


Mid-Bay Bridge Authority

Toll Schedule Analyses

Public Meeting

10-27-16



Overview

-
- **Background**
 - **Where We Are Now**
 - **Toll Schedule Analysis**
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Background - History

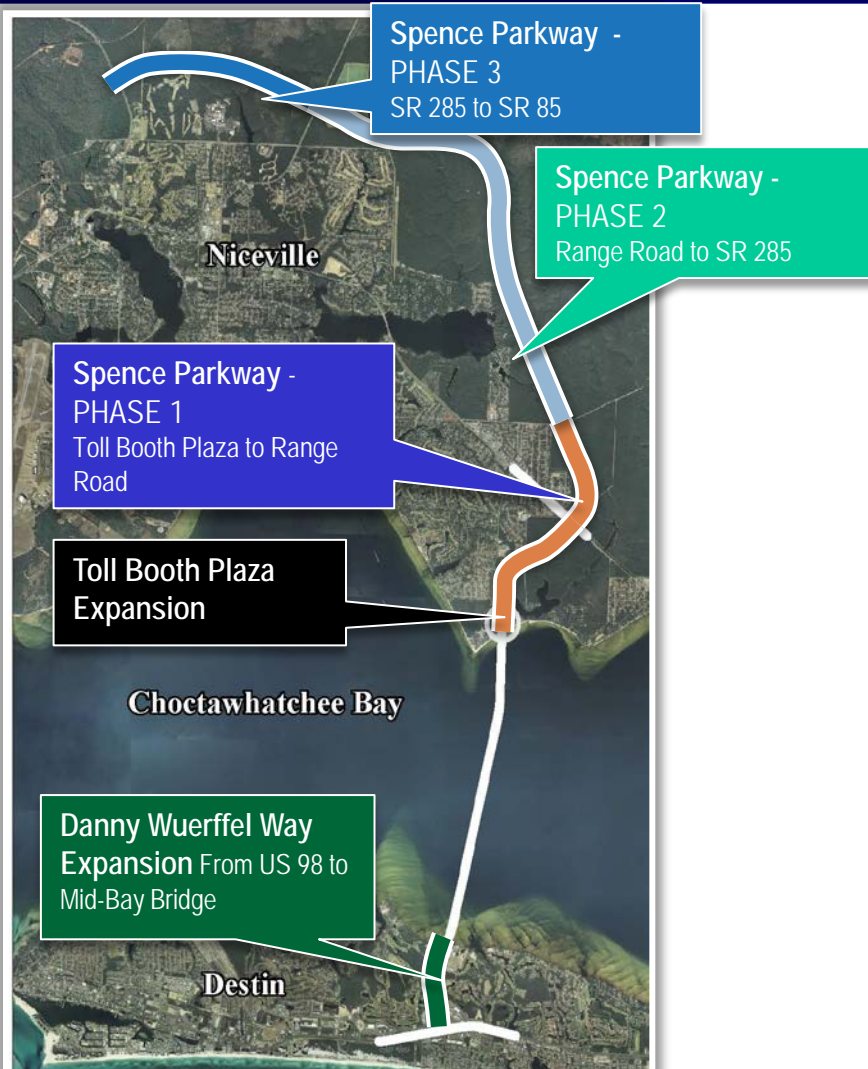
- **1986: Mid-Bay Bridge Authority**
 - Established via legislation to construct a bridge that spans Choctawhatchee Bay and any connecting roads leading to the bridge
 - Created as Special Dependent District of Okaloosa County
 - Consists of Authority board of 5 members appointed by Governor + 1 non-voting member from FDOT District 3
 - Held 1st meeting on Oct 13, 1986
 - Operation and maintenance by FDOT through a Lease-Purchase Agreement
 - Day-to-day administration by Executive Director
 - **1987: Began feasibility, traffic, and revenue studies**
 - **1988: Began final design**
 - **1989: Received contract proposals**
 - **1991: Completed bond sale and began construction**
 - **1993: Completed bridge construction and opened to traffic in June**
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Background - System

