TRAFFIC ENGINEERS' ANNUAL REPORT

FOR

FISCAL YEAR 2010

Prepared for

Mid-Bay Bridge Authority

by

URS

December 10, 2010

Mid-Bay Bridge Authority
P.O. Box 5037
Niceville, Florida 32578

Attn: Mr. Jim D. Vest
Executive Director

Dear Mr. Vest and Members of the Board:

As the Traffic Engineers for the Mid-Bay Bridge Authority under its Bond Resolution, URS has prepared this Annual Report for the Authority's fiscal year ended September 2010 (FY 2010). Covered in the report are the annual traffic and revenue results, together with a comparison of the forecast made by URS in the Series 2008 Official Statement. (The FY 2011 revenue results next year will be compared with the FY 2011 forecast in the forthcoming Series 2011 Official Statement).

As the sixteenth Annual Report prepared for the Authority by URS, it contains data going back to July 1993, the first full month of bridge operation. It also updates the partial-year results for FY 2010 presented to the Authority on August 19, 2010, following the financial workshop on August 18.

FY 2010 was the seventeenth full year of bridge operation, during which time toll revenue collected amounted to $13,469,839; and the Authority earned investment income from the Revenue and Reserve Funds in the amount of $814,387, which together with a year-end positive *SunPass* adjustment of $33,716 raised the revenue total for FY 2010 to $14,317,942. The report contains monthly breakdowns; FY 2010 versus FY 2009 comparisons; the way in which toll revenues have measured up to the 2008 forecast; and again this year, the impact of the economic slowdown. The report, in particular, addresses the three major events that occurred during FY 2010: the toll increase on June 1, the impact on bridge traffic and revenue of the BP oil spill, and the work leading to the forthcoming 2011 bond issue to fund the completion of the Mid-Bay Bridge Connector.

Our report, with appropriate graphics, follows. Concluding, we wish to acknowledge with thanks, once again, the assistance of the Authority staff, Jim Vest and Cathy Demoreski, during the course of the year, and for the opportunity to be of service as your Traffic Engineers.

Respectfully,

URS CORPORATION

Arthur H. Goldberg, P.E.
Vice President

Neal Cohen
Project Manager

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CONTENTS

TABLES

FIGURES

Introduction

URS has prepared this Annual Report for the Mid-Bay Bridge for the Authority's fiscal year ended September 2010 (FY 2010). It covers the annual traffic and revenue results for FY 2010 and contains data going back to July 1993, the first full month of bridge operation.

The Authority's revenue sources documented herein include toll revenues from bridge operation and investment income. Despite the toll increase on June 1, 2010 (eight months at the old toll rates and four months at the new), actual FY 2010 toll revenue collected continued (for the fourth year) below the forecast for FY 2010 made by URS in the Series 2008 and Series 2007 Official Statements, this year by $980,161, or 6.8 percent, as follows:

Table 1
Actual vs. Forecast Toll Revenue, FY 2010

Actual vs. Forecast	Toll Revenue	Differential	
		Amount	Percent
Actual	$13,469,839	—	—
Forecast 2008 O.S.	14,450,000	–$980,161	–6.8%

The slippage in FY 2010 continues to be attributed to the impact of the economic slowdown; and this year, in particular, by the BP oil spill. Thankfully, for the second consecutive year, the Mid-Bay Bridge and Okaloosa County did not experience tropical storm activity during FY 2010.

A positive year-end *SunPass* adjustment of $33,716 together with investment income of $814,387 raises the total revenue earned by the Authority in FY 2010 to $14,317,942.

The report that follows discusses the traffic and revenue results from bridge operation, the impact of the June 1 toll increase and BP oil spill, the forthcoming 2011 bond issue for funding the completion of the Authority’s Capital Improvement Program, and the related services provided by URS during FY 2010.

Traffic and Revenue Results

Toll revenues collected in FY 2010 amounted to $13,469,839, up 5.7 percent from FY 2010, due to the June 1 toll increase but also to the tailing off of the economic slowdown. A breakdown of the monthly results is summarized in Table 2:

Table 2
Monthly Toll Revenue, FY 2010 vs. FY 2009

Month	Total Toll Revenue		Percent Change
	FY 2009	FY 2010	
October	$993,619	979,333	–1.4%
November	906,916	892,072	–1.6
December	871,836	934,361	+7.2
January	935,343	851,590	–9.0
February	851,869	842,978	–1.0
March	1,073,283	1,095,829	+2.1
April	1,084,714	1,095,149	+1.0
May	1,206,875	1,179,627	–2.3
June*	1,332,695	1,539,005	+15.5
July	1,376,262	1,570,350	+14.1
August	1,129,712	1,290,825	+14.3
September	978,350	1,198,720	+22.5
Total	12,741,472	13,469,839	+5.7

* Toll increase June 1, 2010.

We wish to point out that some of the monthly audited traffic and revenues listed throughout this annual Report differ slightly from those posted in URS' report for the forthcoming 2011 bond circular, which were provided by the Authority prior to their having been finalized at year-end.

Tracing the percent changes shows an abrupt increase to substantial positive growth starting in June, with the toll increase on June 1. (A summary of the toll increase and the impact of toll elasticity is covered hereinafter on pages 16-18). Up until that point revenues fluctuated up and down in a range from –9.0 percent in January to +7.2 percent in December, averaging –0.7 percent for the eight-month period through May. This –0.7 percent pre-toll-increase average is an improvement from the declining revenues during the FY 2007-2009 period, an early sign that the economic slowdown, as represented by the Mid-Bay Bridge performance, appears to be receding.

In terms of Mid-Bay Bridge traffic and revenues as FY 2010 transitions into FY 2011, URS will continue to monitor the impact of the toll increase and the impact of economic conditions as the economy continues to improve.

Figure 1 shows, graphically, the monthly revenue fluctuations for fiscal years 1996 through 2010, and Figure 2 shows, the monthly revenue fluctuations for fiscal years 1994 (the first full year of bridge operation) through 2010. (The bridge was open for three months in FY 1993, July through September.) Superimposed on Figure 2 is a 12-month moving average beginning with the 12-month period ended June 1994. This shows the steady upward growth trend through the summer of 2005, while removing the monthly variations from the trend line. Note, in Figure 2, however, that the 12-month average line first flattened and then began slipping (downward) through May 2009, followed by a bottoming out beginning in June 2009 and continuing through May 2010 as the economy showed signs of improving. The impact of the June 2010 toll increase is clearly visible.

