Jacobs

Traffic Engineers' Report for Fiscal Year 2022

Mid-Bay Bridge Authority

MID-BAY

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Executive Summary

This Traffic Engineers' Annual Report for Fiscal Year (FY) 2022 looks at the traffic and revenue results for the Mid-Bay Bridge Authority's two toll system facilities, the Mid-Bay Bridge and the Walter Francis Spence Parkway, for the period October 1, 2021 through September 30, 2022.

In FY 2022, the combined facilities of the Authority generated 11,364,935 toll transactions and $28,508,933 in toll revenues net of frequent user rebates. When the $28,508,933 is added to investment and other income of $1,496,836, Mid-Bay Bridge Authority total revenue for FY 2022 amounted to $30,005,769.

For the combined facilities, actual FY 2022 toll revenue of $28,508,933 was below the Series 2015 Official Statement (O.S.) Forecast of $30,107,000 by $1,598,067, or 5.3 percent and below the Budgeted amount of $29,500,000 by $991,067, or 3.4 percent.

The fact that the FY 2022 toll revenues were below the Series 2015 O.S. forecasted toll revenues appear to indicate a drop from the rebound year of FY 2021 which itself was a recovery from the effects of the global Covid-19 pandemic and the subsequent restrictions that were imposed during the spring of CY 2020, such as beach, business, and accommodations closings.

One major event that effected the Authority's facilities was the suspension of tolls for 30 hours in advance of Hurricane Ian lasting from 11 AM on September 26 to 5 PM on September 27.

Based on overall revenue performance in FY 2022, Jacobs does not recommend an annual toll analysis to evaluate the FY 2023 toll rate structure. It is also important to note that annual debt service obligations will continue to increase, thereby placing greater stress on toll rates in the future. Furthermore, it is also important to note that the current toll rates and projections for traffic and toll revenue through bond maturity in 2040 are sufficient to meet toll revenue collections required by the Authority's Master Indenture of Trust.

Jacobs will continue to monitor traffic and revenue conditions on the Authority's facilities and will consult with the Authority on a frequent basis, including the production of monthly reports, in case any updates to the forecasts[1] and/or toll schedules may be warranted.

[1] Traffic and Toll Revenue projections are scheduled to be updated in FY 2023.

1. Introduction

Jacobs prepared this Annual Report for the Mid-Bay Bridge (Bridge) and Walter Francis Spence Parkway (Parkway) for the Authority's fiscal year that ended in September 2022 (FY 2022). It covers the annual traffic and revenue results for FY 2022 and contains Bridge data going back to July 1993, the first full month of Bridge operation and Parkway data going back to January 2014, the first month of Parkway operation.

The report will first discuss the combined results of the two facilities, followed by the Bridge and Parkway results separately. The last section includes a discussion of traffic and revenue related services provided by Jacobs during FY 2022.

The Authority's revenue sources documented herein include toll revenues from both Bridge and Parkway operation, investment income, and other income.

2. Mid-Bay Bridge Authority System

2.1 Traffic and Revenue Results and Comparison with Forecasts

For the combined facilities, actual FY 2022 toll revenue collected was below the Series 2015 O.S. Forecast for FY 2022 by $1,598,067, or 5.3 percent, and below the budgeted amount by $991,067, or 3.4 percent, as shown in Table 1.

Table 1
Mid-Bay Bridge Authority System
Actual vs. Forecast Toll Revenue, FY 2022

FY 2022	Actual	Forecast		Differential from 2015 O.S.		Differential from Budget	
		2015 O.S.	FY22 Budget	Amount	Percent	Amount	Percent
Toll Revenue	$28,508,933	$30,107,000	$29,500,000	-$1,598,067	-5.3%	-$991,067	-3.4%

The differences are attributed to several factors, including a change (from FY 2021) in the traffic mix with lower cash/toll-by-plate transactions that carry a higher toll rate, more non-revenue transactions related to the Hurricane Ian toll suspension, and an increased number of accounts qualifying for the frequent user rebates.

Full year toll revenue was $28,508,933 including Okaloosa County SunPass violations. When the $28,508,933 is added to the investment and other income of $1,496,836 Mid-Bay Bridge Authority total revenues for FY 2022 amounted to $30,005,769.

As shown in Table 2, the breakdown by vehicle classification (vehicles of three or more axles have been grouped) indicates that 93.9 percent of the total traffic was comprised of two-axle vehicles (excluding non-revenue transactions, which were conservatively accounted for as 2-axle traffic) in FY 2022, and that these vehicles produced 92.9 percent of the system's toll revenue. Vehicles with three or more axles comprised only 2.1 percent of the total traffic producing 7.1 percent of the system's toll revenue.

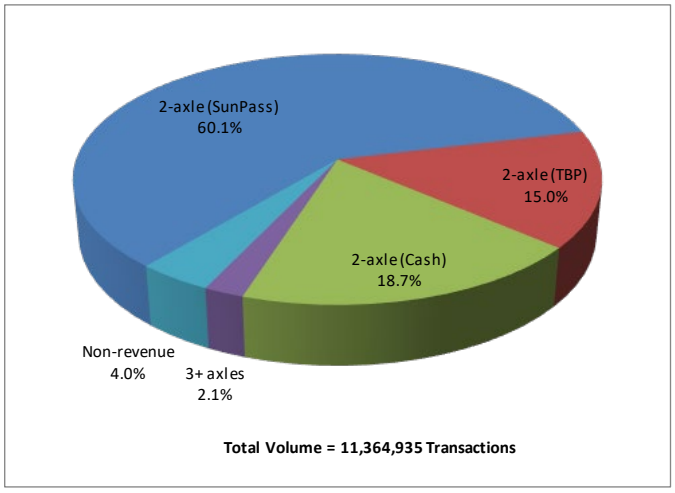
Table 2
Mid-Bay Bridge Authority System
SunPass vs. Cash/Toll-By-Plate (TBP), FY 2022

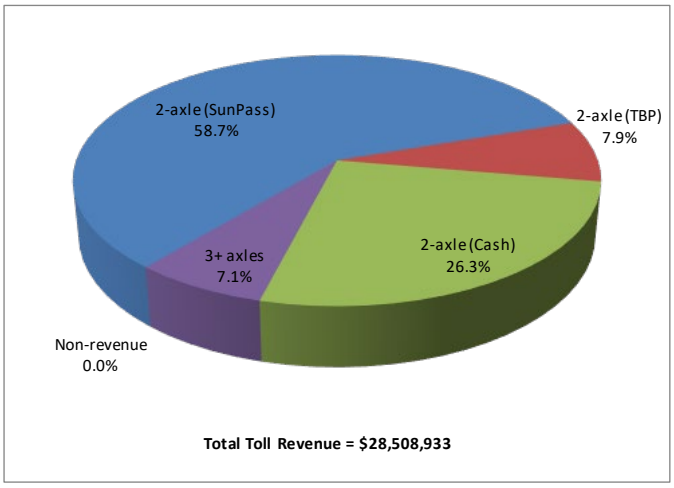
Vehicle Group	Traffic		Collected Toll Revenue	
	Volume	Percent	Amount	Percent
2-axle SunPass	6,830,748	60.1%	$ 16,724,629	58.7%
2-axle TBP	1,709,438	15.0%	$ 2,257,208	7.9%
2-axle AET (SP & TBP - subtotal)	8,540,186	75.1%	$ 18,981,838	66.6%
2-axle (Cash)	2,129,066	18.7%	$ 7,507,957	26.3%
2-axles (Subtotal)	10,669,252	93.9%	$ 26,489,794	92.9%
3+ axles	242,260	2.1%	$ 2,019,139	7.1%
Subtotal	10,911,512	96.0%	$ 28,508,933	100.0%
Non-revenue(*)	453,423	4.0%	$ -	0.0%
Total	11,364,935	100%	$ 28,508,933	100%

(*) Conservatively accounted for as all being 2-axle transactions.

Narrowing in on the two-axle vehicles, while the two-axle-SunPass group[2] in FY 2022 represented 60.1 percent of the traffic mix; they produced 58.7 percent of the toll revenues due to their lower toll as compared to two-axle cash transactions. On the other hand, two-axle, cash-payers represented 18.7 percent of the traffic mix, producing 26.3 percent of the toll revenue. It is also important to note that although the TBP revenues lag due to the difference between the transaction date and the subsequent billing and collection of the revenue, the Authority recognizes the TBP revenues in the year in which the toll transaction occurred. It should also be noted that the low percentage of TBP tolls are a result of the fact that the Parkway tolls are one-half those of the Bridge (Bridge TBP tolling occurs when vehicles without a transponder utilize the SunPass only lanes at the toll plaza). The FY 2022 classification results by transaction type are shown graphically in Figure 1.

Figure 1
Mid-Bay Bridge Authority System
Traffic and Toll Revenue, FY 2022





[2] This group includes all interoperable electronic transactions including E-ZPass.

With respect to traffic for the combined facilities, the traffic was below the Series 2015 O.S. projections by 1,140,065 vehicles, or 9.1 percent and below the budgeted amount by 35,065 vehicles, or 0.3 percent, as shown in Table 3. While the O.S. forecasted average toll was $2.41 and the budgeted average toll was $2.59, the actual average toll was $2.51, a difference of $0.10, or 4.2 percent above the O.S. forecast and only $0.08, or 3.1 percent below the budgeted amount. The higher average toll (as compared to the O.S. forecasted toll) may be due to higher Toll-By-Plate usage on the Parkway and cash paying users of the Bridge than originally forecast in the O.S.

Table 3
Mid-Bay Bridge Authority System
Actual vs. Forecast Traffic, FY 2022

FY 2022	Actual	Forecast		Differential from 2015 O.S.		Differential from Budget	
		2015 O.S.	FY22 Budget	Amount	Percent	Amount	Percent
Traffic	11,364,935	12,505,000	11,400,000	-1,140,065	-9.1%	-35,065	-0.3%

2.2 Rebate Results

As shown in Table 4, the number of rebate transactions making the trip 32-or-more times per month (the threshold for rebates) during FY 2022 increased 0.1 percent from FY 2021 while infrequent transactions (less than 32 per month) increased 1.7 percent.

Table 4
Mid-Bay Bridge Authority System
Rebate Transactions and Changes –
FY 2021 and FY 2022

Trip Frequency (transactions/ month)	FY21	FY22	Change	
			Transactions	Percent
1-31	3,606,455	3,666,627	+60,172	+1.7%
32-40	631,431	650,152	+18,721	+3.0%
41+	1,549,527	1,532,981	-16,546	-1.1%
32+	2,180,958	2,183,133	+2,175	+0.1%
Total	5,787,413	5,849,760	+62,347	+1.1%

The percent of rebate transactions (i.e., 32+ transactions per month) of the total transactions is shown in Table 5. As can be seen, in FY 2022 the percentage remained the same.

Table 5
Mid-Bay Bridge Authority System
Rebate Transactions as a Percent of Total Transactions
FY 2021 and FY 2022

Trip Frequency (transactions/ month)	Transactions		Percent of Total	
	FY21	FY22	FY21	FY22
1-31	3,606,455	3,666,627	31.8%	32.3%
32-40	631,431	650,152	5.6%	5.7%
41+	1,549,527	1,532,981	13.7%	13.5%
32+	2,180,958	2,183,133	19.2%	19.2%
Total	5,787,413	5,849,760	51.1%	51.5%
Annual Transactions	11,332,608	11,364,935		

During the same period, the amount of the rebates increased only 0.2 percent, as shown in Table 6.

Table 6
Mid-Bay Bridge Authority System
Rebate Amounts and Changes –
FY 2021 and FY 2022

Rebates		Change	
FY 2021	FY 2022	Amount	Percent
$1,940,485	$1,944,726	+$4,241	+0.2%

The small increase in frequent trips (and thus, the amount of the rebates) point to a full recovery in traffic from the global pandemic-mandated restrictions and represent normal growth.

2.3 Traffic Changes, Market Share, and Growth Comparisons

As shown in Table 7 there was a larger percentage change in the number of 3+ axle vehicles (3.3 percent) than with 2-axle vehicles (0.2 percent). This may indicate a rebound in both recreational (i.e., trailers pulling boats) and commercial traffic as activity increased. As shown in Table 8, market share in FY22 for both 2-axle and 3+ axle vehicles remained approximately the same.

