362	71,987	18,348	38,725	31,188	20,990	18,617	7,078	10,443	390,253
2024	108,804	69,151	74,894	18,939	39,939	32,291	21,789	19,275	7,226	11,451	403,759
2025	111,975	70,934	77,537	19,530	40,996	33,044	22,591	19,956	7,376	12,451	416,390
2026	115,016	72,798	79,880	20,125	42,074	33,943	23,405	20,660	7,523	13,449	428,873
2027	121,540	74,714	82,051	20,702	43,174	34,819	24,222	21,347	7,673	14,431	444,673
2028	124,912	78,092	84,198	21,862	44,297	35,750	25,686	22,059	8,376	15,382	460,614
2029	128,248	80,104	86,316	22,445	45,445	36,672	26,546	22,793	8,539	16,349	473,457
2030	131,533	82,090	88,487	23,018	46,621	37,632	27,408	23,551	8,676	17,293	486,309

Note: FY 2020 revenue forecast reflects revenue loss from Hurricane Dorian toll suspension for approximately 4.5 days starting September 1, 2019. The above revenue forecasts reflect the implementation of All-Electronic Tolling on the Suncoast Parkway in FY 2021 and Polk Parkway in FY 2022. The Sawgrass Expressway forecast includes revenues from additional lanes on most sections of the facility in FY 2027. Additionally, the forecasts reflect a new interchange on Suncoast Parkway at Ridge Road opening in the second half of FY 2023, and the widening impact on Polk Parkway from CR 546 to north of Eastern Plaza and a new interchange at Braddock Road in FY 2024. The First Coast Expressway opened to traffic in mid-July 2019 (FY 2020).

Table 5
Summary of Florida's Turnpike System
Toll and Concession Revenue Forecast (\$000)
FY 2020 through FY 2030

Fiscal Year	Mainline	Expansion Projects	Total Toll Revenue	Gross Concession Revenue	Total Gross Revenue
2020	\$732,003	\$343,208	\$1,075,211	\$9,024	\$1,084,235
2021	762,361	361,787	1,124,148	9,077	1,133,225
2022	789,228	373,443	1,162,671	9,102	1,171,773
2023	814,819	390,253	1,205,072	9,232	1,214,304
2024	841,837	403,759	1,245,596	9,357	1,254,953
2025	867,083	416,390	1,283,473	9,468	1,292,941
2026	895,063	428,873	1,323,936	9,621	1,333,557
2027	922,859	444,673	1,367,532	9,777	1,377,309
2028	949,762	460,614	1,410,376	9,936	1,420,312
2029	975,337	473,457	1,448,794	10,099	1,458,893
2030	1,001,257	486,309	1,487,566	10,264	1,497,830

We acknowledge with thanks the cooperation and support of the Florida's Turnpike Enterprise staff in the preparation of this report.

Respectfully,
AECOM Technical Services, Inc.



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Vice President



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