- **Primary Asset is a 3.6 mile segmental bridge that spans the Choctawhatchee Bay from Destin, Florida to Niceville, Florida**



Background - Improvements



- **SR 293/US 98 Widening and Intersection Improvements**
 - Completed in Spring 2002
- **Toll Booth Plaza Expansion**
 - Completed May 2007
- **Walter Francis Spence Parkway (Mid-Bay Bridge Connector) – 3 Phases**
 - Conceptual approval by Eglin from Bridge to SR 85 in Dec 06
 - Environmental Assessment Signed Dec 08
 - **Phase 1**
 - ◆ Mid-Bay Bridge to Range Road
 - ◆ SR 20 Widening
 - ◆ Back Access Road
 - **Phases 2 / 3**
 - ◆ Range Road to SR 285 / SR 85

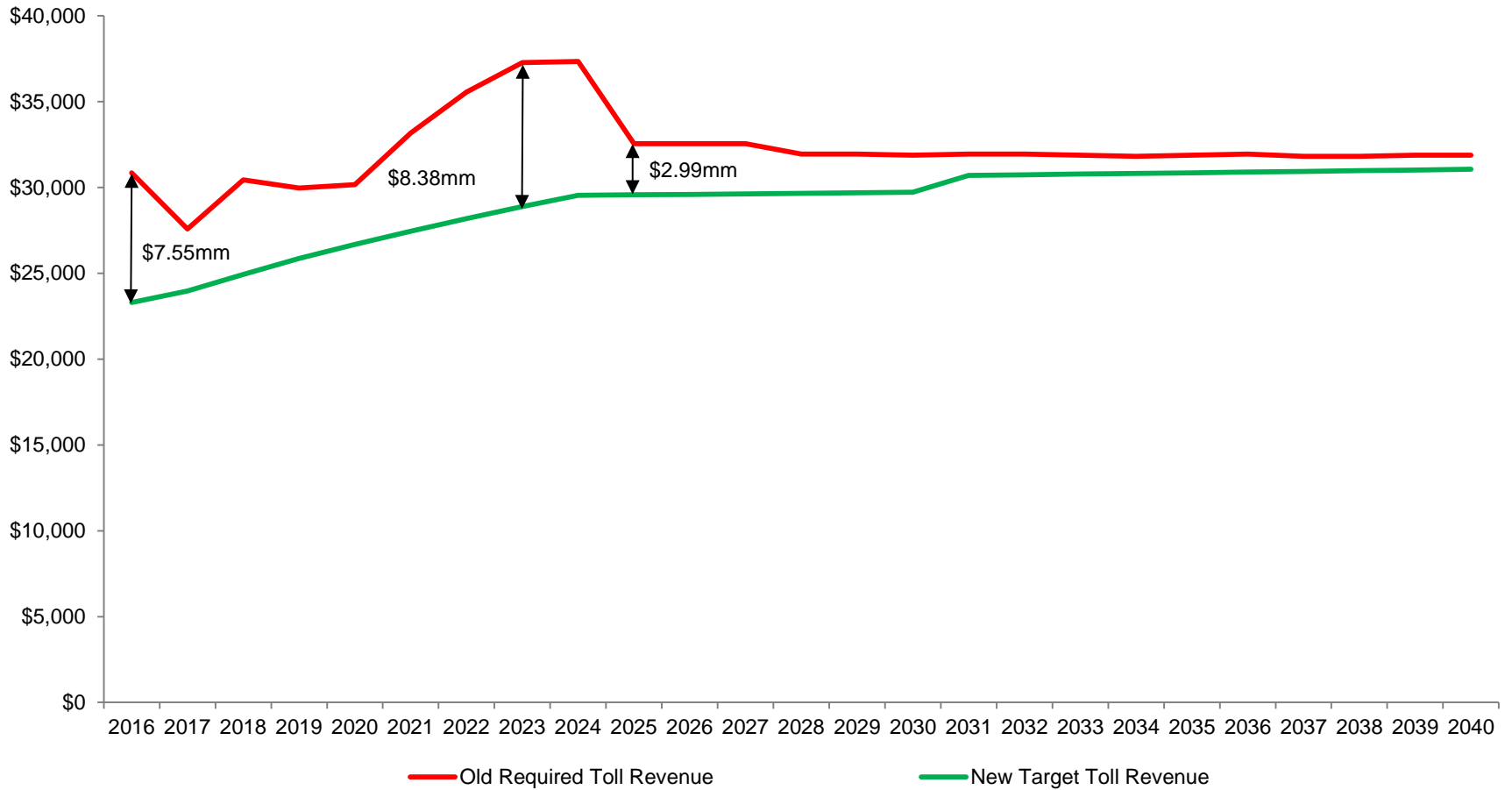


2015 Intent

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- **Mitigate the impact of the impending 2016 toll increase**
 - **Take advantage of attractive market rates (like a homeowner refinancing a mortgage)**
 - **Lower annual debt service & toll revenue requirements**
 - **Release restricted cash to pay-down debt**
 - **Modify and modernize covenants**
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- **Keep tolls as low as responsibly possible**
 - **Sustain or increase discount for local customers (SunPass)**
 - **Implement commuter discount (frequent customers)**
 - **Provide stable financial footing to allow the Authority to pay down debt early**
-



2015 Refinancing Lowered Required Toll Revenues





2015 Public Comments

■ Major comments/inputs

- Discount for frequent customers
 - Make cash toll even dollar amount
 - Increase number of SunPass lanes
 - Reduced number of manned booths
 - Widen bridge to 4-lanes
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2015 Summary

Scenario		Bridge			Parkway			Meets Targeted Revenue?
		Cash	SunPass	SunPass (Frq)	TBP	SunPass	SunPass (Frq)	