Mid-Bay Bridge

MONTHLY TOLL REVENUE FLUCTUATIONS
Fiscal Years 1996 through 2010

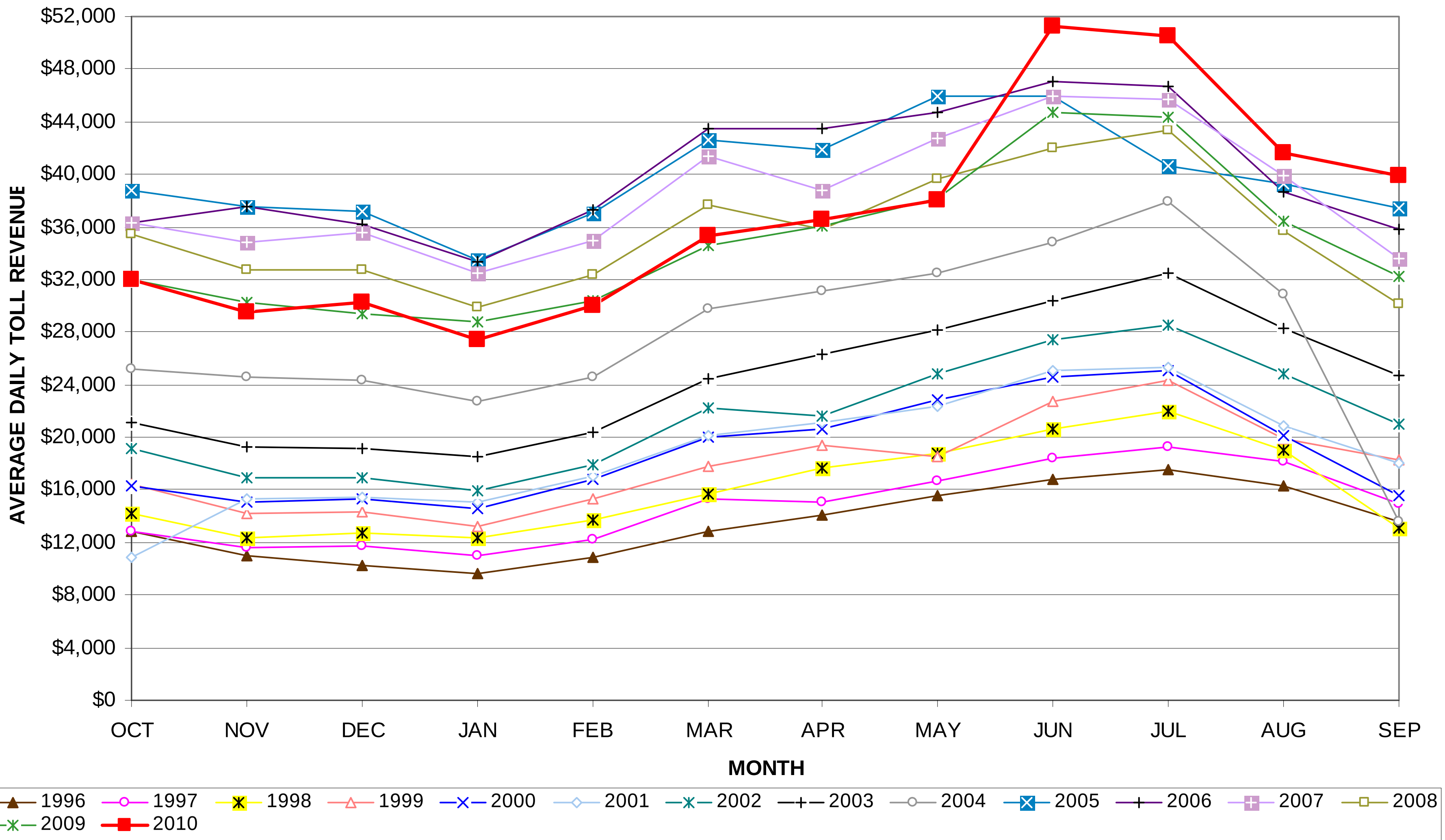


Figure 2

Mid-Bay Bridge

Toll Revenue Trend

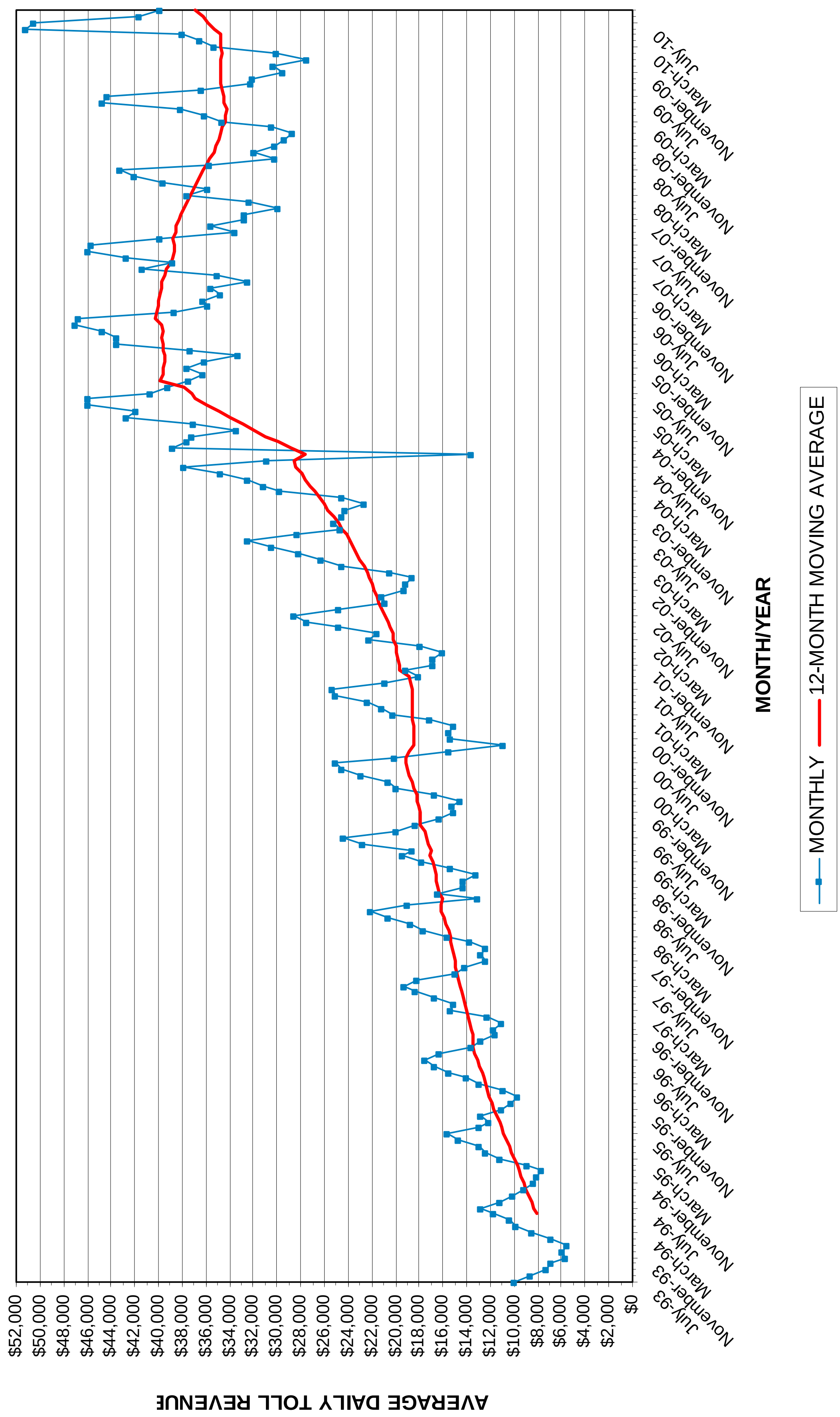


Table 3 lists the Mid-Bay Bridge annual traffic and revenue record starting in FY 1994, its first full year of operation:

Table 3
Traffic and Revenue, FY 1994-2010

Fiscal Year	Traffic			Average Toll[(B)]	Toll Revenue
	Annual Volume[(A)]	AADT	AADT Growth		
1994	1,896,661	5,196	—	$1.689	$3,204,321
1995	2,513,848	6,887	+32.5%	1.624	4,083,361
1996	3,043,997	8,317	+20.8	1.620	4,930,014
1997	3,402,779	9,323	+12.1	1.591	5,414,698
1998	3,695,064	10,123	+8.6	1.586	5,859,643
1999	4,056,689	11,114	+9.8	1.610	6,531,816
2000	4,463,449	12,195	+9.7	1.558	6,952,118
2001	4,518,228	12,379	+1.5	1.527	6,900,307
2002	5,161,898	14,142	+14.2	1.517	7,829,708
2003	5,945,318	16,289	+15.2	1.502	8,931,783
2004	6,918,521	19,711[(C)]	+21.0	1.465	10,135,202
2005	7,491,342	21,108[(D)]	+7.1	1.943	14,554,036
2006	7,627,382	20,897	–1.0[(E)]	1.920	14,648,308
2007	7,462,543	20,445	–2.2	1.887	14,078,716
2008	7,050,496	19,369[(F)]	–5.3	1.854	13,068,488
2009	6,836,939	18,731	–3.3	1.864	12,741,472
2010	6,638,505	18,188	–2.9	2.029	13,469,839

(A) Including non-revenue traffic.
(B) Toll revenue divided by annual volume.
(C) Based on 351 days: toll collection suspended 15 days due to Hurricane Ivan.
(D) Based on 354.9 days: tolls suspended 10.1 days due to the three tropical storms/hurricanes in June, July and August.
(E) While the AADT declined 1.0 percent, the annual volume increased 1.8 percent. This is due to the 354.9 operational days in FY 2005; see footnote (C).
(F) Based on 364 days: tolls suspended 2 days due to two tropical storms in August and September.

