



Florida Department of  
**TRANSPORTATION**



# **Forecasting Traffic and Revenue**

## *Traditional and Express Lane Tolling*

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GARCON POINT BRIDGE

MID-BAY BRIDGE

483 miles  
 15 miles  
 128 miles  
 72 miles  
 7 miles

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705 miles

-  Florida's Turnpike
-  Florida's Turnpike (Future)
-  Other FDOT Owned
-  Other FDOT Owned (Future)
-  Other FDOT Operated

WESTERN BELTWAY, PART C

SUNCOAST PARKWAY

VETERANS EXPRESSWAY

I-4 CONNECTOR

PINELLAS BAYWAY SYSTEM

SUNSHINE SKYWAY BRIDGE

POLK PARKWAY

SOUTHERN CONNECTOR EXTENSION

ALLIGATOR ALLEY

75 EXPRESS

SR 821

FIRST COAST EXPRESSWAY

I-295

NORTHERN COIN SYSTEM

SEMINOLE EXPRESSWAY

I-4 ULTIMATE

BEACHLINE EAST EXPRESSWAY

BEACHLINE WEST EXPRESSWAY

TICKET SYSTEM

SOUTHERN COIN SYSTEM

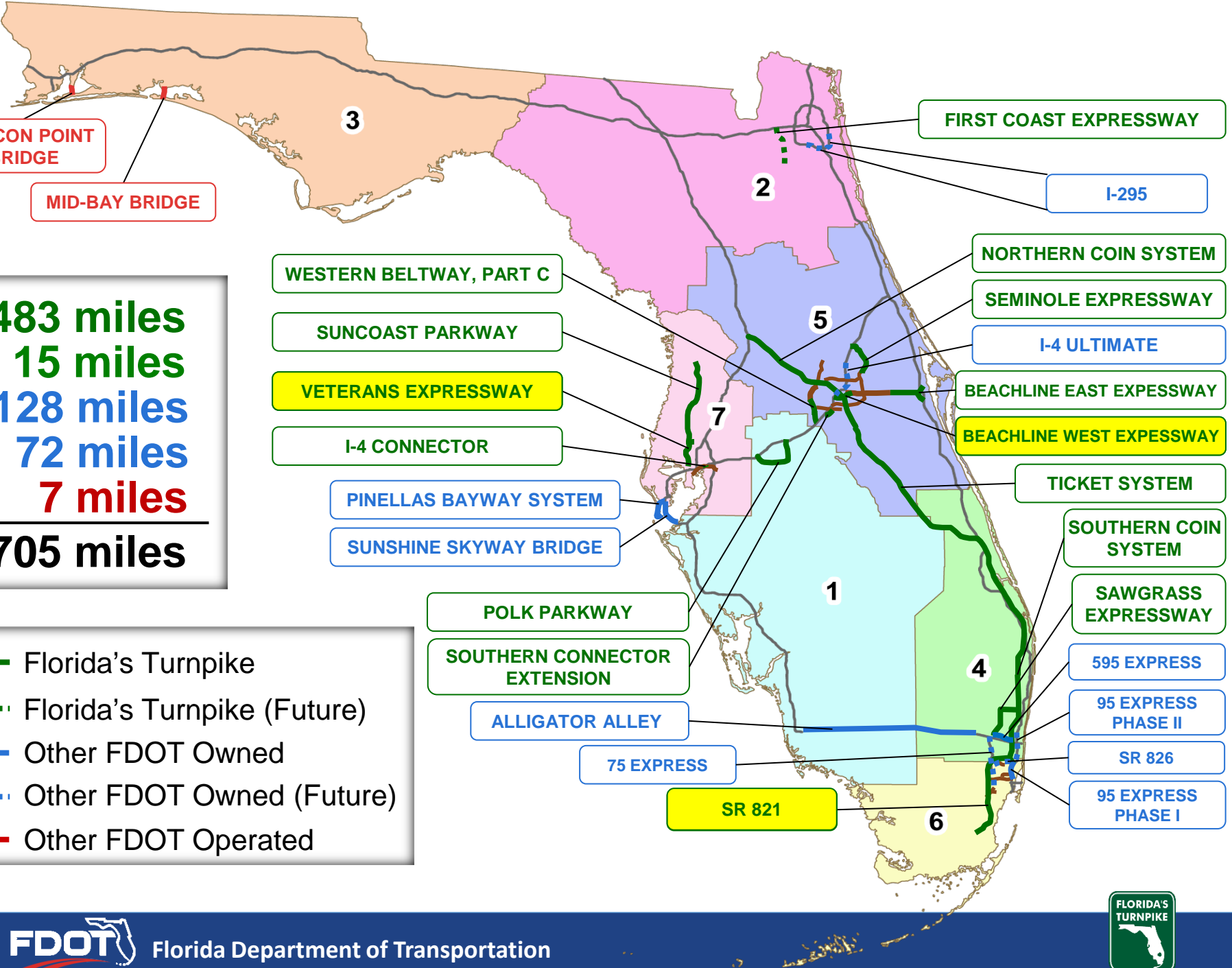
SAWGRASS EXPRESSWAY