2-Tier Scenarios	1	\$3.00	\$2.00	N/A	\$1.50	\$1.00	N/A	No
	2	\$4.00	\$3.00	N/A	\$2.00	\$1.50	N/A	Yes
	3	\$3.50	\$2.50	N/A	\$1.75	\$1.25	N/A	Yes
	3A	\$4.00	\$2.50	N/A	\$2.00	\$1.25	N/A	Yes
	3B	\$4.00	\$2.50	N/A	\$1.75	\$1.25	N/A	Yes
	4	\$4.00	\$2.10	N/A	\$2.00	\$1.05	N/A	No
3-Tier Scenarios	5	\$3.50	\$2.50	\$2.25	\$1.75	\$1.25	\$1.15	No
	6	\$4.00	\$3.00	\$2.50	\$2.00	\$1.50	\$1.25	Yes
	6A	\$4.00	\$3.00	\$2.00	\$2.00	\$1.50	\$1.00	Yes
	6B	\$4.00	\$2.75	\$2.10	\$2.00	\$1.35	\$1.05	Yes
	7	\$4.00	\$2.50	\$2.10	\$2.00	\$1.25	\$1.05	No
	8	\$3.75	\$2.50	\$2.10	\$2.00	\$1.25	\$1.05	No
	9	\$5.00	\$2.50	\$2.00	\$2.50	\$1.25	\$1.00	No



Where We Are Now

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- **Intent**
 - **Keep tolls as low as responsibly possible**
 - **Do not raise any base toll rates**
 - **Sustain or increase discount for local customers (SunPass)**
 - **Sustain or expand the commuter discount (SunPass frequent customers)**
 - **Assess annual pass/annual toll cap**
 - **Provide stable financial footing to allow the Authority to pay down debt early**
 - **Feedback is critical to ensure the Mid-Bay Bridge Authority makes a more informed decision**
 - **Authority tentatively scheduled to vote on new toll rates Nov 17, 2016**
 - **Tentatively scheduled to implement any toll changes on/about Jan 1**
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Comments to Date

■ Recent inputs

- Discount for locals
 - Discount for low income users
 - Decrease number of transactions to qualify for frequent customer discount
 - Assess implementation of multiple frequent customer thresholds for multiple rebate amounts
 - Implement an annual pass
 - Implement a toll cap
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Toll Schedule Analyses