Table 7
Mid-Bay Bridge Authority System
Change in Traffic by Vehicle Class

	2-Axle Vehicles				3+ Axle Vehicles				All Vehicles			
			Change				Change				Change	
Month	FY21	FY22	Amount	Percent	FY21	FY22	Amount	Percent	FY21	FY22	Amount	Percent
October	894,113	927,261	+33,148	+3.7%	21,320	22,414	+1,094	+5.1%	915,433	949,675	+34,242	+3.7%
November	746,030	794,688	+48,658	+6.5%	20,273	19,727	-546	-2.7%	766,303	814,415	+48,112	+6.3%
December	748,152	820,547	+72,395	+9.7%	17,688	18,067	+379	+2.1%	765,840	838,614	+72,774	+9.5%
January	685,690	697,178	+11,488	+1.7%	16,940	18,744	+1,804	+10.6%	702,630	715,922	+13,292	+1.9%
February	676,581	718,348	+41,767	+6.2%	16,942	18,902	+1,960	+11.6%	693,523	737,250	+43,727	+6.3%
March	984,513	960,799	-23,714	-2.4%	23,881	22,608	-1,273	-5.3%	1,008,394	983,407	-24,987	-2.5%
April	988,684	982,420	-6,264	-0.6%	23,072	23,562	+490	+2.1%	1,011,756	1,005,982	-5,774	-0.6%
May	1,123,101	1,044,236	-78,865	-7.0%	24,751	23,633	-1,118	-4.5%	1,147,852	1,067,869	-79,983	-7.0%
June	1,138,298	1,095,210	-43,088	-3.8%	24,047	25,531	+1,484	+6.2%	1,162,345	1,120,741	-41,604	-3.6%
July	1,209,373	1,168,698	-40,675	-3.4%	25,081	25,765	+684	+2.7%	1,234,454	1,194,463	-39,991	-3.2%
August	978,505	979,873	+1,368	+0.1%	21,822	22,881	+1,059	+4.9%	1,000,327	1,002,754	+2,427	+0.2%
September	903,604	911,306	+7,702	+0.9%	20,147	22,537	+2,390	+11.9%	923,751	933,843	+10,092	+1.1%
Annual	11,076,644	11,100,564	+23,920	+0.2%	255,964	264,371	+8,407	+3.3%	11,332,608	11,364,935	+32,327	+0.3%

Table 8
Mid-Bay Bridge Authority System
Change in Traffic Market Share

	FY 2021			FY 2022			Change in Market Share (Percent)		
Month	2-Axles	3+ Axles	Total	2-Axles	3+ Axles	Total	2-Axles	3+ Axles	Total
October	97.7%	2.3%	100.0%	97.6%	2.4%	100.0%	-0.0%	+1.3%	0.0%
November	97.4%	2.6%	100.0%	97.6%	2.4%	100.0%	+0.2%	-8.4%	0.0%
December	97.7%	2.3%	100.0%	97.8%	2.2%	100.0%	+0.2%	-6.7%	0.0%
January	97.6%	2.4%	100.0%	97.4%	2.6%	100.0%	-0.2%	+8.6%	0.0%
February	97.6%	2.4%	100.0%	97.4%	2.6%	100.0%	-0.1%	+5.0%	0.0%
March	97.6%	2.4%	100.0%	97.7%	2.3%	100.0%	+0.1%	-2.9%	0.0%
April	97.7%	2.3%	100.0%	97.7%	2.3%	100.0%	-0.1%	+2.7%	0.0%
May	97.8%	2.2%	100.0%	97.8%	2.2%	100.0%	-0.1%	+2.6%	0.0%
June	97.9%	2.1%	100.0%	97.7%	2.3%	100.0%	-0.2%	+10.1%	0.0%
July	98.0%	2.0%	100.0%	97.8%	2.2%	100.0%	-0.1%	+6.2%	0.0%
August	97.8%	2.2%	100.0%	97.7%	2.3%	100.0%	-0.1%	+4.6%	0.0%
September	97.8%	2.2%	100.0%	97.6%	2.4%	100.0%	-0.2%	+10.7%	0.0%
Annual	97.7%	2.3%	100.0%	97.7%	2.3%	100.0%	-0.1%	+3.0%	0.0%

As shown in Table 9, FY 2022 toll revenue for the Authority system was forecast to increase approximately 22.1 percent over the FY 2016 (the year of the last toll increase) toll revenue; however, the actual FY 2022 toll revenue increased 4.0 percent from FY 2016. This is due in part to the implementation of, and subsequent change to, the frequent user rebate. During the same period, transactions were forecasted to increase 22.8 percent while actual results showed an increase of 14.3 percent. Further discussion regarding the individual facility results is found in their respective sections of this report.

Table 9
Mid-Bay Bridge Authority System Growth Comparisons

	Transactions			Toll Revenue		
Source	FY 2016	FY 2022	Growth	FY 2016	FY 2022	Growth
2015 O.S	10,186,000	12,505,000	22.8%	$24,661,000	$30,107,000	22.1%
Actual	9,942,925	11,364,935	14.3%	$27,417,335	$28,508,933	4.0%

3. Mid-Bay Bridge

FY 2022 actual Bridge toll revenue was below the O.S. Forecast for FY 2022 by $2,330,644, or 8.9 percent, and below the 2022 budgeted amount by $168,644, or 0.7 percent, as shown in Table 10:

Table 10
Mid-Bay Bridge
Actual vs. Forecast Toll Revenue, FY 2022

FY 2022	Actual	Forecast		Differential from 2015 O.S.		Differential from Budget	
		2015 O.S.	FY22 Budget	Amount	Percent	Amount	Percent
Toll Revenue	$23,831,356	$26,162,000	$24,000,000	-$2,330,644	-8.9%	-$168,644	-0.7%

With respect to traffic, for the Mid-Bay Bridge, actual FY 2022 traffic (transactions) were below the O.S. Forecast for FY 2022 by 1,245,028 vehicles or 13.8 percent, and below the 2020 Forecast by 191,028 vehicles, or 2.4 percent, as shown in Table 11:

Table 11
Mid-Bay Bridge
Actual vs. Forecast Traffic, FY 2022

FY 2022	Actual	Forecast		Differential from 2015 O.S.		Differential from Budget	
		2015 O.S.	FY22 Budget	Amount	Percent	Amount	Percent
Traffic	7,887,912	9,277,000	7,800,000	-1,389,088	-15.0%	+87,912	+1.1%

With respect to the rebate program, Table 12 shows that there was a 0.2 percent increase in the number of customers making 32-or-more trips per month.

Table 12
Mid-Bay Bridge
Rebate Transactions and Changes –
FY 2021 and FY 2022

Trip Frequency (transactions/ month)	FY21	FY22	Change	
			Transactions	Percent
1-31	2,442,794	2,495,288	+52,494	+2.1%
32-40	479,064	494,619	+15,555	+3.2%
41+	1,305,071	1,293,318	-11,753	-0.9%
32+	1,784,135	1,787,937	+3,802	+0.2%
Total	4,226,929	4,283,225	+56,296	+1.3%

The percent of rebate transactions (i.e., 32+ transactions per month) of the total transactions is shown in Table 13. As can be seen, in FY 2022 the percentage decreased more than likely because of an increase in tourist traffic.

Table 13
Mid-Bay Bridge
Rebate Transactions as a Percent of Total Transactions
FY 2021 and FY 2022

Trip Frequency (transactions/ month)	Transactions		Percent of Total	
	FY21	FY22	FY21	FY22
1-31	2,442,794	2,495,288	31.4%	31.6%
32-40	479,064	494,619	6.2%	6.3%
41+	1,305,071	1,293,318	16.8%	16.4%
32+	1,784,135	1,787,937	23.0%	22.7%
Total	4,226,929	4,283,225	54.4%	54.3%
Annual Transactions	7,773,972	7,887,912		

Table 14 shows an increase of 0.2 percent in the rebate amounts, again, due to the recovery from the pandemic

Table 14
Mid-Bay Bridge
Rebate Amounts and Changes –
FY 2021 and FY 2022

Rebates		Change	
FY 2021	FY 2022	Amount	Percent
$1,749,881	$1,753,872	+$3,991	+0.2%

The following sections discuss the traffic and revenue results from Bridge operation and the relationship of the toll rates, and the toll rate increases (October 2004, June 2010, and October 2015) to inflation since the opening of the Bridge and during the eighteen years since the first toll increase.

3.1 Traffic and Revenue Results

Bridge toll revenues collected in FY 2022 amounted to $23,831,356, down 1.5 percent from FY 2021. A breakdown of the monthly results is summarized in Table 15:

Table 15
Mid-Bay Bridge
Monthly Toll Revenue, FY 2021 vs. FY 2022

Month	Total Toll Revenue		Percent Change
	FY 2021	FY 2022	
October	$ 1,963,961	$ 2,026,677	+3.2%
November	1,636,505	1,693,334	+3.5%
December	1,677,867	1,791,590	+6.8%
January	1,528,718	1,506,712	-1.4%
February	1,469,931	1,561,155	+6.2%
March	2,173,294	2,115,068	-2.7%
April	2,128,325	2,104,486	-1.1%
May	2,410,824	2,245,740	-6.8%
June	2,483,421	2,353,251	-5.2%
July	2,583,472	2,512,735	-2.7%
August	2,201,420	2,102,897	-4.5%
September	1,946,992	1,817,249	-6.7%
Subtotal	24,204,729	23,830,893	-1.5%
Tolls/collections/fines	578	464	-19.8%
Grand Total	$ 24,205,307	$ 23,831,356	-1.5%

Tracing the percent changes shows positive year-over-year revenue growth in most of the first half of the fiscal year, followed decreases in the second half of the fiscal year due to a “letdown” from the rebound year of FY 2021 and a change in the traffic mix, as previously mentioned.

Figure 2 shows, graphically, the monthly average daily toll revenue fluctuations from fiscal years 2008 through 2022, As shown in Figure 2, FY 2022 toll revenues gradually increase throughout the year, peaking in July.

Figure 2
Mid-Bay Bridge
Monthly Toll Revenue Fluctuations, FY 2008-FY 2022

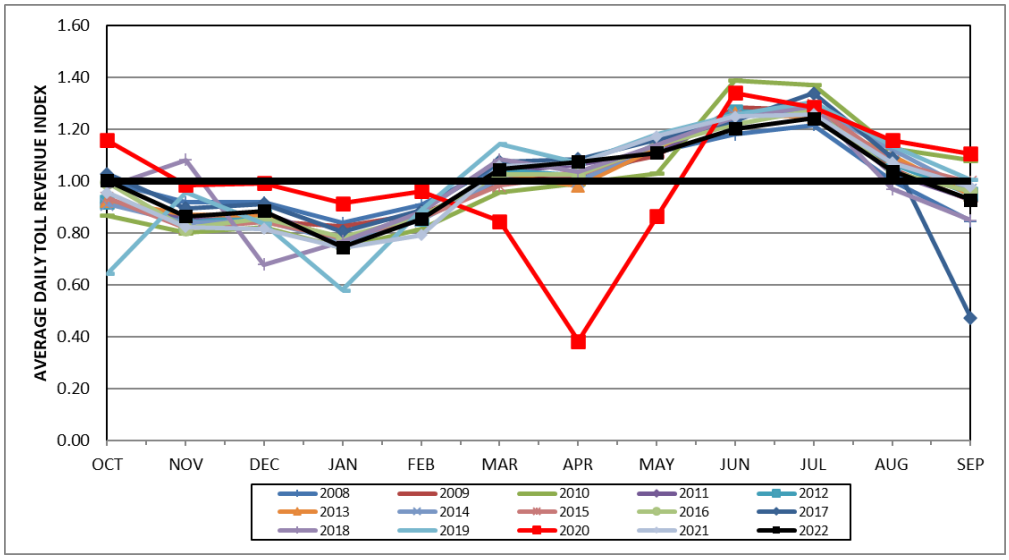


Figure 3, together with Table 16, show the annual traffic and toll revenue growth from FY 1994, the first full year of the Bridge being open, to FY 2022.