595 EXPRESS

95 EXPRESS PHASE II

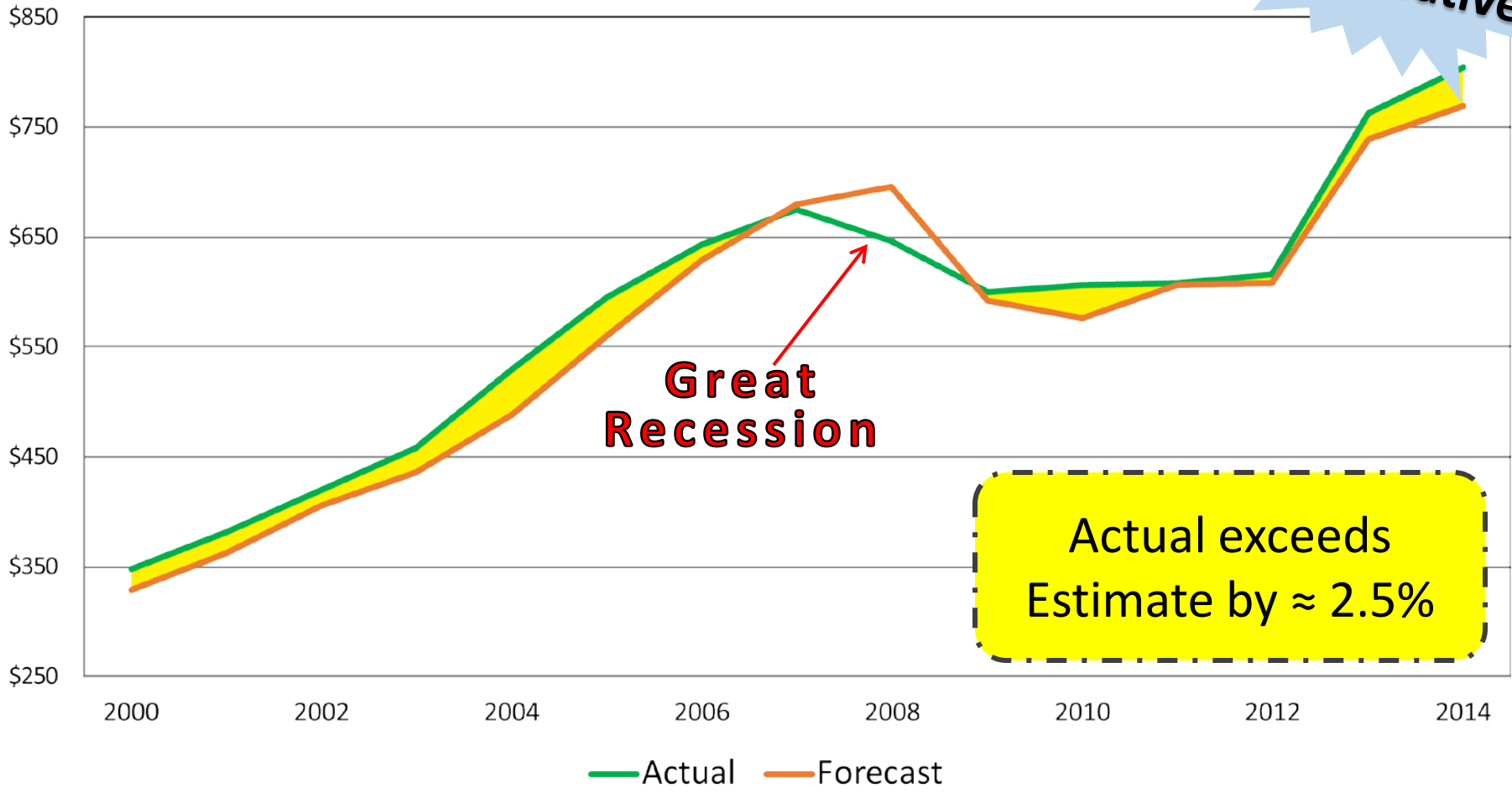
SR 826

95 EXPRESS PHASE I



# Florida's Turnpike T&R Forecasts

Turnpike System  
Actual vs. Forecast Revenue (\$ millions)



**Conservative**

**Great Recession**

Actual exceeds Estimate by  $\approx 2.5\%$

# T&R Forecasting: 4 Basic Questions

TRAFFIC

1

What is the “global” demand in the corridor?

2

How fast will demand grow?

REVENUE

3

What share of that demand will use the toll facility?

4

**How much will users pay to use the toll facility?**

# T&R Forecasts

**STATIC**  
(Cash  
Only)

*Pricing*

**STATIC &  
DYNAMIC**  
(Free Flow  
Cashless)

## Early Turnpikes

- ✓ Inter-city
- ✓ Few competitive routes
- ✓ Pent-up demand

## Interstate Construction and Openings

## Return to Toll Projects

- ✓ Urban areas (Intra-city)
- ✓ Congestion relievers (incl. express lanes)
- ✓ Higher tolls (lack of conventional funding)