Mid-Bay Bridge – Transactions

Mid-Bay Bridge Transactions – (October 2015 to August 2016)

Total	6.6 million	100%
@ toll rate (\$4.00)	2.1 million	32%
@ SunPass 25% Local Discount (\$3.00)	3.1 million	47%
@ SunPass 50% Frequent Discount (\$2.00)	1.4 million	21%



Current Toll Schedule

Mid-Bay Bridge			
Axles	Cash	SunPass	SunPass Frequent User
2	\$4.00	\$3.00	\$2.00
3	\$8.00	\$8.00	\$8.00
Each Additional Axle	\$4.00	\$4.00	\$4.00

Spence Parkway			
Axles	Cash	SunPass	SunPass Frequent User
2	\$2.00	\$1.50	\$1.00
3	\$4.00	\$4.00	\$4.00
Each Additional Axle	\$2.00	\$2.00	\$2.00

Frequent User: 41 transactions per Account per Facility



Toll Schedule Alternatives

Analyzed

- **Status Quo (Base Case): No Change to Toll Schedule**
 - **Local Discounts: Discount to the current SunPass toll rate (\$3.00)**
 - **Frequent Customer Discounts:**
 - **Monthly Threshold Decrease: Test various decreases to the existing 41-transaction threshold**
 - **Monthly Stepped Threshold Option: Offering two levels of SunPass discounted rates**
 - **Annual Passes/Toll Cap**
 - **Annual Pass: Test various rates for pre-paid annual pass**
 - **Annual Toll Cap: Test various caps (once you achieve a revenue level you pay no more)**
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Toll Schedule Alternative

Status Quo



■ **No Change to the Toll Schedule**

■ **Pros**

- **Low risk to the financial stability of the Authority**
- **Available revenue for potential Hurricane or other natural or man-made disaster**
- **Keeps current SunPass discount**

■ **Cons**

- **Provides no additional discount to customers**

■ **Results**

- **Achieves Target Revenue**
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Toll Schedule Alternative

Local Discounts

■ Increase the SunPass discount

■ Pros

- Some discounts achieve Target Revenue
- Offers SunPass customers a greater discount
- Low risk to the financial stability of the Authority

■ Cons

- Offers no additional discount to the commuters/frequent customers

■ Result

- Increasing discount from \$1.00 up to \$1.40 meets target revenue
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Mid-Bay Bridge Authority

Toll Schedule Alternative

Local Discounts

Scenario	Facility	Payment Method	Present Toll	Proposed Toll Change	Proposed Toll	Achieves Target Revenue?
2 - Additional Local Discount (\$0.20/\$0.10)	Bridge	Cash	\$4.00	\$0.00	\$4.00	Yes
		SunPass	\$3.00	-\$0.20	\$2.80	
		SunPass Frequent	\$2.00	\$0.00	\$2.00	
	Parkway	Cash	\$2.00	\$0.00	\$2.00	
		SunPass Frequent	\$1.00	\$0.00	\$1.00	
2 - Additional Local Discount (\$0.30/\$0.15)	Bridge	Cash	\$4.00	\$0.00	\$4.00	Yes
		SunPass	\$3.00	-\$0.30	\$2.70	
		SunPass Frequent	\$2.00	\$0.00	\$2.00	
	Parkway	Cash	\$2.00	\$0.00	\$2.00	
		SunPass Frequent	\$1.00	\$0.00	\$1.00	
2 - Additional Local Discount (\$0.40/\$0.20)	Bridge	Cash	\$4.00	\$0.00	\$4.00	Yes
		SunPass	\$3.00	-\$0.40	\$2.60	
		SunPass Frequent	\$2.00	\$0.00	\$2.00	
	Parkway	Cash	\$2.00	\$0.00	\$2.00	
		SunPass Frequent	\$1.00	\$0.00	\$1.00	
2 - Additional Local Discount (> \$0.40/> \$0.20)	Bridge	Cash	\$4.00	\$0.00	\$4.00	No
		SunPass	\$3.00	< -\$0.40	\$2.59	
		SunPass Frequent	\$2.00	\$0.00	\$2.00	
	Parkway	Cash	\$2.00	\$0.00	\$2.00	
		SunPass Frequent	\$1.00	\$0.00	\$1.00	