The negative performances in FY 2007, FY 2008 and FY 2009 are attributed to the residual impacts of the 2004 and 2005 hurricane seasons followed by the economic slowdown.

As stated previously, the economic slowdown has been the principal contributor to the decline in traffic on the Mid-Bay Bridge during FY 2007-2009; but conditions in FY 2010 have been improving (i.e., less negative during FY 2010, with recent months, especially in FY 2010 after discounting the impact of the toll increase, showing some positive growth). With reduced construction activity and the general economic slowdown, this had affected trucks (3+ axles) in particular during the FY 2007-2009 period.

Referring to Table 3, the gradual reduction in the average toll from $1.689 in FY 1994 to $1.465 in FY 2004 reflects the increasing proportion of commuters (at the then lower $1.00 toll rate) in the traffic mix, especially with the elimination of the trip "threshold" when the Authority switched from coupon books to *SunPass* in June 1999. The increase in the average toll to $1.943 in FY 2005 (+32.6 percent) is the result of the October 2004 toll increase. Once having reached the $1.943 level in FY 2005, the average toll then declined to $1.854 in FY 2008, again reflecting the increasing proportion of commuters (then at the $1.50 toll rate) in the traffic mix and the reduced level of 3+ axle vehicles relative to the two-axle group. The average toll increased slightly to $1.864 in FY 2009; and then, with the toll increase in June, the average toll increased to $2.029 in FY 2010.

The FY 2010 monthly traffic fluctuations, including the abrupt increase in the average toll in June, are shown in Table 4 along with the corresponding revenue results.