Figure 3
Mid-Bay Bridge
Transaction and Toll Revenue Trend, FY 1994-FY 2022

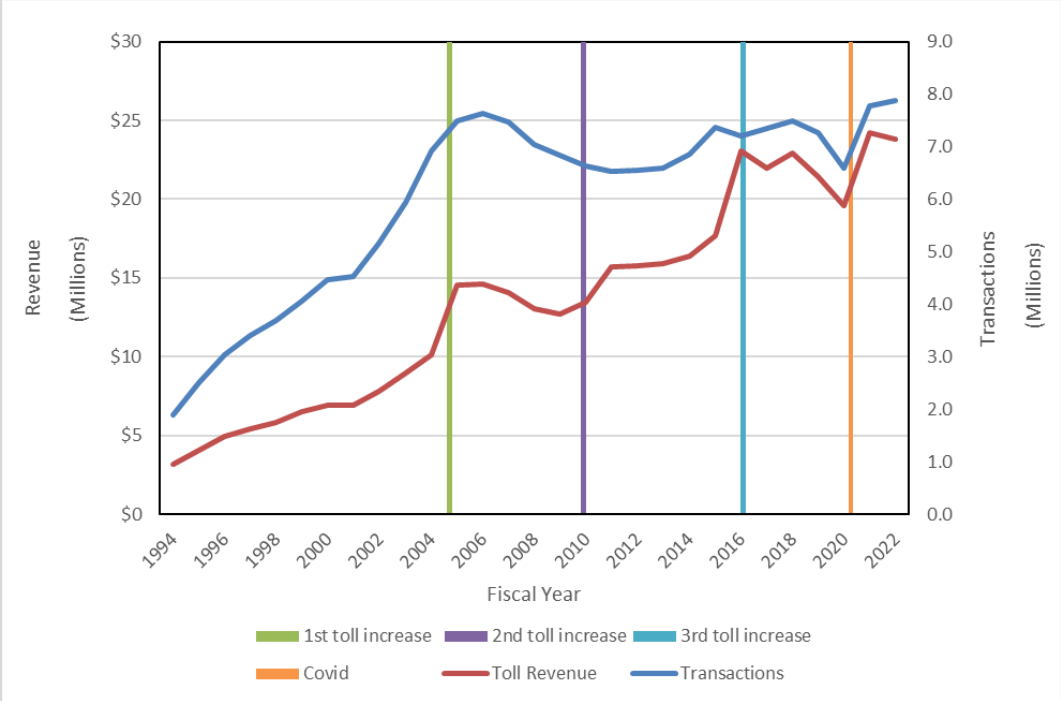


Table 16
Mid-Bay Bridge
Traffic and Revenue, FY 1994-FY 2022

Fiscal Year	Traffic			Average Toll	Toll Revenue
	Annual Volume	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	+21.0%	$ 1.465	$ 10,135,202
2005	7,491,342	21,108	+7.1%	$ 1.943	$ 14,554,036
2006	7,627,382	20,897	-1.0%	$ 1.920	$ 14,648,308
2007	7,462,543	20,445	-2.2%	$ 1.887	$ 14,078,716
2008	7,050,496	19,369	-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
2011	6,533,899	17,901	-1.6%	$ 2.403	$ 15,702,572
2012	6,542,990	17,877	-0.1%	$ 2.410	$ 15,765,967
2013	6,586,458	18,070	+1.1%	$ 2.411	$ 15,881,722
2014	6,846,939	18,852	+4.3%	$ 2.398	$ 16,415,891
2015	7,370,448	20,193	+7.1%	$ 2.396	$ 17,657,326
2016	7,207,105	19,692	-2.5%	$ 3.195	$ 23,028,055
2017	7,355,314	20,152	+2.3%	$ 2.987	$ 21,973,783
2018	7,487,673	20,514	+1.8%	$ 3.065	$ 22,948,747
2019	7,270,712	20,352	-0.8%	$ 2.944	$ 21,403,035
2020	6,592,732	18,013	-11.5%	$ 2.966	$ 19,555,612
2021	7,773,972	21,299	+18.2%	$ 3.114	$ 24,205,307
2022	7,887,912	21,611	+1.5%	$ 3.021	$ 23,831,356

Following are the highlights on a year-by-year basis:

- FY 1994 to FY 2003 – steady upward growth in traffic and toll revenue;
- June 1999 (FY 1999) – SunPass introduced;
- October 2004 (FY 2005) – first toll increase – continued upward trend in toll revenues;
- FY 2005 to FY 2010 – flattening out then (from FY 2007) decreasing of traffic and toll revenue due to the Great Recession;
- June 2010 (FY 2010) – second toll increase;
- Summer 2010 – BP oil spill impact;

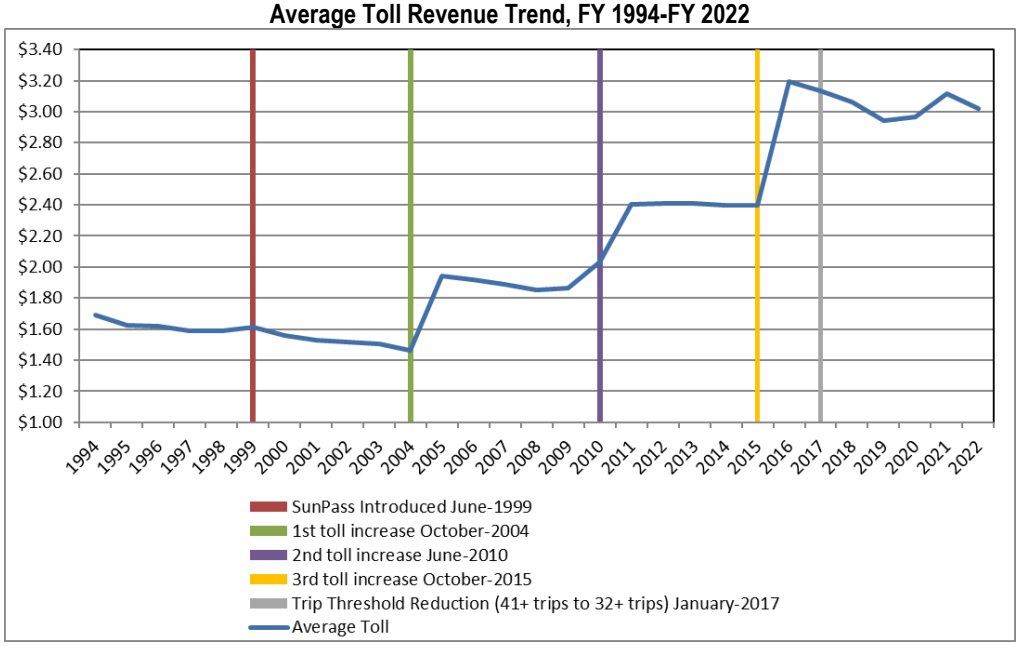
- FY 2011 – impact of traffic and toll revenues reflected the elasticity impact of eight months at the higher tolls along with the recovering economy and the residual impact of the BP oil spill;
- FY 2012 to FY 2014 – upward trend in traffic and toll revenue reflecting the end of the impact of the previous events;
- January 2014 (FY 2014) – Spence Parkway opens in full and toll collection begins;
- FY 2014 to FY 2015 – sharper upward trend in traffic and toll revenue due to stronger summer season traffic and the opening of the Spence Parkway;
- October 2015 (FY 2016) – third toll increase and implementation of rebate program (41+ transactions per month per account per facility);
- January 2017 (FY 2017) – rebate threshold lowered to 32+ transactions per month;
- FY 2018 – decrease in toll revenue resulting from TBP billing delays as a result of the FDOT conversion to a new centralized customer service system;
- FY 2020 – uptick in toll revenues as delayed TBP invoices are paid followed by a drop due the pandemic-imposed restrictions on activities;
- FY 2021 – traffic and toll revenues rebound as pandemic-related restrictions were no longer in effect and higher levels of traffic returned;
- FY 2022 – traffic and toll revenue levels decrease as previously discussed (a “letdown” from the rebound in FY 2021 and a change in the traffic mix). Lag in trip billing due to going to AET during the height of the pandemic.

Following are specific events that affected the traffic and toll revenue on the Bridge:

- September 2000 – Tropical Storm Helene
- September 2004 – Hurricane Ivan
- June/July/August 2005 – Tropical storms and hurricanes
- August and September 2008 – Tropical storms
- January 2014 – Ice storm
- September 2017 – Hurricane Irma
- October 2018 – Hurricane Michael
- January 2019 – eight-day bridge closure for emergency tendon repairs followed by restrictions on heavy vehicles on the Bridge into June;
- April 2020 – Covid-19 pandemic
- September 2022 – Tolls suspended for 30 hours due to the approach of Hurricane Ian

The events that impacted the average toll are shown in Figure 4 and include: the introduction of *SunPass* in June of 1999 (FY 1999), the toll increase in October 2004 (FY 2005), the toll increase in June 2010 (FY 2010), the toll increase in October 2015 (FY 2016), the trip threshold reduction in January 2017 and the previously mentioned issues that occurred in FY 2019. Prior to each of these events, with the exception of the period immediately prior to the toll increase in June 2010, the average toll had been trending downward with the relative increase in SunPass usage. Because the second toll increase (in June 2010) was implemented three quarters the way into the fiscal year (as opposed to at the beginning of the fiscal year, as had been the case with the first toll increase), the average toll continued to trend sharply upward through FY 2011, finally leveling off in FY 2012 and remaining at the same level through FY 2013 and decreasing slightly in FY 2014 and again in FY 2015. As previously noted, in October of 2015 (FY 2016) a third toll increase was implemented and in January 2017 the trip threshold reduction was implemented. This is discussed later in this report.

Figure 4
Mid-Bay Bridge
Average Toll Revenue Trend, FY 1994-FY 2022



Like many facilities, the Mid-Bay Bridge exhibits a definite seasonality pattern with the greatest amount of traffic occurring during the tourist season (Memorial Day weekend to mid-August) and the lowest traffic volumes occurring during the winter months. The FY 2022 monthly traffic fluctuations in terms of Average Daily Traffic, or ADT, are shown in Table 17.

Table 17
Mid-Bay Bridge
Monthly Traffic and Toll Revenue Fluctuations, FY 2022

Month	Traffic				Average Toll	Toll Revenue
	Monthly Volume	Percent of Year	ADT	Ratio ADT / AADT		
October	653,424	8.3%	21,078	0.98	$3.10	$2,026,677
November	572,885	7.3%	19,096	0.88	2.96	1,693,334
December	600,834	7.6%	19,382	0.90	2.98	1,791,590
January	510,429	6.5%	16,465	0.76	2.95	1,506,712
February	523,476	6.6%	18,696	0.87	2.98	1,561,155
March	681,208	8.6%	22,707	1.05	3.10	2,115,068
April	694,922	8.8%	23,164	1.07	3.03	2,104,486
May	738,107	9.4%	23,810	1.10	3.04	2,245,740
June	769,995	9.8%	25,667	1.19	3.06	2,353,251
July	810,045	10.3%	26,130	1.21	3.10	2,512,735
August	691,087	8.8%	22,293	1.03	3.04	2,102,897
September	641,500	8.1%	21,383	0.99	2.83	1,817,249
Total	7,887,912	100%	21,611	1.00	3.02	23,830,893
Tolls/collections/fines						464
Total (including tolls/collections/fines)					$3.02	$23,831,356

As shown in Table 17 and graphically in Figure 5, July was the high month, in both absolute volume and terms of ADT while January was both the lowest ADT month and the lowest volume month. September was the closest to an average month in FY 2022 with an ADT to AADT ratio of 0.99. As a result of no pandemic-related restrictions, FY 2022 was a more typical year with March/April normally exhibiting higher traffic due to Spring Break travel and July being the peak month because of summer vacation travel.

As stated in previous annual reports, the traffic pattern is largely due to tourist travel and is quite unlike patterns in south Florida, where the winter season generates the highest traffic levels and March is normally the highest month.

Figure 5
Mid-Bay Bridge
Monthly Traffic Fluctuations, FY 2022

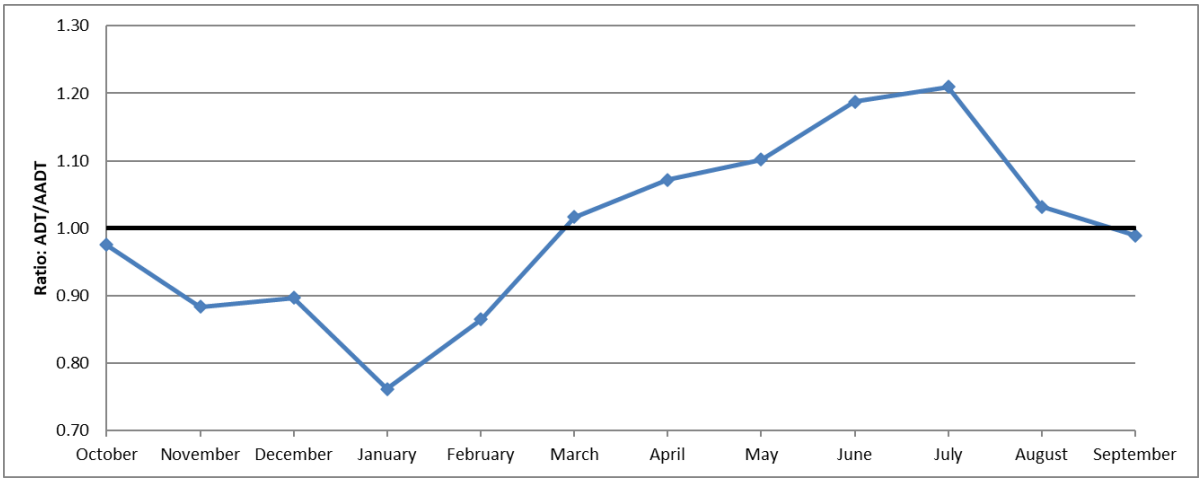


Table 18 shows the breakdown by vehicle classification (vehicles of three or more axles have been grouped) indicates that 97.2 percent of the Bridge traffic was comprised of two-axle vehicles in FY 2022 (excluding non-revenue transactions, which were conservatively accounted for as 2-axle traffic), and that these vehicles produced 93.5 percent of the Bridge's toll revenue. Vehicles with three or more axles comprised 2.0 percent of the total traffic and produced 6.5 percent of the Bridge's toll revenue. It should be noted that the average toll may be less than the posted toll due to differences in deposit reporting between FDOT and the Authority.