Toll Schedule Alternative Frequent Customer Discounts

- **Reduce monthly transaction Threshold (41) needed to achieve frequent customer toll rate (\$2.00)**
 - **Pros**
 - Some discounts achieve Target Revenue
 - Expands frequent customer/commuter discount
 - Low risk to the financial stability of the Authority
 - **Cons**
 - Offers no additional discount to SunPass local customers
 - **Result**
 - Decreasing monthly transaction threshold from 41 to as low as 31 meets Target Revenue
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Mid-Bay Bridge Authority

Toll Schedule Alternative Frequent Customer Discounts

Scenario	Facility	Payment Method	Present Toll	Frequency Threshold (Trips)	Proposed Toll Change	Proposed Toll	Proposed Threshold	Achieves Target Revenue?
3 - Threshold Decrease (35)	Bridge	Cash	\$4.00		\$0.00	\$4.00		Yes
		SunPass	\$3.00		\$0.00	\$3.00		
		SunPass Frequent	\$2.00	41	\$0.00	\$2.00	35	
	Parkway	Cash	\$2.00		\$0.00	\$2.00		
		SunPass Frequent	\$1.00	41	\$0.00	\$1.00	35	
3 - Threshold Decrease (31)	Bridge	Cash	\$4.00		\$0.00	\$4.00		Yes
		SunPass	\$3.00		\$0.00	\$3.00		
		SunPass Frequent	\$2.00	41	\$0.00	\$2.00	31	
	Parkway	Cash	\$2.00		\$0.00	\$2.00		
		SunPass Frequent	\$1.00	41	\$0.00	\$1.00	31	
3 - Threshold Decrease (< 31)	Bridge	Cash	\$4.00		\$0.00	\$4.00		No
		SunPass	\$3.00		\$0.00	\$3.00		
		SunPass Frequent	\$2.00	41	\$0.00	\$2.00	< 31	
	Parkway	Cash	\$2.00		\$0.00	\$2.00		
		SunPass Frequent	\$1.00	41	\$0.00	\$1.00	< 31	



Toll Schedule Alternative

Frequent Customer Discounts - Stepped

- **Provide two levels of discount (\$2.50/\$2.00) at two transaction thresholds**
 - **Pros**
 - **Some thresholds achieve Target Revenue**
 - **Expands frequent customer/commuter discount**
 - **Low risk to the financial stability of the Authority**
 - **Cons**
 - **Offers no additional discount to SunPass local customers**
 - **Offers very little benefit to frequent customers/commuters in comparison with single threshold**
 - **Result**
 - **Offering transaction threshold at 30 for \$2.50 and 36 for \$2.00 meets Target Revenue**
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Toll Schedule Alternative