1940

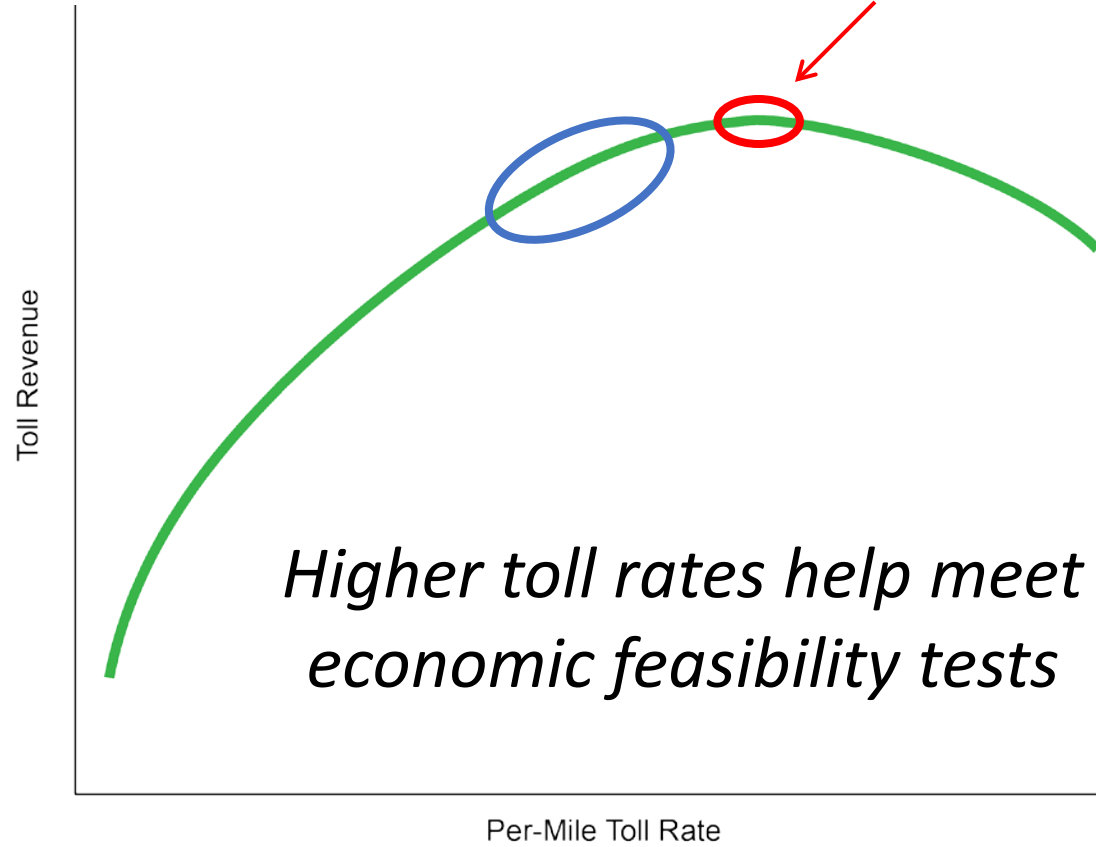
1960

1990

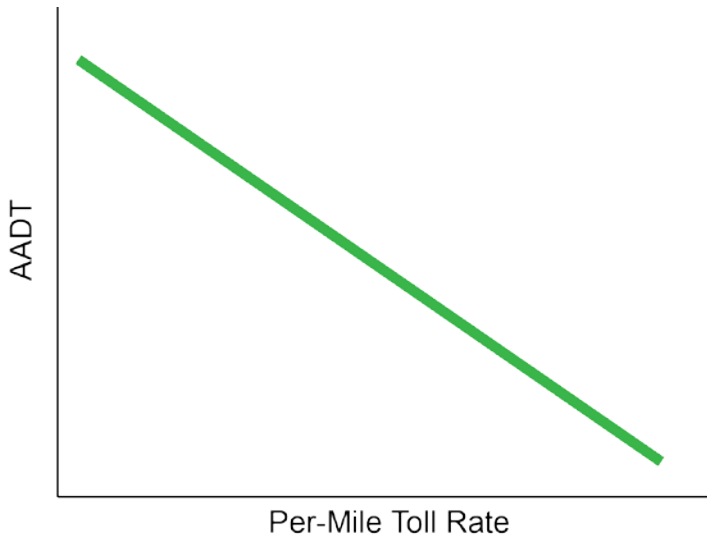
NOW

## Revenue Curve

Maximum Revenue



## Demand Curve



## FY 2013

### 5 Year CPI “Catch Up”

- Cash - 11.7% rounded up to quarter
- Toll-By-Plate equals cash rate
- SunPass - \$0.25 less than cash

## FY 2014

**2.1% CPI**

## FY 2015

**1.5% CPI**

*No measurable change in traffic*

	SunPass	Cash/TBP	Total
Toll increase	33%	21%	29%
Traffic impact	-3%	-4%	-4%
<b>Revenue Impact</b>	<b>24%</b>		

*Inelastic*

# T&R Forecasting: Indexing = Credit Strength



Moody's Investors Service  
Outlook Stable

Aa3

*"Strength: Statutorily approved toll indexing to CPI..."*



Outlook Stable

AA-

*"Key Rating Driver: Considerable economic flexibility exists to increase toll rates"*



Outlook Stable

AA-

*"We expect this tolling plan, will, in part, allow the turnpike to maintain strong debt service coverage and liquidity."*



# Willingness to Pay Toll (VOT)

Stated Preference Surveys to establish the value of time (from recent Toll Choice Surveys)

Model Area / County	Value of Time \$/hour
South Florida (I-95 Phases 1-4)	\$12.05
South Florida (I-95 Phases 3-4)	12.64

**State Average**

**\$13.44 / hr**

*Or*

**\$1.12 / 5 min.**

**But...**

VOT varies across time-of-day, distance, trip purpose, household income....

**DYNAMIC**



**\$16.20**

Orlando Area	Home-Based Work	\$22.06
	Home-Based Non-Work	8.57
	Non Home-Based Other	19.64

Tampa Bay (Excludes Citrus County)	14.40
Citrus County	12.36
Tampa-Jacksonville Corridor	13.66
Jacksonville Area	12.75