Table 18
Mid-Bay Bridge
Traffic and Toll Revenue, SunPass/TBP v. Cash, FY 2022

Vehicle Group	Traffic		Average Toll	Toll Revenue	
	Volume	Percent		Amount	Percent
2-axle SunPass	4,841,397	61.4%	$2.823	$ 13,665,790	57.3%
2-axle TBP	699,106	8.9%	$1.577	$ 1,102,591	4.6%
2-axle AET (SP & TBP - subtotal)	5,540,503	70.2%	$2.666	$ 14,768,382	62.0%
2-axle (Cash)	2,129,066	27.0%	$3.526	$ 7,507,957	31.5%
2-axles (Subtotal)	7,669,569	97.2%	$2.905	$ 22,276,338	93.5%
3+ axles	155,323	2.0%	$10.012	$ 1,555,018	6.5%
Subtotal	7,824,892	99.2%	$3.046	$ 23,831,356	100.0%
Non-revenue(*)	63,020	0.8%			
Total	7,887,912	100%	$3.021	$ 23,831,356	100.0%

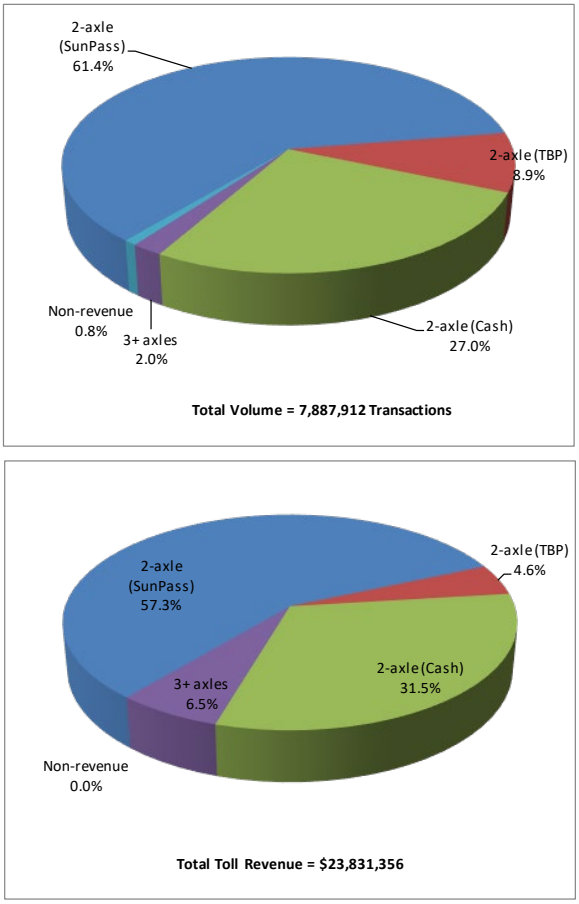
(*) Conservatively accounted for as all being 2-axle transactions.

While the two-axle-SunPass[3] group in FY 2022 represented 61.4 percent of the traffic mix, they generated 57.3 percent of the toll revenues due to their lower toll. On the other hand, two-axle, Cash-payers represented 27.0 percent of the traffic mix, generating 31.5 percent of the toll revenue. It should also be noted that Toll-By-Plate

[3] This group includes all interoperable electronic transactions including E-ZPass.

traffic made up 8.9 percent of the traffic mix, higher than expected, possibly due usage of the ETC only lane at the toll plaza. The FY 2022 classification results are shown graphically in Figure 6.

Figure 6
Mid-Bay Bridge
Traffic and Toll Revenue, FY 2022



A rebate program was introduced in FY 2016 which allowed for a discounted toll of $2.00 per trip for 2-axle vehicle with SunPass that completed 41-or-more trips in a month. Subsequently, the threshold was lowered in January 2017 (FY 2017) to 32-or-more trips in a month. These rebates accounted for $1,753,872 which are being credited to Bridge customers, lowering the toll revenue collected from $25,585,228 to $23,831,356.

3.2 Comparison with Forecasts

FY 2022 actual Bridge toll revenue of $23,831,356 was below the Series 2015 O.S. Forecast of $26,162,000 for FY 2022 by $2,330,634, or 8.9 percent, and below the budgeted amount of $24,000,000 by $168,644, or 0.7 percent.

Figure 7 shows the actual revenue results alongside the forecasted amounts for FY 2022 with the ratio of Actual to Budget ranging from 130 percent in December to 79 percent in November and averaging 99 percent for the year.

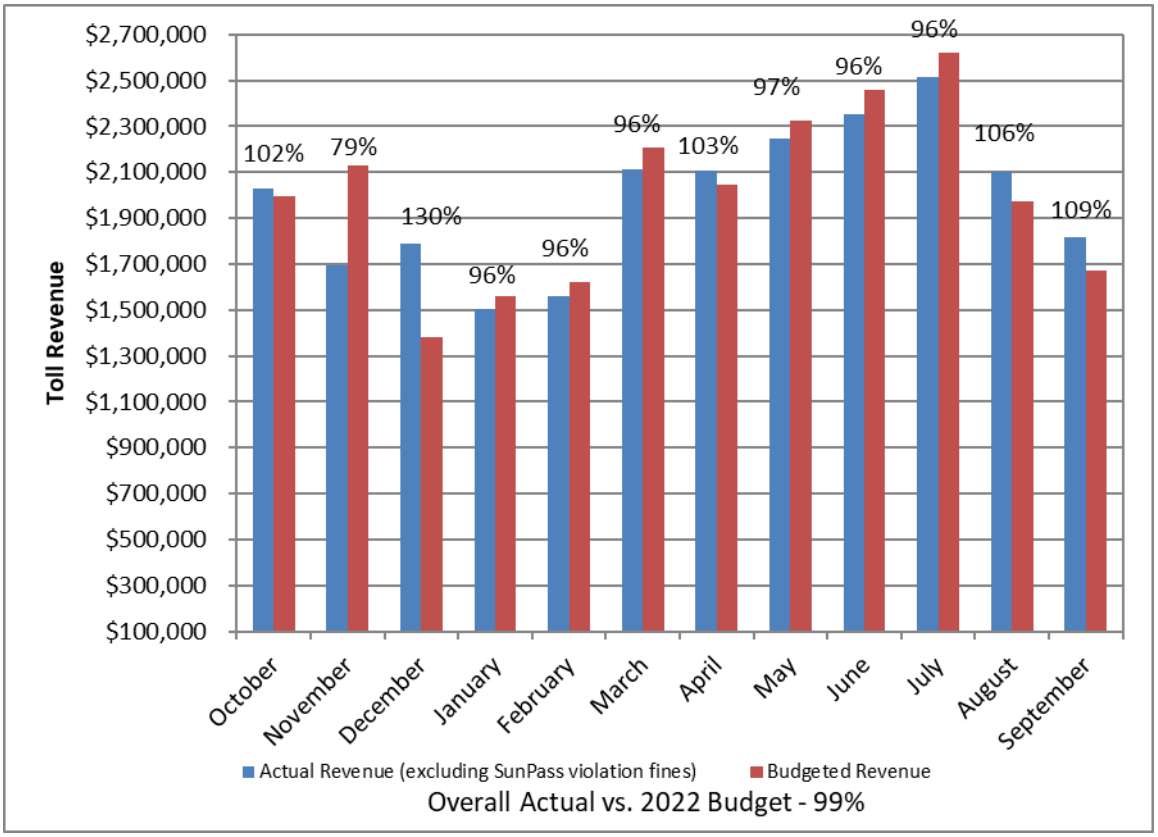
With respect to traffic, the actual 7,887,912 vehicles for the Mid-Bay Bridge, were below the O.S. Forecast for FY 2022 of 9,277,000 vehicles by 1,389,088, or 15.0 percent, and above the 2022 Budget of 7,800,000 by 87,912 vehicles, or 1.1 percent, as shown in Table 19 (note that a monthly proration was not done using the O.S. forecasts).

Table 19
Mid-Bay Bridge
Actual and Forecasted Traffic, FY 2022

Month	Traffic		Difference	
	Actual	Budgeted	Volume	Percent
October	653,424	628,000	+25,424	+4.0%
November	572,885	571,000	+1,885	+0.3%
December	600,834	584,000	+16,834	+2.9%
January	510,429	518,000	-7,571	-1.5%
February	523,476	527,000	-3,524	-0.7%
March	681,208	697,000	-15,792	-2.3%
April	694,922	650,000	+44,922	+6.9%
May	738,107	727,000	+11,107	+1.5%
June	769,995	775,000	-5,005	-0.6%
July	810,045	810,000	+45	+0.0%
August	691,087	703,000	-11,913	-1.7%
September	641,500	610,000	+31,500	+5.2%
Total	7,887,912	7,800,000	+87,912	+1.1%

As noted above, toll revenues were likely below budget due to a change in the traffic mix from the prior year, while traffic for the Bridge above the 2022 Budget likely due to the continuing recovery from the pandemic.

Figure 7
Mid-Bay Bridge
Monthly Revenue Results, Actual FY 2022 vs. the 2022 Budget



3.3 Traffic Changes, Market Share, and Growth Comparisons

Table 20 and Table 21 show the changes in traffic by vehicles class and the changes in market share, respectively, on the Bridge.

Table 20
Mid-Bay Bridge Change in Traffic by Vehicle Class

	2-Axle Vehicles				3+ Axle Vehicles				All Vehicles			
			Change				Change				Change	
Month	FY21	FY22	Amount	Percent	FY21	FY22	Amount	Percent	FY21	FY22	Amount	Percent
October	611,163	640,453	+29,290	+4.8%	12,238	12,971	+733	+6.0%	623,401	653,424	+30,023	+4.8%
November	524,685	561,189	+36,504	+7.0%	11,679	11,696	+17	+0.1%	536,364	572,885	+36,521	+6.8%
December	537,289	590,203	+52,914	+9.8%	10,367	10,631	+264	+2.5%	547,656	600,834	+53,178	+9.7%
January	488,521	499,418	+10,897	+2.2%	9,923	11,011	+1,088	+11.0%	498,444	510,429	+11,985	+2.4%
February	480,142	512,396	+32,254	+6.7%	10,012	11,080	+1,068	+10.7%	490,154	523,476	+33,322	+6.8%
March	676,591	667,808	-8,783	-1.3%	13,939	13,400	-539	-3.9%	690,530	681,208	-9,322	-1.3%
April	671,418	680,907	+9,489	+1.4%	13,508	14,015	+507	+3.8%	684,926	694,922	+9,996	+1.5%
May	760,339	724,160	-36,179	-4.8%	14,263	13,947	-316	-2.2%	774,602	738,107	-36,495	-4.7%
June	771,629	754,975	-16,654	-2.2%	13,859	15,020	+1,161	+8.4%	785,488	769,995	-15,493	-2.0%
July	814,478	795,132	-19,346	-2.4%	14,429	14,913	+484	+3.4%	828,907	810,045	-18,862	-2.3%
August	670,325	677,643	+7,318	+1.1%	12,686	13,444	+758	+6.0%	683,011	691,087	+8,076	+1.2%
September	618,596	628,305	+9,709	+1.6%	11,893	13,195	+1,302	+10.9%	630,489	641,500	+11,011	+1.7%
Annual	7,625,176	7,732,589	+107,413	+1.4%	148,796	155,323	+6,527	+4.4%	7,773,972	7,887,912	+113,940	+1.5%

Table 21
Mid-Bay Bridge Change in Traffic Market Share

Month	FY 2021				FY 2022				Change in Market Share (Percent)		
	2-Axles	3+ Axles	Total		2-Axles	3+ Axles	Total		2-Axles	3+ Axles	Total
October	98.0%	2.0%	100.0%		98.0%	2.0%	100.0%		-0.0%	+1.1%	0.0%
November	97.8%	2.2%	100.0%		98.0%	2.0%	100.0%		+0.1%	-6.2%	0.0%
December	98.1%	1.9%	100.0%		98.2%	1.8%	100.0%		+0.1%	-6.5%	0.0%
January	98.0%	2.0%	100.0%		97.8%	2.2%	100.0%		-0.2%	+8.4%	0.0%
February	98.0%	2.0%	100.0%		97.9%	2.1%	100.0%		-0.1%	+3.6%	0.0%
March	98.0%	2.0%	100.0%		98.0%	2.0%	100.0%		+0.1%	-2.6%	0.0%
April	98.0%	2.0%	100.0%		98.0%	2.0%	100.0%		-0.0%	+2.3%	0.0%
May	98.2%	1.8%	100.0%		98.1%	1.9%	100.0%		-0.0%	+2.6%	0.0%
June	98.2%	1.8%	100.0%		98.0%	2.0%	100.0%		-0.2%	+10.6%	0.0%
July	98.3%	1.7%	100.0%		98.2%	1.8%	100.0%		-0.1%	+5.8%	0.0%
August	98.1%	1.9%	100.0%		98.1%	1.9%	100.0%		-0.1%	+4.7%	0.0%
September	98.1%	1.9%	100.0%		97.9%	2.1%	100.0%		-0.2%	+9.0%	0.0%
Annual	98.1%	1.9%	100.0%		98.0%	2.0%	100.0%		-0.1%	+2.9%	0.0%

As shown in Table 22, FY 2022 toll revenue for the Bridge was forecast to increase 22.7 percent over the FY 2016 revenue however, actual FY 2022 toll revenue increased only 3.5 percent from FY 2016.