Frequent Customer Discounts - Stepped

Scenario	Facility	Payment Method	Present Toll	Frequency Threshold (Trips)	Proposed Toll Change	Proposed Toll	Proposed Threshold	Achieves Target Revenue?
4 - Stepped Threshold (41/31)	Bridge	Cash	\$4.00		\$0.00	\$4.00		Yes
		SunPass	\$3.00		\$0.00	\$3.00		
		SunPass Frequent -1	\$3.00		-\$0.50	\$2.50	31	
		SunPass Frequent -2	\$2.00	41	\$0.00	\$2.00	41	
	Parkway	Cash	\$2.00		\$0.00	\$2.00		
		SunPass	\$1.50		\$0.00	\$1.50		
		SunPass Frequent -1	\$1.50		-\$0.25	\$1.25	31	
		SunPass Frequent -2	\$1.00	41	\$0.00	\$1.00	41	
4 - Stepped Threshold (36/30)	Bridge	Cash	\$4.00		\$0.00	\$4.00		Yes
		SunPass	\$3.00		\$0.00	\$3.00		
		SunPass Frequent -1	\$3.00		-\$0.50	\$2.50	30	
		SunPass Frequent -2	\$2.00	41	\$0.00	\$2.00	36	
	Parkway	Cash	\$2.00		\$0.00	\$2.00		
		SunPass	\$1.50		\$0.00	\$1.50		
		SunPass Frequent -1	\$1.50		-\$0.25	\$1.25	30	
		SunPass Frequent -2	\$1.00	41	\$0.00	\$1.00	36	
4 - Stepped Threshold (< 36/< 30)	Bridge	Cash	\$4.00		\$0.00	\$4.00		No
		SunPass	\$3.00		\$0.00	\$3.00		
		SunPass Frequent -1	\$3.00		-\$0.50	\$2.50	< 30	
		SunPass Frequent -2	\$2.00	41	\$0.00	\$2.00	< 36	
	Parkway	Cash	\$2.00		\$0.00	\$2.00		
		SunPass	\$1.50		\$0.00	\$1.50		
		SunPass Frequent -1	\$1.50		-\$0.25	\$1.25	< 30	
		SunPass Frequent -2	\$1.00	41	\$0.00	\$1.00	< 36	



Toll Schedule Alternative

Annual Pass/Toll Cap

- **Annual pass or annual toll cap for unlimited SunPass travel on the Bridge (by transponder)**
 - **Pros**
 - Offers deep discounts to very frequent customers
 - **Cons**
 - Annual fee or cap must be high to achieve Target Revenue
 - Risk to the financial stability of the Authority
 - **Result**
 - Annual Pass/Toll Cap would need to be \$1,000 or greater and would benefit the fewest amount of customers
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Toll Schedule Alternative

Annual Pass/Toll Cap

Scenario	Facility	Payment Method	Present Toll	Frequency Threshold (Trips)	Proposed Toll Decrease	Proposed Toll	Proposed Threshold	Achieves Target Revenue?
1 - Status Quo	Bridge	Cash	\$4.00		\$0.00	\$4.00		Yes
		SunPass	\$3.00		\$0.00	\$3.00		
		SunPass Frequent Annual Pass/Cap	\$2.00	41	\$0.00	\$2.00	41	
	Parkway	Cash	\$2.00		\$0.00	\$2.00		
		SunPass	\$1.50		\$0.00	\$1.50		
		SunPass Frequent Annual Pass/Cap	\$1.00	41	\$0.00	\$1.00	41	
5 - Annual Pass/Cap (\$1,000)	Bridge	Cash	\$4.00		\$0.00	\$4.00		Yes
		SunPass	\$3.00		\$0.00	\$3.00		
		SunPass Frequent Annual Pass/Cap	\$2.00	41	\$0.00	\$2.00	41	
	Parkway	Cash	\$2.00		\$0.00	\$2.00		
		SunPass	\$1.50		\$0.00	\$1.50		
		SunPass Frequent Annual Pass/Cap	\$1.00	41	\$0.00	\$1.00	41	
5 - Annual Pass/Cap (< \$1,000)	Bridge	Cash	\$4.00		\$0.00	\$4.00		No
		SunPass	\$3.00		\$0.00	\$3.00		
		SunPass Frequent Annual Pass/Cap	\$2.00	41	\$0.00	\$2.00	41	
	Parkway	Cash	\$2.00		\$0.00	\$2.00		
		SunPass	\$1.50		\$0.00	\$1.50		
		SunPass Frequent Annual Pass/Cap	\$1.00	41	\$0.00	\$1.00	41	

The logo for the Mid-Bay Bridge Authority features a large orange sun with a yellow-to-orange gradient, partially obscured by a teal wavy line representing water. The text "Mid-Bay Bridge Authority" is written in a bold, black, sans-serif font across the sun and the wave.

Mid-Bay Bridge Authority

Thank You