Table 4
Monthly Traffic Fluctuations, FY 2010

Month (FY 2010)	Traffic				Average Toll	Toll Revenue
	Monthly Volume*	Percent of Year	ADT	Ratio ADT÷ AADT		
October 2009	542,129	8.2%	17,488	.96	$1.806	$979,333
November	492,832	7.4	16,428	.90	1.810	892,072
December	528,357	8.0	17,044	.94	1.768	934,361
January 2010	477,533	7.2	15,404	.85	1.783	851,590
February	463,862	7.0	16,567	.91	1.817	842,978
March	588,312	8.9	18,978	1.04	1.863	1,095,829
April	586,219	8.8	19,541	1.07	1.868	1,095,149
May	629,338	9.5	20,301	1.12	1.874	1,179,627
June	626,256	9.4	20,875	1.15	2.457	1,539,005
July	647,569	9.7	20,889	1.15	2.425	1,570,350
August	547,270	8.2	17,654	.97	2.359	1,290,825
September	508,828	7.7	16,961	.93	2.356	1,198,720
Total	6,638,505	100.0	18,188	1.00	2.029	13,469,839

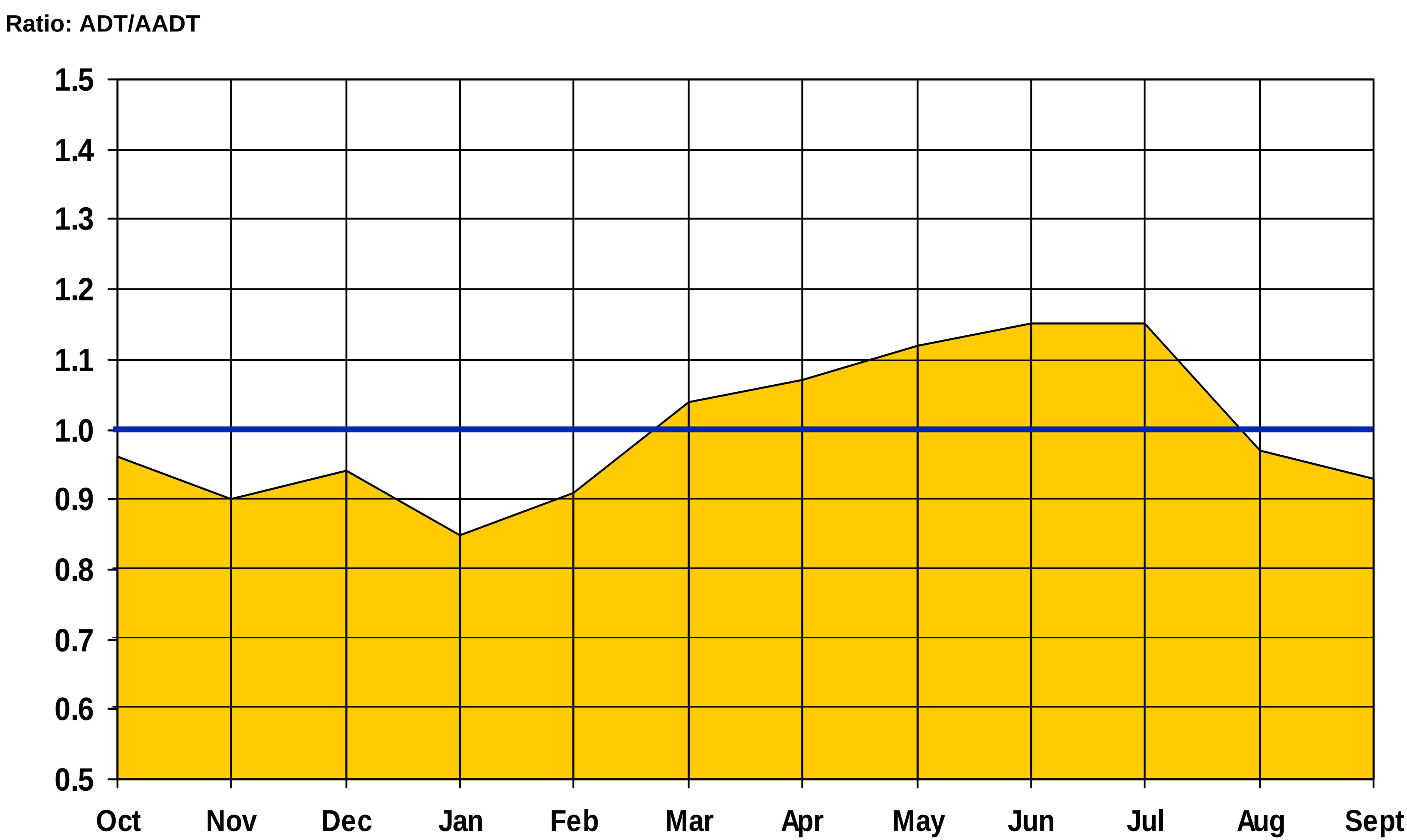
* Including non-revenue traffic

As shown above and graphically in Figure 3, while July continued to be the high traffic month despite the June 1 toll increase and the BP oil spill, its relative volume to the annual average, usually at a ratio around 1.2, was only at 1.15 in FY 2010 due to these two events; and as usual, January was the low traffic month. The August ADT level, usually above the annual average, dropped below the average due to the earlier school opening this year, as well as the June 1 toll increase and the oil spill.

Figure 3

Mid-Bay Bridge

MONTHLY TRAFFIC FLUCTUATIONS
Fiscal Year 2010



As stated in previous annual reports, this pattern is quite unlike that in south Florida, where the winter season generates the highest traffic levels and March is normally the highest month.

The breakdown by vehicle classification (vehicles of three or more axles have been grouped) indicates that 98.7 percent of the Mid-Bay Bridge traffic was comprised of two-axle vehicles (including non-revenue traffic that was predominantly two-axle) in FY 2010, and that these vehicles produced 94.5 percent of the Authority's toll revenue. Vehicles with three or more axles comprised only 1.3 percent of the total traffic, down from 1.4 percent in FY 2009, due to the residual economic slowdown and reduced construction activity.