Table 22
Mid-Bay Bridge Growth Comparisons

Source	Transactions			Toll Revenue		
	FY 2016	FY 2022	Growth	FY 2016	FY 2022	Growth
2015 O.S	7,480,000	9,277,000	24.0%	$21,321,000	$26,162,000	22.7%
Actual	7,207,105	7,887,912	9.4%	$23,028,055	$23,831,356	3.5%

While forecast growth for traffic was 24.0 percent over FY 2016 in the O.S. forecast, traffic only grew 9.4 percent from FY 2016. This lower growth in toll revenue as compared to traffic may be due, in part, to the introduction of the rebate program which was not anticipated at the time of the Series 2015 O.S.

3.4 Tolls and Inflation

During the previous 28 years that the Mid-Bay Bridge has been in operation (FY 1994 – FY 2022) there have been three toll rate increases:

1. October 2004 (FY 2005);

2. June 2010 (FY 2010); and

3. October 2015 (FY 2016).

The toll rate increase of October 2004 increased the base toll (2-Axle/Cash) 25 percent ($0.50) from the opening day toll of $2.00 to $2.50 while the second toll increase raised the base toll an additional $0.50 to $3.00, or 20 percent. *SunPass* tolls for 2-axle vehicles also increased $0.50, or 50 percent, from $1.00 to $1.50 in October 2004, and an additional $0.50, or 33 percent, in June 2010.

Effective October 1, 2015 (FY 2016) the base (2-axle) tolls were increased on the Mid-Bay Bridge as follows:
Mid-Bay Bridge:

- Cash – $4.00 ($1.00, or 33 percent increase)
- *SunPass* (commercial accounts along with infrequent personal account users, those making 40-or-less trips per month per account) – $3.00 ($1.00, or 50 percent increase)
- *SunPass* (frequent personal account users, those making 41-or-more trips per month) – $2.00 (no increase), issued in the form of a rebate

Three-or-more axle vehicles (regardless of the payment method) pay tolls calculated using the “N minus 1” method (where “N” is the number of axles on the vehicle) and increase at the rate of $4.00 per axle over the $4.00 cash two-axle toll on the Bridge.

As noted earlier, effective January 1, 2017 the threshold for frequent personal account users was lowered to 32-or-more trips per month.

Table 23 shows the history of toll increases, including the absolute dollar increases and percentage change amounts in the toll rates, on the Mid-Bay Bridge.

The higher percentage increases for commercial account and non-frequent user SunPass tolls were implemented in order to maintain the same dollar amount of the discount from the cash/Toll-by-Plate toll rate while the toll rates for frequent customers were not increased so as to minimize the impact on local residents and employees who may be using the facilities to commute on a daily basis. With the continuation of the $1.00 discount on the Bridge, the SunPass/Cash toll ratios increased from 50 percent (at opening) to 60 percent (effective October 2004) to 67 percent (effective June 2010) and then to 75 percent for commercial and infrequent customers (effective October 2015).

Table 23
Mid-Bay Bridge
History of Toll Increases

Vehicle Group[1]	Toll Rates Effective June 1993 (Opening)[2]	Increase		Toll Rates Effective October 2004 (FY2005)	Increase		Toll Rates Effective June 2010 (FY2010)	Increase		Toll Rates Effective October 2015 (FY2016)
		Amount	Percent		Amount	Percent		Amount	Percent	
2 Axles/SunPass (Frequent Customer)[3]	$ 1.00	$ 0.50	50%	$ 1.50	$ 0.50	33%	$ 2.00			$ 2.00
2 Axles/SunPass (Infrequent Customer)[4]	$ 1.00	$ 0.50	50%	$ 1.50	$ 0.50	33%	$ 2.00	$ 1.00	50%	$ 3.00
2 Axles/Cash	$ 2.00	$ 0.50	25%	$ 2.50	$ 0.50	20%	$ 3.00	$ 1.00	33%	$ 4.00
3 Axles	$ 4.00	$ 1.00	25%	$ 5.00	$ 1.00	20%	$ 6.00	$ 2.00	33%	$ 8.00
4 Axles	$ 6.00	$ 1.50	25%	$ 7.50	$ 1.50	20%	$ 9.00	$ 3.00	33%	$ 12.00
5 Axles	$ 8.00	$ 2.00	25%	$ 10.00	$ 2.00	20%	$ 12.00	$ 4.00	33%	$ 16.00
6 Axles	$ 10.00	$ 2.50	25%	$ 12.50	$ 2.50	20%	$ 15.00	$ 5.00	33%	$ 20.00
Add'l Axle (per axle)	$ 2.00	$ 0.50	25%	$ 2.50	$ 0.50	20%	$ 3.00	$ 1.00	33%	$ 4.00

(1) Ticket book payment option not shown

(2) SunPass Rate was introduced in 1999

(3) The frequent customer discount was extended to more customers (i.e., from 41+ trips per month to 32+ trips per month) on January 1, 2017 (FY2017)

(4) Differentiation between frequent and infrequent customers did not occur until FY2016

With respect to inflation, the toll increases have generally kept pace with inflation as measured by the rise in the Consumer Price Index (CPI) and as summarized in Table 24 and shown graphically in Figure 8.

Table 24
Mid-Bay Bridge
Passenger Car Toll Rate Adjusted to CPI

	Actual Toll Rate			Consumer Price	Tolls Adjusted to 1994 Dollars		
Year	Cash	SunPass Frequent	SunPass	Index(*)	Cash	SunPass Frequent	SunPass
1994	$2.00			145.800	$2.00		
1995	$2.00			149.800	$1.95		
1996	$2.00			154.500	$1.89		
1997	$2.00			157.500	$1.85		
1998	$2.00			159.500	$1.83		
1999	$2.00		$1.00	163.200	$1.79		$0.89
2000	$2.00		$1.00	168.500	$1.73		$0.87
2001	$2.00		$1.00	172.200	$1.69		$0.85
2002	$2.00		$1.00	174.200	$1.67		$0.84
2003	$2.00		$1.00	178.300	$1.64		$0.82
2004	$2.00		$1.00	182.800	$1.60		$0.80
2005	$2.50		$1.50	192.000	$1.90		$1.14
2006	$2.50		$1.50	195.800	$1.86		$1.12
2007	$2.50		$1.50	201.697	$1.81		$1.08
2008	$2.50		$1.50	212.650	$1.71		$1.03
2009	$2.50		$1.50	208.912	$1.74		$1.05
2010	$3.00		$2.00	211.775	$2.07		$1.38
2011	$3.00		$2.00	220.371	$1.98		$1.32
2012	$3.00		$2.00	225.052	$1.94		$1.30
2013	$3.00		$2.00	227.876	$1.92		$1.28
2014	$3.00		$2.00	231.762	$1.89		$1.26
2015	$3.00		$2.00	230.913	$1.89		$1.26
2016	$4.00	$2.00	$3.00	234.069	$2.49	$1.25	$1.87
2017	$4.00	$2.00	$3.00	239.649	$2.43	$1.22	$1.83
2018	$4.00	$2.00	$3.00	243.640	$2.39	$1.20	$1.80
2019	$4.00	$2.00	$3.00	246.891	$2.36	$1.18	$1.77
2020	$4.00	$2.00	$3.00	250.193	$2.33	$1.17	$1.75
2021	$4.00	$2.00	$3.00	264.593	$2.20	$1.10	$1.65
2022	$4.00	$2.00	$3.00	287.656	$2.03	$1.01	$1.52
Ratio: 2022/First Year	2.00	1.00	3.00	1.97	1.01	0.81	1.70

(*) As of September

As shown in Table 24, the first two toll increases resulted in a base toll (cash toll) that has increased at less than the inflation adjusted toll rate, however, with the third toll increase, the 2-axle base toll was above the inflation-adjusted toll rate. As shown in Figure 8, the cash toll rate on the bridge had become a better “buy” over time as the inflation-adjusted toll decreases until such time that there is a toll rate adjustment, which occurred in October 2015.

With respect to inflation, the toll increases have generally kept pace with inflation as measured by the rise in the Consumer Price Index (CPI) and as summarized in Table 25 and shown graphically in Figure 8.

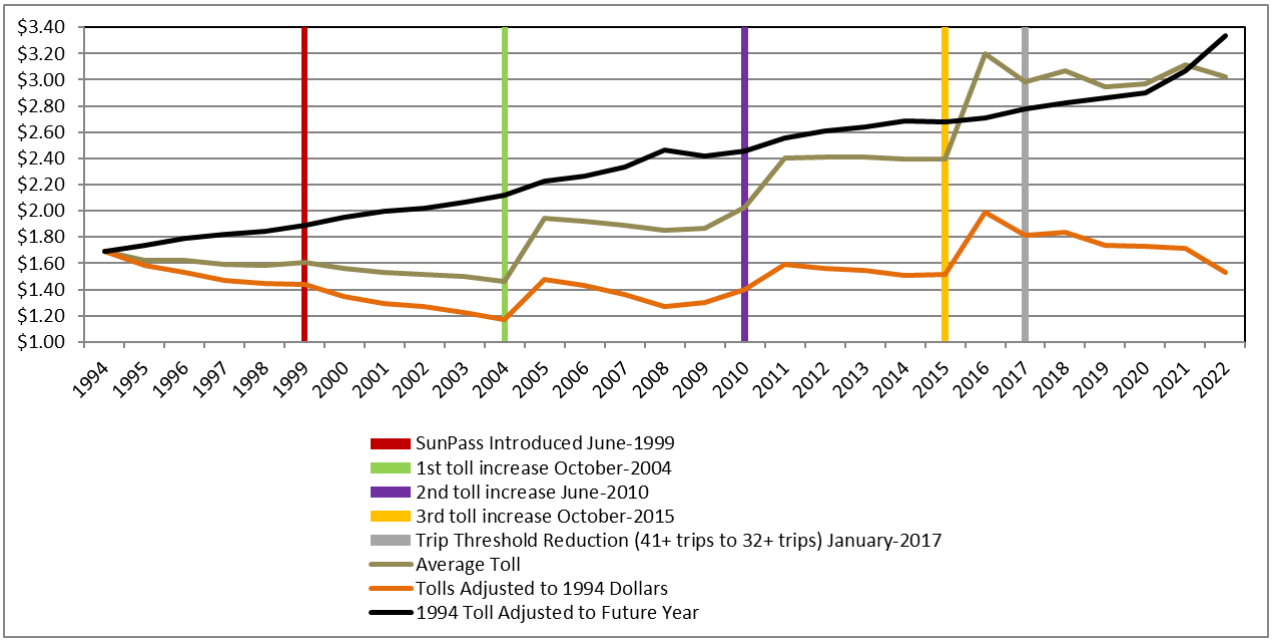
The SunPass and SunPass frequent rates are a substantial savings to the base rate (25%, 50%) and are a great value even when adjusted for inflation.

Table 25
Mid-Bay Bridge
Toll vs. Consumer Price Index (CPI)

	Actual Toll Rate			Tolls Adjusted to 1994 Dollars		
Year	Cash	SunPass Frequent	SunPass	Cash	SunPass Frequent	SunPass
1994	$2.00			$2.00		
1999	$2.00		$1.00	$1.79		$0.89
2005	$2.50		$1.50	$1.90		$1.14
2010	$3.00		$2.00	$2.07		$1.38
2016	$4.00	$2.00	$3.00	$2.49	$1.25	$1.87

As shown above, the toll increases have resulted in tolls approximately equal to what the toll would have been had there been inflation adjustments in the toll rate based on the increase in the CPI. For example, the $2.00 toll in 1994 dollars is the equivalent of $3.95 in 2022 dollars.

Figure 8
Mid-Bay Bridge
Impact of Inflation on the Cash, 2-axle Toll Rate



4. Walter Francis Spence Parkway

The Walter Francis Spence Parkway (Parkway) was constructed in three phases as follows:

- 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; and
- Phase 3: State Road 285 to State Road 85.

The Authority combined Phases 2 and 3 of the Parkway (Range Road to SR 85) into a single contract to construct both phases concurrently. These two sections were completed and opened to traffic from Range Road to SR 85, on January 4, 2014 with toll collection commencing two days later, on January 6, 2014.

SR 293, including the Parkway, is approximately 15.5 miles in length, with the Parkway being 11 miles in length and running from the toll plaza (at the north end of the bridge), north and west around Niceville, to SR 85. The Parkway has grade separated interchanges at Lakeshore Drive (for the Bluewater Bay Community), SR 20, Range Road, SR 285 and SR 85, along with an at-grade intersection with the Forest Road Extension and a second one at Town Center Boulevard.

The Parkway consists of four lanes from the Bridge to Range Road tapering down to two lanes north of Range Road and continuing as a two-lane expressway to SR 85 (except at the All-Electronic toll gantry, where it widens out to four lanes). When traffic warrants, the two-lane section is envisioned to be expanded to four lanes (the present right-of-way will accommodate the four lanes).

Unlike the Mid-Bay Bridge, toll collection on the Parkway is accomplished by means of all-electronic tolling (AET) at a single toll gantry located between the Range Road interchange and the Town Center Boulevard intersection. Motorists without a SunPass transponder have their license plate read by video cameras and are sent an invoice via the mail. This type of toll collection is known as Toll-by-Plate (TBP). Toll rates on the Parkway are one-half of those on the Mid-Bay Bridge with vehicles that pay via TBP being assessed a monthly administrative fee in addition to the equivalent per-trip cash toll rate.

Actual Parkway FY 2022 toll revenue of $4,677,577 was above the O.S. Forecast of $3,945,000 for FY 2022 by $732,577, or 18.6 percent, and below the 2022 Budget of $5,500,000 by $822,423, or 15.0 percent, as shown in Table 26.

Table 26
Spence Parkway
Actual vs. Forecast Toll Revenue, FY 2022

FY 2022	Actual	Forecast		Differential from 2015 O.S.		Differential from Budget	
		2015 O.S.	FY22 Budget	Amount	Percent	Amount	Percent
Toll Revenue	$4,677,577	$3,945,000	$5,500,000	+$732,577	+18.6%	-$822,423	-15.0%

It should be noted that in FY 2022 there was a back-office issue where Spence Parkway transactions from May through July were saved to the transaction file, but they were not charged. The issue was fixed in November 2022 (FY 2023) resulting in a recouping of approximately $200,000 in toll revenue as evidenced by a 33.3 percent increase in December 2022 (FY 2023) Parkway toll revenues over December 2021 (FY 2022) Parkway toll revenues.

With respect to traffic, for the Parkway, actual FY 2022 traffic (transactions) was above the O.S. Forecast for FY 2022 by 249,023 vehicles or 7.7 percent, and below the 2022 Budget by 122,977 vehicles, 3.4 percent, as shown in Table 27:

Table 27
Spence Parkway
Actual vs. Forecast Traffic, FY 2022

FY 2022	Actual	Forecast		Differential from 2015 O.S.		Differential from Budget	
		2015 O.S.	FY22 Budget	Amount	Percent	Amount	Percent
Traffic	3,477,023	3,228,000	3,600,000	+249,023	+7.7%	-122,977	-3.4%

As previously stated, the rebate threshold changed in January 2017. Table 28 shows that there was a 0.4 percent decrease in the number of customers making 32-or-more trips per month in FY 2022 (as compared to FY 2021).

Table 28
Spence Parkway
Rebate Transactions and Changes –
FY 2021 and FY 2022

Trip Frequency (transactions/ month)	FY21	FY22	Change	
			Transactions	Percent
1-31	1,163,661	1,171,339	+7,678	+0.7%
32-40	152,367	155,533	+3,166	+2.1%
41+	244,456	239,663	-4,793	-2.0%
32+	396,823	395,196	-1,627	-0.4%
Total	1,560,484	1,566,535	+6,051	+0.4%

The percent of rebate transactions (i.e., 32+ transactions per month) of the total transactions is shown in Table 29. As can be seen, in FY 2022 the percentage decreased more than likely because of a decrease in tourist, or non-local, traffic.

Table 29
Spence Parkway
Rebate Transactions as a Percent of Total Transactions
FY 2021 and FY 2022

Trip Frequency (transactions/ month)	Transactions		Percent of Total	
	FY21	FY22	FY21	FY22
1-31	1,163,661	1,171,339	32.7%	33.7%
32-40	152,367	155,533	4.3%	4.5%
41+	244,456	239,663	6.9%	6.9%
32+	396,823	395,196	11.2%	11.4%
Total	1,560,484	1,566,535	43.9%	45.1%
Annual Transactions	3,558,636	3,477,023		

Table 30 shows an increase of 0.1 percent in the rebate amounts during the same period.

Table 30
Spence Parkway
Rebate Amounts and Changes –
FY 2021 and FY 2022

Rebates		Change	
FY 2021	FY 2022	Amount	Percent
$190,604	$190,854	+$250	+0.1%

The slight increase in the number of frequent trips from FY 2021 can be directly attributed to the increase in traffic due to normal growth.

The following sections discuss the traffic and revenue results from Parkway operation.

4.1 Traffic and Revenue Results

Toll revenues collected in FY 2022 amounted to $4,677,577, down 17.3 percent from FY 2021. This is partly due to the back-office issue mentioned previously. The figures include the accrual to report recognized revenues by the fiscal year in which the Toll-by-Plate transactions occur. A breakdown of the monthly results is summarized in Table 31.

Table 31
Spence Parkway
Monthly Toll Revenue, FY 2021 vs. FY 2022

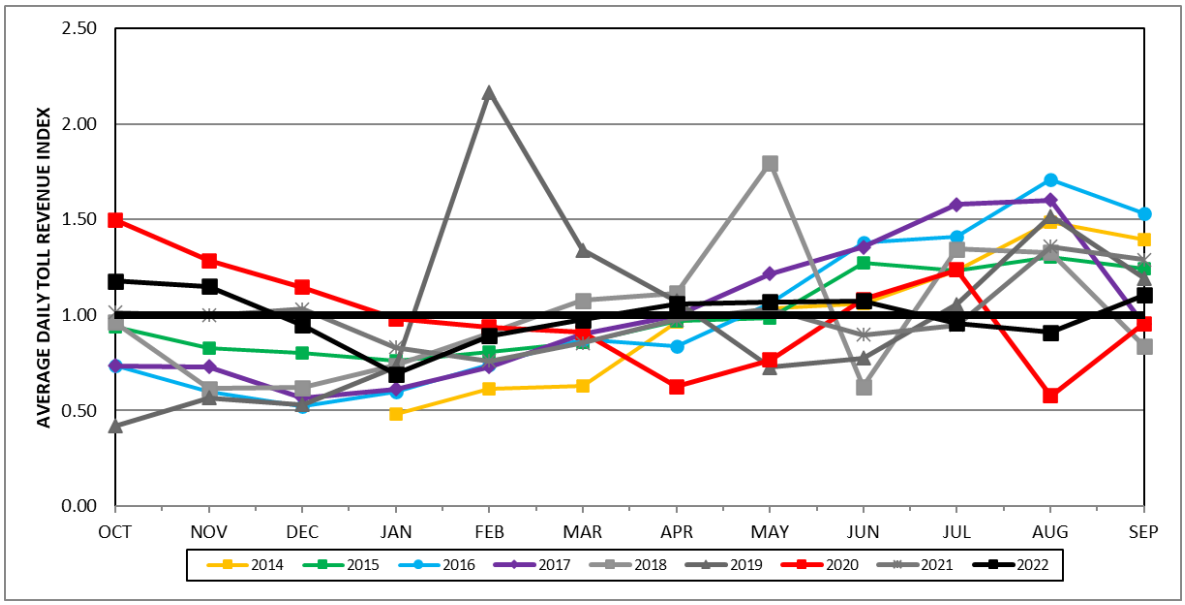
Month	Total Toll Revenue		Percent Change
	FY 2021	FY 2022	
October	$ 486,670	$ 467,473	-3.9%
November	463,300	442,042	-4.6%
December	495,496	375,824	-24.2%
January	398,617	274,440	-31.2%
February	329,786	320,155	-2.9%
March	409,804	387,393	-5.5%
April	452,652	406,534	-10.2%
May	496,302	424,790	-14.4%
June	416,398	413,280	-0.7%
July	454,401	380,323	-16.3%
August	651,536	361,168	-44.6%
September	599,233	424,140	-29.2%
Subtotal	5,654,195	4,677,565	-17.3%
Tolls/collections/fines	8	12	+50.0%
Grand Total	$ 5,654,203	$ 4,677,577	-17.3%

Monthly revenues were down in all months and significantly down in December, January, August, and September possibly due to the previous year having been a “rebound” year in addition to the back-office

issues from May to July whereas transactions were recorded but not charged. Jacobs will continue to monitor the impact of local economic conditions in terms of Parkway traffic and revenue.

Figure 9 shows, graphically, the monthly average daily toll revenue fluctuations for fiscal years 2014 through 2022.

Figure 9
Spence Parkway
Monthly Received Toll Revenue Trends, FY 2014-FY 2022



It should be noted that the abnormally high toll revenues in February 2019 are a result of the clearing out of the backlog in collections that resulted from the change in back-office systems by Florida's Turnpike Enterprise in June 2018 while May and June of FY 2021 were affected by the further back-office issues.

Figure 10, together with Table 32, show the annual traffic and toll revenue growth from FY 2014, opening year of the Parkway, to FY 2022.

Figure 10
Spence Parkway
Transaction and Toll Revenue Trend, FY 2014-FY 2022

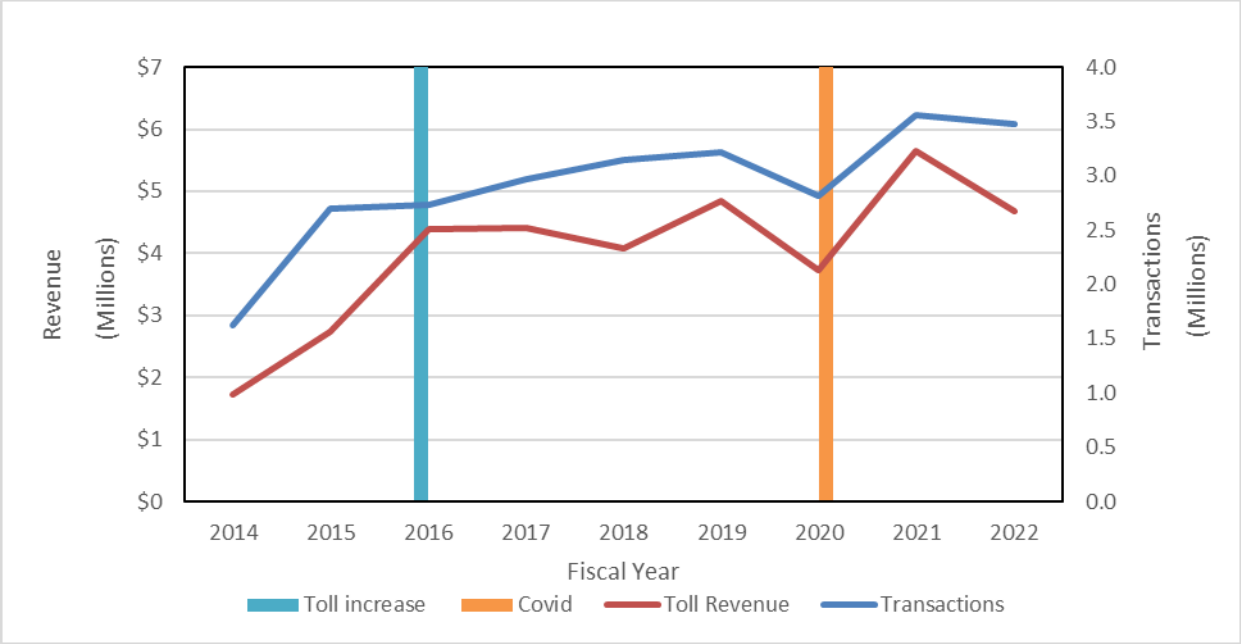


Table 32
Spence Parkway
Traffic and Revenue, FY 2014-FY 2022

Fiscal Year	Traffic			Average Toll	Toll Revenue
	Annual Volume	AADT	AADT Growth		
2014	1,620,055	6,045		$ 1.069	$ 1,731,560
2015	2,693,552	7,380	+22.1%	$ 1.020	$ 2,746,120
2016	2,735,820	7,475	+1.3%	$ 1.604	$ 4,389,280
2017	2,970,442	8,494	+13.6%	$ 1.488	$ 4,420,026
2018	3,143,584	8,613	+1.4%	$ 1.299	$ 4,083,283
2019	3,213,469	8,804	+2.2%	$ 1.507	$ 4,843,994
2020	2,819,812	7,704	-12.5%	$ 1.320	$ 3,722,101
2021	3,558,636	9,750	+26.5%	$ 1.589	$ 5,654,203
2022	3,477,023	9,526	-2.3%	$ 1.345	$ 4,677,577

Following are the highlights on a year-by-year basis:

- January FY 2014 – Parkway opens in full and tolls begin to be collected;
- FY 2014 to FY 2016 – traffic and toll revenues increase during the ramp-up period;
- October 2015 (FY 2016) – toll increase and implementation of rebate program (41+ transactions per month per account per facility);
- January 2017 (FY 2017) – rebate threshold lowered to 32+ transactions per month;

- FY 2018 – decrease in toll revenue resulting from TBP billing delays as a result of the FDOT conversion to a new centralized customer service system;
- FY 2020 – uptick in toll revenues as delayed TBP invoices are paid followed by a drop due the pandemic-imposed restrictions on activities;
- FY 2021 – traffic and toll revenues rebound as pandemic-related restrictions were no longer in effect and higher levels of traffic returned;
- FY 2022 – traffic levels increase as toll revenues decrease due to a change in the traffic mix, as previously discussed (a “letdown” from the rebound in FY 2021 and a change in the traffic mix). Lag in trip billing due to going to AET during the height of the pandemic.