Table 5
Traffic and Toll Revenue, Cash vs. *SunPass*, FY 2010

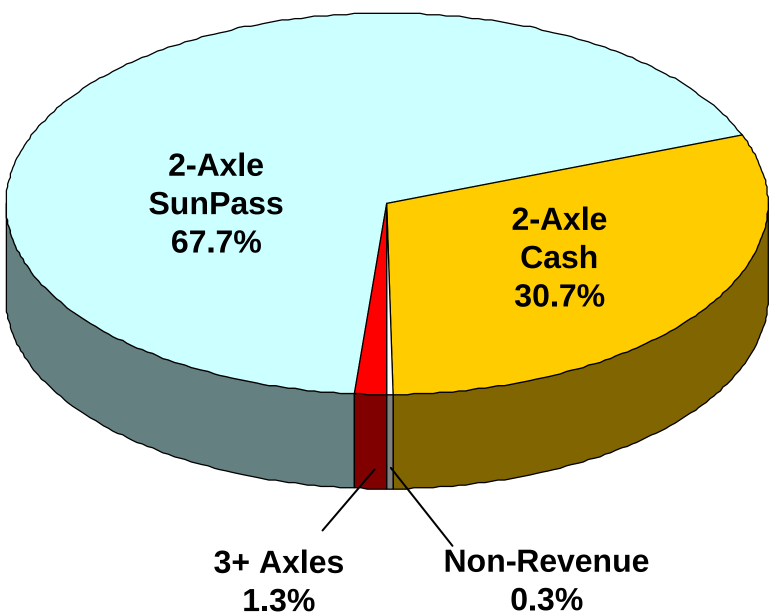
Vehicle Group	Traffic		Average Toll[(A)]	Toll Revenue	
	Volume	Percent		Amount	Percent
2-Axle/Cash	2,036,207	30.7%	$2.675	$5,446,854	40.4%
2-Axle/*SunPass*	4,495,676	67.7	1.620	7,285,074	54.1
3+ Axles[(B)]	83,652	1.3	8.821	737,911	5.5
Non-revenue	22,970	0.3	—	—	—
Total	6,638,505	100.0	2.029	13,469,839	100.0

(A) Averages reflect the partial-year tolls prior to June 1, 2010 and the increased tolls starting on June 1.
(B) Cash and *SunPass* combined. Vehicles of three or more axles do not receive a *SunPass* discount.

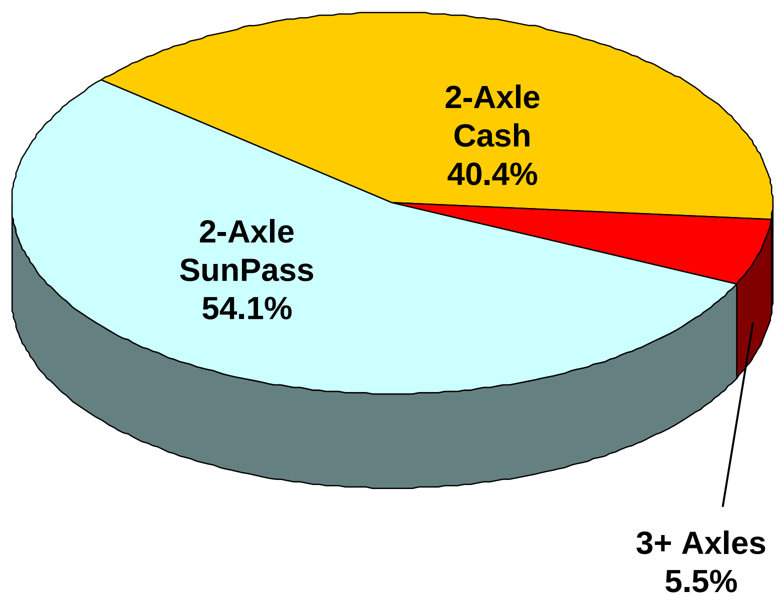
Narrowing in on the two-axle vehicles, while the two-axle/*SunPass* group in FY 2010 represented 67.7 percent of the traffic mix (up from 66.8 percent in FY 2009), they produced 54.1 percent of the toll revenues due to their lower toll. On the other hand, two-axle/cash-payers represented 30.7 percent of the traffic mix (down from 31.5 percent in FY 2009), producing 40.4 percent of toll revenues. This means that cash-payers (e.g., tourists) have been affected to a greater extent than the local *SunPass* users by the economic downturn. The FY 2010 classification results are shown graphically in Figure 4.