Following are specific events that affected the traffic and toll revenue on the Parkway:

- January 2014 – Ice storm
- September 2017 – Hurricane Irma
- October 2018 – Hurricane Michael
- January 2019 – eight-day bridge closure for emergency tendon repairs followed by restrictions on heavy vehicles on the Bridge into June;
- April 2020 – Covid-19 pandemic
- September 2022 – Tolls suspended for 30 hours due to the approach of Hurricane Ian

The FY 2022 monthly traffic fluctuations are shown in Table 33.

Table 33
Spence Parkway
Monthly Traffic Fluctuations, FY 2022

Month	Traffic				Average Toll	Toll Revenue
	Monthly Volume	Percent of Year	ADT	Ratio ADT / AADT		
October	296,251	8.5%	9,556	1.00	$1.58	$467,473
November	241,530	6.9%	8,051	0.85	1.83	442,042
December	237,780	6.8%	7,670	0.81	1.58	375,824
January	205,493	5.9%	6,629	0.70	1.34	274,440
February	213,774	6.1%	7,635	0.80	1.50	320,155
March	302,199	8.7%	10,073	1.06	1.28	387,393
April	311,060	8.9%	10,369	1.09	1.31	406,534
May	329,762	9.5%	10,637	1.12	1.29	424,790
June	350,746	10.1%	11,692	1.23	1.18	413,280
July	384,418	11.1%	12,401	1.30	0.99	380,323
August	311,667	9.0%	10,054	1.06	1.16	361,168
September	292,343	8.4%	9,745	1.02	1.45	424,140
Total	3,477,023	100%	9,526	1.00	1.35	4,677,565
Tolls/collections/fines						12
Total (including tolls/collections/fines)					$1.35	$4,677,577

As shown in Table 33 and graphically in Figure 11, July (during the peak tourist season) and January were the high and low traffic months, respectively, in terms of ADT. This is the same pattern as the Mid-Bay Bridge. The month closest to the one-year average was October at 100 percent of the annual average.

Figure 11
Spence Parkway
Monthly Traffic Fluctuations, FY 2022

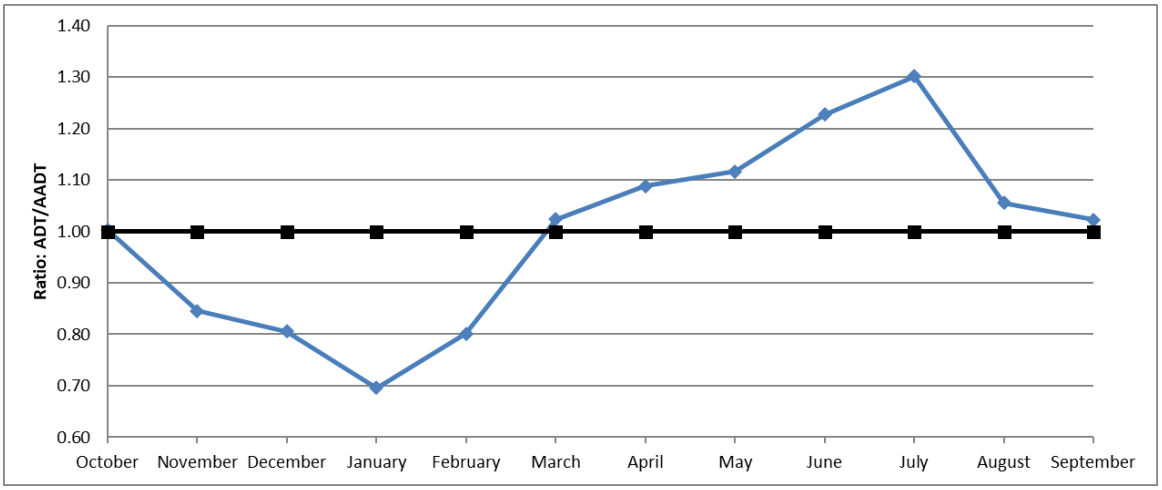


Table 34 shows the breakdown by vehicle classification (vehicles of three or more axles have been grouped) and indicates that 86.3 percent of the Parkway traffic was comprised of two-axle vehicles in FY 2022 (excluding non-revenue transactions, which were conservatively accounted for as 2-axle traffic), and that these vehicles produced 90.1 percent of the Parkway's toll revenue. Vehicles with three or more axles comprised only 2.5 percent of the total traffic producing 9.9 percent of the Parkway's toll revenue. It should be noted that the average toll may be less than the posted toll due to differences in deposit reporting between FDOT and the Authority.

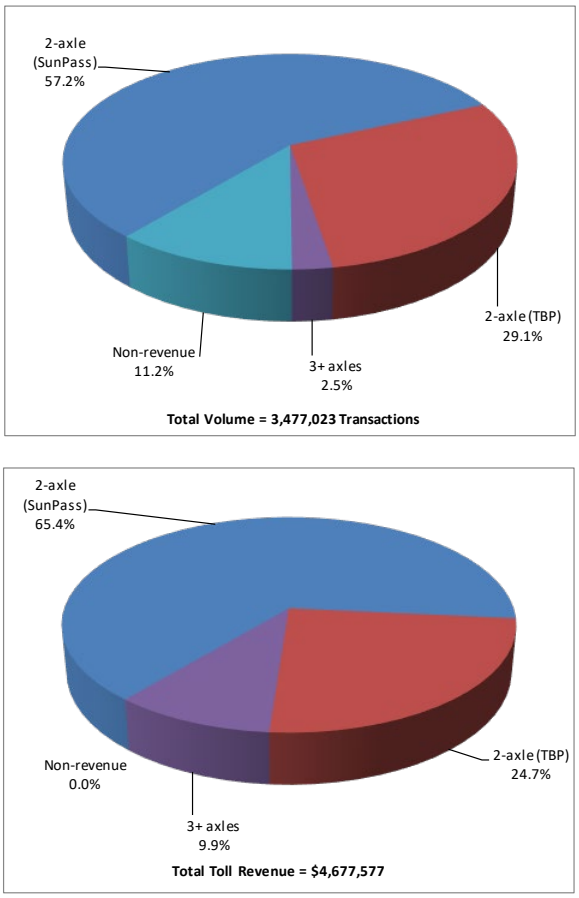
Table 34
Spence Parkway
Traffic and Toll Revenue, SunPass vs. TBP, FY 2022

Vehicle Group	Traffic		Average Toll	Toll Revenue	
	Volume	Percent		Amount	Percent
2-axle SunPass	1,989,351	57.2%	$1.538	$ 3,058,839	65.4%
2-axle TBP	1,010,332	29.1%	$1.143	$ 1,154,617	24.7%
2-axles (Subtotal)	2,999,683	86.3%	$1.405	$ 4,213,456	90.1%
3+ axles	86,937	2.5%	$5.339	$ 464,121	9.9%
Subtotal	3,086,620	88.8%	$1.515	$ 4,677,577	100.0%
Non-revenue(*)	390,403	11.2%			
Total	3,477,023	100%	$1.345	$ 4,677,577	100.0%

(*) Conservatively accounted for as all being 2-axle transactions.

Narrowing in on the two-axle vehicles, the two-axle, SunPass[4] group in FY 2022 represented 57.2 percent of the traffic mix and produced 65.4 percent of the toll revenues while the TBP group represented 29.1 percent of the traffic and 24.7 percent of the revenue. It is important to note that although the TBP revenues lag due to the difference between the transaction date and the subsequent billing and collecting of the revenue, the Authority recognizes the TBP revenues in the year in which the toll transaction was made. The FY 2022 classification results are shown graphically in Figure 12.

Figure 12
Spence Parkway
Traffic and Toll Revenue, SunPass vs. Toll-by-Plate, FY 2022



The rebate program allows for a discounted toll of $1.00 per trip for 2-axle vehicle with SunPass that complete 32-or-more trips in a month (41-or-more trips per month prior to January 2017). These rebates

[4] This group includes all interoperable electronic transactions including E-ZPass.

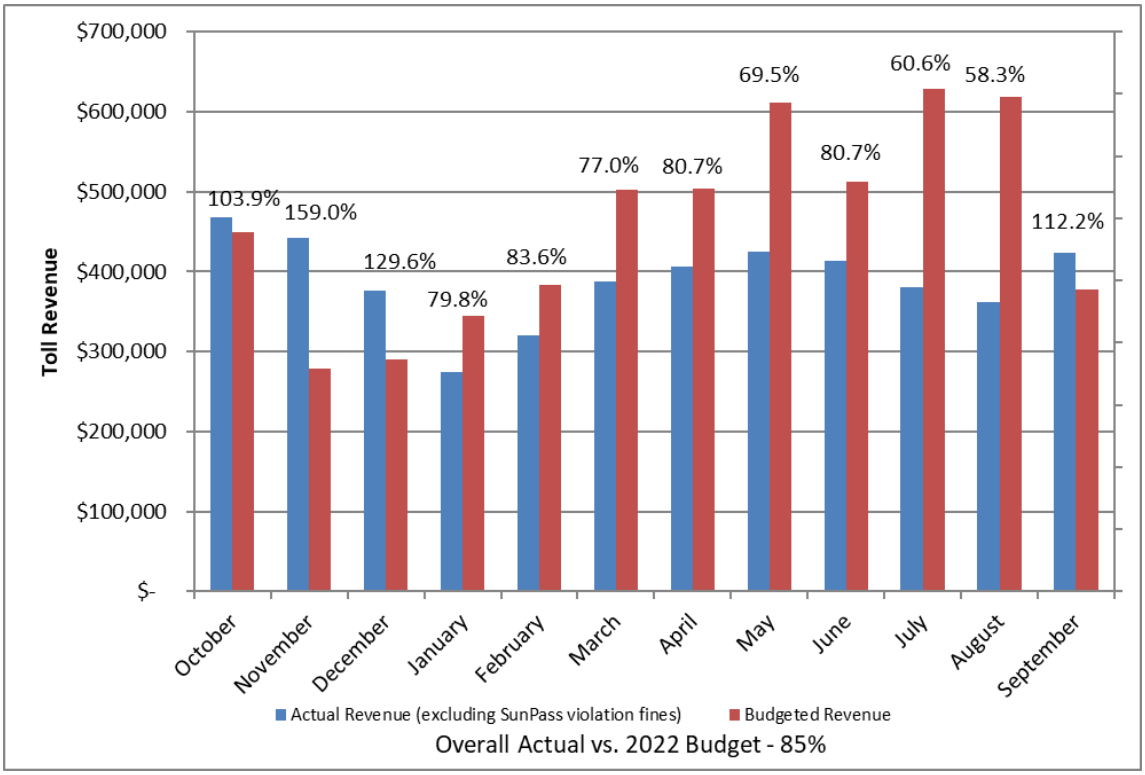
provided $190,854 being returned to Parkway customers, lowering the toll revenue collected from $4,868,430 to $4,677,577.