Mid-Bay Bridge

TRAFFIC AND TOLL REVENUE - Cash vs. SunPass
Fiscal Year 2010



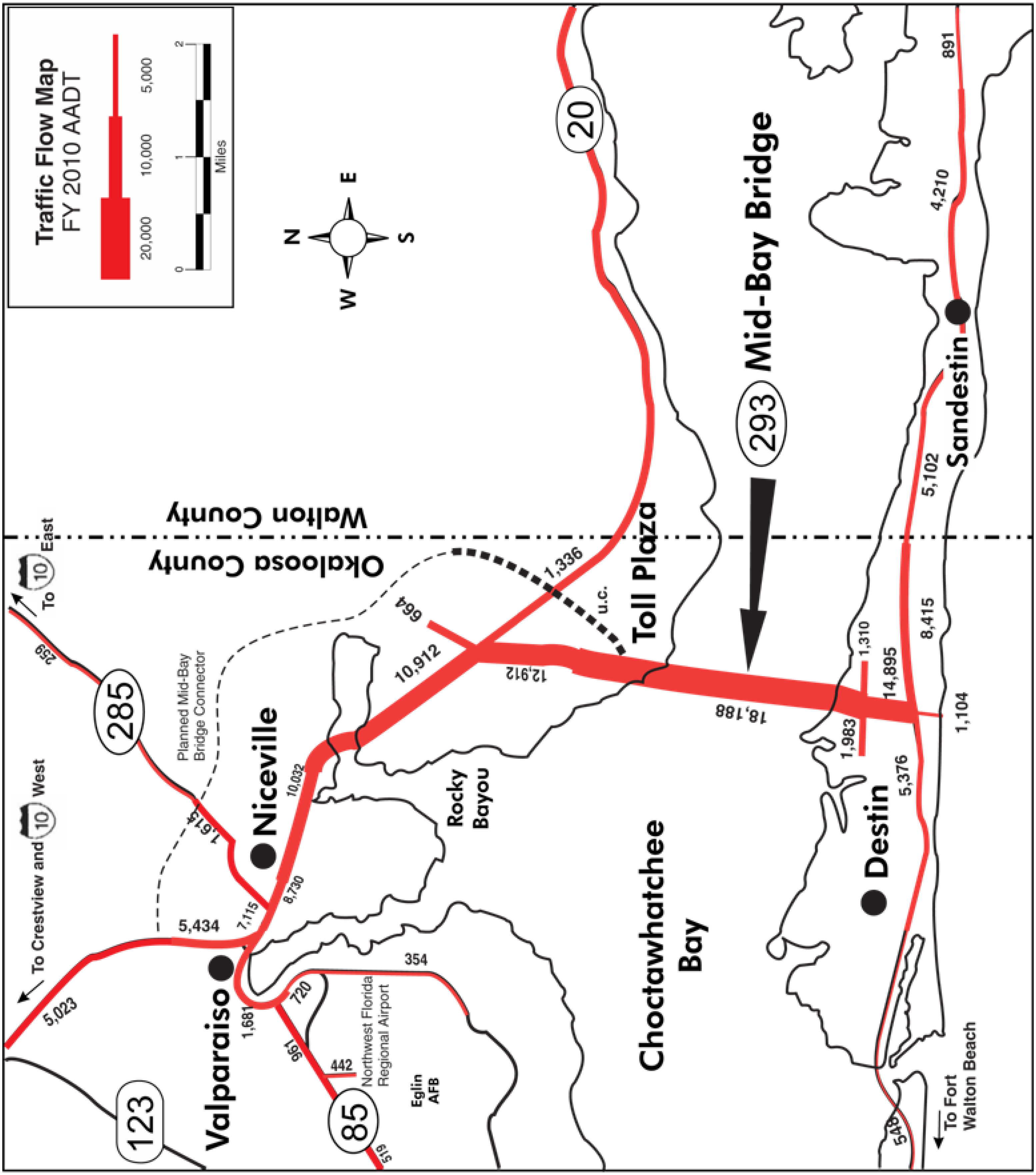
Total Volume = 6,638,505



Total Revenue = $13,469,839

Another portrayal of Mid-Bay Bridge traffic is the Traffic Flow Map depicted in Figure 5, representing the way in which bridge traffic disperses on both sides of Choctawhatchee Bay. The numbers have been scaled down from the July 2007 ADT map (developed in connection with URS' bridge/Connector planning study at that time), to the FY 2010 AADT of 18,188. Note that on the north side, as expected, most of the trip-ends are in the Niceville area; while on the south side, more traffic is oriented eastward on US 98 toward Sandestin rather than westward toward Destin. It should be pointed out, however, that in scaling down the July 2007 ADT volumes to represent the FY 2010 AADT, the annualized trip-end distribution should be considered an approximation.

Figure 5



Traffic Flow Map
FY 2010 AADT
20,000
10,000
5,000
0
1
2
Miles
N
E
S
W
Walton County
Okaloosa County
293
Mid-Bay Bridge
Toll Plaza
u.c.
20
285
123
85
Niceville
Valparaiso
Destin
Sandestin
Choctawhatchee Bay
Rocky Bayou
Planned Mid-Bay Bridge Connector
To Crestview and 10 West
To 10 East
To Fort Walton Beach
Northwest Florida Regional Airport
Eglin AFB
18,188
12,912
10,912
10,032
8,730
7,115
5,434
5,023
1,614
1,681
720
961
442
354
519
259
664
1,336
14,895
1,310
1,983
8,415
5,376
5,102
4,210
891
1,104
548

Comparison with the Forecast in the Series 2008 Official Statement

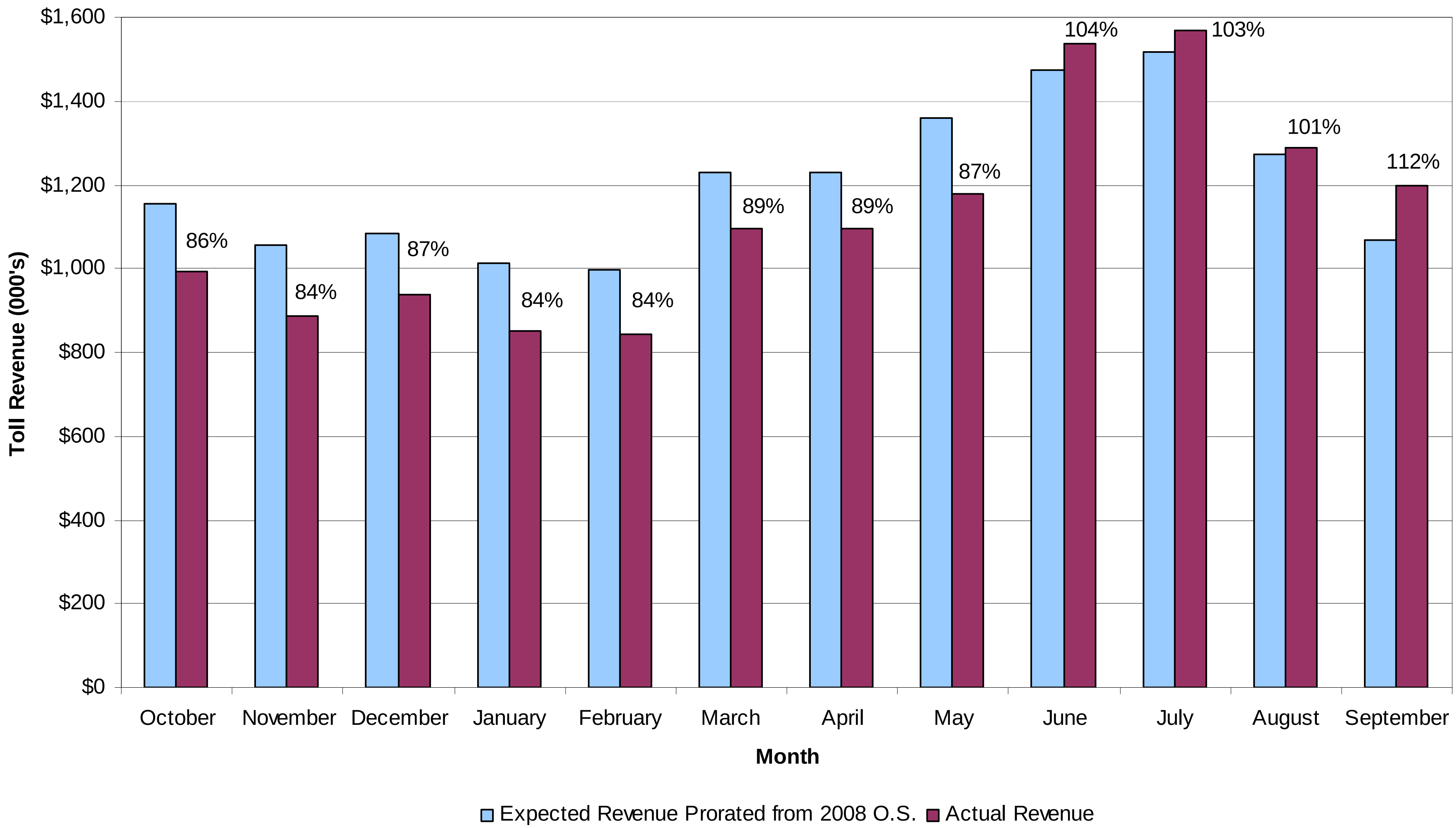
As indicated previously, the $13,469,839 in toll revenue collected in FY 2010 fell short of the $14,450,000 estimated by URS in the Series 2008 Official Statement by $980,161 or 6.8 percent, despite the toll increase in June, due principally to the continuing (albeit improving) economic slowdown, but this year also affected by the BP oil spill.

Figure 6 shows the actual revenue results alongside the expected amounts for each month of FY 2010. The expected amounts are based on a monthly proration of the annual toll revenue forecasts in the 2008 Official Statement. Note that from October through May, the actual/expected ratios were consistently in the range of 84-89 percent; but starting in June the ratios have exceeded 100 percent, reflecting the positive impact of the toll increase but offset by the negative impact of the BP oil spill. (The impacts of these two events follow).

Figure 6

Mid-Bay Bridge

MONTHLY REVENUE RESULTS
Fiscal Year 2010



June 2010 Toll Increase

The most significant event, financially, during FY 2010 was the across-the-board toll increase on June 1, 2010, the second increase implemented by the Authority since the bridge opened in June 1993. (The first toll increase occurred in October 2004).

Table 6
June 1, 2010 Toll Increase

Vehicle Class	Tolls		Increase
	Through 5/31/10	Effective 6/1/10	
2 Axles/*SunPass*	$1.50	$2.00	33%
2 Axles/Cash	2.50	3.00	20
3 Axles	5.00	6.00	20
4 Axles	7.50	9.00	20
5 Axles	10.00	12.00	20
6 Axles	12.50	15.00	20
Add'l Axle (per axle)	2.50	3.00	20

While the general toll rate was increased 20 percent, the *SunPass* toll was increased 33 percent in order to maintain the $1.00 differential between it and the two-axle/cash toll. With this continuation of the $1.00 discount, the *SunPass/*cash toll ratio increased from 60 to 67 percent.

The impact of the toll increase can be viewed in Table 7 in terms of (1) the decline in traffic during the June-September post-toll-increase period contrasted with the October-May pre-toll-increase period; and (2) the increase in the average tolls starting in June:

Table 7
Impact of June 2010 Toll Increase

Month	Traffic			Average Toll FY 2010	Toll Revenue FY 2010
	FY 2009	FY 2010	Change		
October	543,263	542,129	–0.2%	$1.806	$979,333
November	498,670	492,832	–1.2	1.810	892,072
December	532,104	528,357	–0.7	1.768	934,361
January	494,081	477,533	–3.3	1.783	851,590
February	471,827	463,862	–1.7	1.817	842,978
March	586,742	588,312	+0.3	1.863	1,095,829
April	578,323	586,219	+1.4	1.868	1,095,149
May	632,031	629,338	–0.4	1.874	1,179,627
Subtotal	4,337,041	4,308,582	–0.7	1.827	7,870,939
June	676,001	626,256	–7.4	2.457	1,539,005
July	697,588	647,569	–7.2	2.425	1,570,350
August	604,215	547,270	–9.4*	2.359	1,290,825
September	522,094	508,828	–2.5	2.356	1,198,720
Subtotal	2,499,898	2,329,923	–6.8	2.403	$5,598,900

* The drop to 9.4 percent in August is attributed to the change in the local school schedule, with school starting two weeks earlier than last year; but this will be offset in May 2011 with the school year ending two weeks earlier.

The decline in traffic and the increase in the average tolls 2010 enabled URS to calculate empirically the impact of elasticity ***(e)*** on Mid-Bay Bridge traffic, after disaggregating the impact of the BP oil spill and the tapering off of the recessionary impact. This sensitivity, expressed in terms of the elasticity factor, ***(e),*** represents the relative decrease in traffic corresponding to the increase in toll rates. The higher the factor, which is a negative figure, the more likely a facility is to lose traffic when toll rates are increased. These traffic losses can be due to diversions to competing facilities, switches in travel modes, carpooling, consolidation of trips, and/or not making a trip at all. In the case of the Mid-Bay Bridge, the diversions would be to SR 85 through Fort Walton Beach or to the US 331 bridge 20 miles to the east.

For the Mid-Bay Bridge, this value of ***e,*** now estimated at –0.15 (based on the latest results from the June toll increase), is at the lower end of the moderate range of elasticity, precisely where we would expect it to be. It means that for each 10 percent increase in toll, traffic would be expected to decline 1.5 percent from the level that would have resulted had there not been a toll increase. However, even with a decline in traffic, with an increase in the average toll, revenues increase, because the increase in the average toll more than compensates for the decrease in traffic. This has been the experience with elasticity on Mid-Bay Bridge traffic and revenue.

Impact of the BP Oil Spill

The fundamental point to understanding the impact of the BP oil spill on Mid-Bay Bridge traffic is that it is considered to be a short-term issue, not one affecting the tourist industry of Okaloosa and Walton counties in the long term. In understanding the impact, it is necessary to start with the before-and-after traffic results in Table 7. The complication is that there are three components to the traffic results which must be disaggregated to understand the impact of the oil spill: The Mid-Bay Bridge toll increase on June 1; the tapering off of the recent recessionary impact on bridge traffic; and, lastly, the impact of the oil spill itself, which itself has two components, the real impact and tourist perceptions.