4.2 Comparison with Forecasts

As indicated previously, the $4,677,577 in toll revenue collected in FY 2022 was above the O.S. Forecast of $3,945,000 by $732,577, or 18.6 percent, and below the 2022 Budget of $5,500,000 by $822,423, or 15.0 percent.

Figure 13 shows the actual revenue alongside the expected results for the Parkway in FY 2022. The actual to expected ratios range from 159 percent in November to 58 percent in August, averaging approximately 85 percent for the fiscal year.

Figure 13
Spence Parkway
Monthly Received Revenue Results, Actual FY 2022 vs. the 2022 Budget



In terms of traffic, the 3,477,023 vehicles that used the Spence Parkway in FY 2022 was above the O.S. Forecast of 3,228,000 vehicles by 249,023 vehicles, or 7.7 percent, and below the 2022 Budget of 3,600,000 vehicles by 122,977 vehicles, or 3.4 percent as shown in Table 35.

Table 35
Spence Parkway
Actual and Forecasted Traffic, FY 2022

Month	Traffic		Difference	
	Actual	Budgeted	Volume	Percent
October	296,251	284,000	+12,251	+4.3%
November	241,530	241,000	+530	+0.2%
December	237,780	227,000	+10,780	+4.7%
January	205,493	209,000	-3,507	-1.7%
February	213,774	219,000	-5,226	-2.4%
March	302,199	331,000	-28,801	-8.7%
April	311,060	299,000	+12,060	+4.0%
May	329,762	365,000	-35,238	-9.7%
June	350,746	368,000	-17,254	-4.7%
July	384,418	417,000	-32,582	-7.8%
August	311,667	349,000	-37,333	-10.7%
September	292,343	291,000	+1,343	+0.5%
Total	3,477,023	3,600,000	-122,977	-3.4%

4.3 Traffic Changes, Market Share, and Growth Comparisons

Table 36 and Table 37 show the changes in vehicle class and the changes in market share on the Parkway, respectively.

Table 36
Spence Parkway Change in Traffic by Vehicle Class

Month	2-Axle Vehicles				3+ Axle Vehicles				All Vehicles			
			Change				Change				Change	
	FY21	FY22	Amount	Percent	FY21	FY22	Amount	Percent	FY21	FY22	Amount	Percent
October	282,950	286,808	+3,858	+1.4%	9,082	9,443	+361	+4.0%	292,032	296,251	+4,219	+1.4%
November	221,345	233,499	+12,154	+5.5%	8,594	8,031	-563	-6.6%	229,939	241,530	+11,591	+5.0%
December	210,863	230,344	+19,481	+9.2%	7,321	7,436	+115	+1.6%	218,184	237,780	+19,596	+9.0%
January	197,169	197,760	+591	+0.3%	7,017	7,733	+716	+10.2%	204,186	205,493	+1,307	+0.6%
February	196,439	205,952	+9,513	+4.8%	6,930	7,822	+892	+12.9%	203,369	213,774	+10,405	+5.1%
March	307,922	292,991	-14,931	-4.8%	9,942	9,208	-734	-7.4%	317,864	302,199	-15,665	-4.9%
April	317,266	301,513	-15,753	-5.0%	9,564	9,547	-17	-0.2%	326,830	311,060	-15,770	-4.8%
May	362,762	320,076	-42,686	-11.8%	10,488	9,686	-802	-7.6%	373,250	329,762	-43,488	-11.7%
June	366,669	340,235	-26,434	-7.2%	10,188	10,511	+323	+3.2%	376,857	350,746	-26,111	-6.9%
July	394,895	373,566	-21,329	-5.4%	10,652	10,852	+200	+1.9%	405,547	384,418	-21,129	-5.2%
August	308,180	302,230	-5,950	-1.9%	9,136	9,437	+301	+3.3%	317,316	311,667	-5,649	-1.8%
September	285,008	283,001	-2,007	-0.7%	8,254	9,342	+1,088	+13.2%	293,262	292,343	-919	-0.3%
Annual	3,451,468	3,367,975	-83,493	-2.4%	107,168	109,048	+1,880	+1.8%	3,558,636	3,477,023	-81,613	-2.3%

Table 37
Spence Parkway Change in Traffic Market Share

Month	FY 2021				FY 2022				Change in Market Share (Percent)		
	2-Axles	3+ Axles	Total		2-Axles	3+ Axles	Total		2-Axles	3+ Axles	Total
October	96.9%	3.1%	100.0%		96.8%	3.2%	100.0%		-0.1%	+2.5%	0.0%
November	96.3%	3.7%	100.0%		96.7%	3.3%	100.0%		+0.4%	-11.0%	0.0%
December	96.6%	3.4%	100.0%		96.9%	3.1%	100.0%		+0.2%	-6.8%	0.0%
January	96.6%	3.4%	100.0%		96.2%	3.8%	100.0%		-0.3%	+9.5%	0.0%
February	96.6%	3.4%	100.0%		96.3%	3.7%	100.0%		-0.3%	+7.4%	0.0%
March	96.9%	3.1%	100.0%		97.0%	3.0%	100.0%		+0.1%	-2.6%	0.0%
April	97.1%	2.9%	100.0%		96.9%	3.1%	100.0%		-0.1%	+4.9%	0.0%
May	97.2%	2.8%	100.0%		97.1%	2.9%	100.0%		-0.1%	+4.5%	0.0%
June	97.3%	2.7%	100.0%		97.0%	3.0%	100.0%		-0.3%	+10.9%	0.0%
July	97.4%	2.6%	100.0%		97.2%	2.8%	100.0%		-0.2%	+7.5%	0.0%
August	97.1%	2.9%	100.0%		97.0%	3.0%	100.0%		-0.2%	+5.2%	0.0%
September	97.2%	2.8%	100.0%		96.8%	3.2%	100.0%		-0.4%	+13.5%	0.0%
Annual	97.0%	3.0%	100.0%		96.9%	3.1%	100.0%		-0.1%	+4.1%	0.0%

As shown in Table 38, FY 2022 toll revenue for the Parkway was forecast to grow 18.1 over the 2015 O.S. forecasts for FY 2016 while the actual FY 2022 toll revenue increased only 6.6 percent from FY 2016.

Table 38
Spence Parkway Growth Comparisons

Source	Transactions			Toll Revenue		
	FY 2016	FY 2022	Growth	FY 2016	FY 2022	Growth
2015 O.S	2,706,000	3,228,000	19.3%	$3,340,000	$3,945,000	18.1%
Actual	2,735,820	3,477,023	27.1%	$4,389,280	$4,677,577	6.6%

In terms of traffic, the Series 2015 O.S. forecast for traffic growth from FY 2016 to FY 2022 was 19.3 percent while actual traffic grew 27.1 percent. This lower growth in toll revenue as compared to traffic may be due, in part, to the introduction of the rebate program which was not anticipated at the time of the Series 2015 O.S.

4.4 Tolls

Upon opening in January 2014, the toll rates for the Spence Parkway were set at one-half those of the Mid-Bay Bridge. As noted earlier, the toll rates for the Mid-Bay Bridge increased on October 1, 2015 (FY 2016) and a three-tier toll structure was introduced. Under the new toll rate structure, the toll rates for the Spence Parkway remain at 50% of those for the Bridge.

Effective October 1, 2015 (FY 2016) the base (2-axle) tolls on the Spence Parkway went to the rates shown as follows:

Spence Parkway:

- Toll-by-Plate – $2.00 ($0.50, or 33 percent increase)
- SunPass (commercial accounts along with infrequent personal account users, those making 40-or-less trips per month per account) – $1.50 ($0.50, or 50 percent increase)
- SunPass (frequent personal account users, those making 41-or-more trips per month) – $1.00 (no increase), issued in the form of a rebate

Three-or-more axle vehicles (regardless of the payment method) pay tolls calculated using the “N minus 1” method and increase at the rate of $2.00 per axle over the $2.00 Toll-by-Plate two-axle toll on the Parkway.

As previously noted, effective January 1, 2017, the threshold for frequent personal account users was lowered to 32-or-more trips per month.

Table 39 shows the history of toll increases, including the absolute dollar increases and percentage change amounts in the toll rates on the Spence Parkway.

The higher percentage increases for commercial account and non-frequent user SunPass tolls were implemented in order to maintain the same dollar amount of the discount from the cash/Toll-by-Plate toll rate while the toll rates for frequent customers were not increased so as to not have an impact on local residents and employees who may be using the facilities to commute on a daily basis. With the continuation of the $0.50 discount on the Parkway, the SunPass/Toll-by-Plate toll ratios increased from 67 percent (at opening) to 75 percent for commercial and infrequent customers (effective October 2015).

Table 39
Spence Parkway
History of Toll Increases

Vehicle Group	Toll Rates Effective January 2014 (Opening)	Increase		Toll Rates Effective October 2015 (FY2016)
		Amount	Percent	
2 Axles/SunPass (Frequent Customer)[1]	$ 1.00	$ 0.50	50%	$ 1.00
2 Axles/SunPass (Infrequent Customer)[2]	$ 1.00	$ 0.50	50%	$ 1.50
2 Axles/TBP	$ 1.50	$ 0.50	33%	$ 2.00
3 Axles	$ 3.00	$ 1.00	33%	$ 4.00
4 Axles	$ 4.50	$ 1.50	33%	$ 6.00
5 Axles	$ 6.00	$ 2.00	33%	$ 8.00
6 Axles	$ 7.50	$ 2.50	33%	$ 10.00
Add'l Axle (per axle)	$ 1.50	$ 0.50	33%	$ 2.00

(1) The frequent customer discount was extended to more customers on January 1, 217 (FY2017)

(2) Differentiation between frequent and infrequent customers did not occur until FY2016

Inflation analysis was not conducted for the Spence Parkway as there is not enough history to warrant this study.

5. Effect of Extraordinary Events

As noted earlier, one major event that effected the Authority's facilities was the suspension of tolls for 30 hours in advance of Hurricane Ian, lasting from 11 AM on September 26 to 5 PM on September 27. Estimated toll revenue losses were $90,300 for the Bridge and $30,500 for the Parkway, for a total of $120,800.

6. External Factors

The following section describes some of the external factors that could potentially have an impact on the Authority's system.

6.1 Projects

Projects that could affect the Authority's facilities include the following:

- The widening of US 98 from Emerald Bay Drive to Tang-O-Mar Drive, which has been completed;
- The Brooks Bridge replacement design/build contract has been awarded and FDOT does not anticipate any major construction activities over the next year;
- The project to widen SR 85 from four lanes to six lanes between SR 123 and I-10 is still awaiting right-of-way and construction funding;
- Danny Wuerffel Way is programmed to be resurfaced in 2025;
- Spence Parkway is programmed to be resurfaced from the Bridge to Range Road in 2026; and
- The Bridge is programmed to have deck spalling repairs, deck sealing, and pier repairs after the peak season ends, with FDOT doing the contracting and construction oversight.

In addition, the Adopted 2045 Cost Feasible Plan of the of the 2045 Long-Range Transportation Plan lists adding two additional lanes (one each direction) to Spence Parkway from Range Road to SR 85. This project is in the Authority's Strategic Plan, notionally for execution by 2045.

FDOT has indicated that they do not have any other current projects that would impact the Bridge or the Parkway.

6.2 Traffic Contributions

A review of the traffic counts from FDOT's permanent traffic counters and the toll plaza counts of the Mid-Bay Bridge show that the Bridge is not the primary route to and from the Destin area but serves as an alternative and reliever/capacity enhancement, as shown in Table 40.

Table 40
Traffic Counts on Routes Serving Destin

	CY 2017	
Count Location	AADT	Percent
US 98/Okaloosa Island	42,472	37.2%
US 98/Okaloosa-Walton Cnty Ln	51,324	45.0%
US 98 subtotal	93,796	82.2%
Mid-Bay Bridge	20,248	17.8%
Total	114,044	100.0%

It should be noted that traffic counts for CY 2018 and CY 2019 are not available due to construction on US 98 at the county line. In addition, CY 2020 traffic was affected by the pandemic-imposed restrictions and CY 2021 traffic is still not available due to the construction on US 98 at the county line.

7. Traffic and Revenue-Related Services

During FY 2022 Jacobs provided the following T&R-related services to the Authority:

- Issued monthly reports on traffic and toll revenue performance;
- Produced the FY 2021 Traffic Engineers' Annual Report;
- Prepared end-of-year forecasts and attended the annual consultants meeting;
- Assisted in responding to rating agency (Fitch and Standard & Poor's) questionnaires for their annual surveillance reviews;
- Assisted with estimating the impact of the proposed statewide commuter discount rebate plan; and
- Assisted with the Continuing Disclosure documentation.

This concludes the Traffic Engineers' Annual Report for FY 2022. Jacobs 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 and Spence Parkway, while helping the Authority maintain its investment-grade credit rating and financial obligations to its bondholders.