Following is URS' interpretation of the FY 2010 traffic results from Table 7 in terms of the impact of the oil spill:

- Traffic was down 0.4 percent in May, after modest increases in March and April, and cumulatively traffic was down 0.7 percent for the first eight months through May. It is hard to say that the oil spill, which began on April 20, affected Mid-Bay Bridge traffic as early as May. Most likely, the slow improvement in the economy was still affecting traffic cumulatively through May.

- Traffic in June through August was down 7.9 percent, but with the toll increase, revenues were up 14.5 percent during the three-month period. On the basis that the overall economy-based impact has been even with last year, what portion of the 7.9 percent decrease could be attributed to the toll increase, what portion could be attributed to the oil spill, and what portion could be attributed to the earlier start to school this year (in August 2010)? Based on the toll elasticity estimate, URS estimates that of the 7.9 drop during the June-August period, 2.9 percent could be attributed to the toll increase, 3.7 percent could be attributed to the oil spill (4.4 percent in June-July and 2.0 percent in August), and 1.3 percent could be attributed to the earlier school opening.

- The impact of the oil spill on Mid-Bay Bridge traffic in September was negligible, but the 2.5 percent decrease is attributed entirely to the toll increase.

- URS estimates that starting in October and the new fiscal year, it is estimated that there will no longer be a residual impact of the oil spill – the tourist season will be over – but the elasticity impact of the toll increase will continue through May 2011.

The Authority's Capital Improvement Program has been described in URS' Traffic and Earnings Report dated November 2010, to be contained in the forthcoming Series 2011 Official Statement. The section of the T&E Report describing the Mid-Bay Bridge Connector (along with the widening of SR 20) is repeated below.

The Mid-Bay Bridge Connector will be an 11-mile expressway from the toll plaza (at the north end of the bridge), north and west around Niceville, to SR 85. In addition to SR 85, grade-separated interchanges will be built at Lakeshore Drive (for the Bluewater Bay Community), SR 20, Range Road and SR 285, and access will also be provided for the planned development along the Connector in northeast Niceville, including the Forest Road Extension.

As part of the Authority's Capital Improvement Program, the Connector is being developed as a cooperative effort among the Mid-Bay Bridge Authority, the U.S. Air Force, the Florida Department of Transportation, and the local county and city governments and communities. It will traverse the edge of Eglin Air Force Base and the 1,100-acre Ruckel property along the northeast corner of the project.

Following are the Connector components of the program, under construction and looking forward, with scheduled timelines:

- **Mid-Bay Bridge Connector – 3 Phases**
  - **Phase 1:** Mid-Bay Bridge to Range Road.
    Project is currently under construction.
    Scheduled completion in May 2011.
  - **Phase 2:** Range Road to State Road 285.
    Construction scheduled for January 2011.
    Completion scheduled by January 2014.
  - **Phase 3:** State Road 285 to State Road 85.
    Construction scheduled for January 2011.
    Completion scheduled by January 2014.

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 January 2014.

The Connector will consist of four lanes from the bridge to SR 20, tapering down, initially, to two lanes at Range Road and then two lanes to SR 85. As traffic warrants, the twolane section will be expanded to four lanes throughout. (The present right-of-way, including the bridge structures, will accommodate the four lanes). Also, during the initial period, the Northeast Niceville interchange will be at grade, with grade-separation occurring at about the time of the Connector expansion.

The second component of the Capital Improvement Program is the widening of SR 20 from White Point Road to the Connector:

- **State Road 20 Widening**
  Project is currently under construction.
  Scheduled completion in May 2011.

Finally, the third component, looking forward, is the expansion of the Mid-Bay Bridge itself:

- **Mid-Bay Bridge Expansion**
  Need not projected until after 2020, most likely by mid-2020s.

In November 2007 a planning study, conducted by URS, updated the Authority's 2003 Traffic Demand and Needs report, which, among the various components of the Capital Improvement Program, addressed the timing of the bridge expansion. With the continuing slowdown in bridge traffic growth during the past three years and anticipated modest recovery, the need for the bridge expansion is not projected now to be needed until beyond 2020, most likely by the mid-2020s.

Associated Traffic Engineers Services

In addition to URS' collaboration with the Authority on the Capital Improvement Program, URS has worked closely with the Authority on the forthcoming 2011 bond issue and on a number of issues related directly to bridge traffic and revenue during FY 2010. Our routine activities in FY 2010 which, essentially, are repeated in each fiscal year, included:

1. Preparation of the FY 2009 Annual Report, completed in December 2009.

2. Preparation of FY 2010 monthly traffic and revenue summaries, with graphics.

3. Preparation of the monthly proration of expected revenues for FY 2010 from the 2008 Official Statement.

4. Preparation of a letter-report, dated August 19, 2010, entitled *Preliminary Traffic and Toll Revenue Review, Fiscal Year 2010*, in connection with the financial workshop on August 18 and the Authority meeting on August 19. The report contained the usual statement, based on the projected revenues for FY 2010, that, although FY 2010 revenues were expected to come in below forecast, the increased tolls on June 1, 2010 could be expected to produce sufficient revenues in FY 2010 to fulfill the requirements under Section 3.04, paragraph B of Authority Resolution No. 2005-13 (amending and restating Resolution 98-16).

5. Presentations at the August 18 financial workshop and the August 19 Authority meeting.

In addition to these routine services, URS prepared the following additional documents during the past year and through November 2010:

6. Presentation to the Authority on May 5, 2010 on URS' toll rate analysis, as part of the Authority's Plan of Finance and June 1, 2010 toll increase.

7. A summary of the results of the March and July license plate traffic surveys, used as input in URS' bond (Traffic and Earnings Report) study and forecasts.

8. Letter dated September 2, 2010 on the estimated impact of the BP oil spill on Mid-Bay Bridge traffic and revenue in June-July 2010.

9. Traffic and Earnings Report, including traffic and toll revenue forecasts through 2040, for inclusion in the forthcoming Series 2011 Official Statement.

10. Presentations to the bond rating agencies (Fitch and Standard & Poor's) on October 28, 2010.

This concludes the Traffic Engineers' Annual Report for FY 2010. URS looks forward to the continuation of its role as the Authority's traffic engineers, by providing the services that will support and improve customer satisfaction with the Mid-Bay Bridge, while helping the Authority maintain its investment-grade credit rating and financial obligations to its bondholders.