# T&R Forecasting: Express Lanes

May  
2008

## Express Lane Rule - 14-100.003

March  
2014

### Previous Administrative Rule (4)(e)

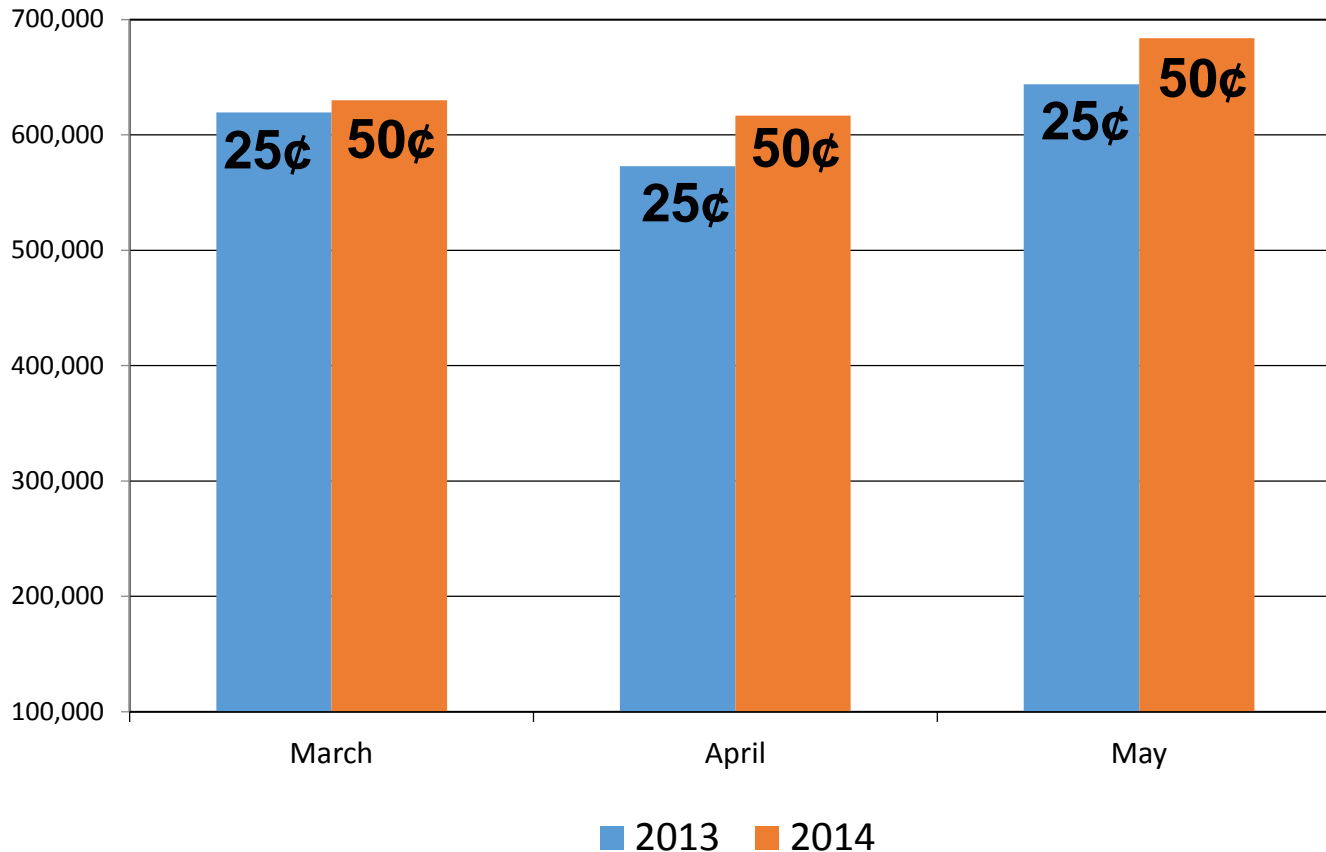
- Min Toll: \$0.25
- Rate is set between \$0.03/mile and \$1.00/mile
- Toll rounded to nearest nickel

### Current Administrative Rule (3)(b)

- Min Toll (Non-Turnpike) = \$0.50
- Min Toll (Turnpike) = at least \$0.25 + Base Toll
- Max Toll: I-95 (MP4 - MP12)
  - ✓ \$1.50/mile
  - ✓ Increases \$0.50/mile (45 days/6 months)
- No Max Toll: All Other Projects

# 95 Express – Minimum Toll

Number of Transactions



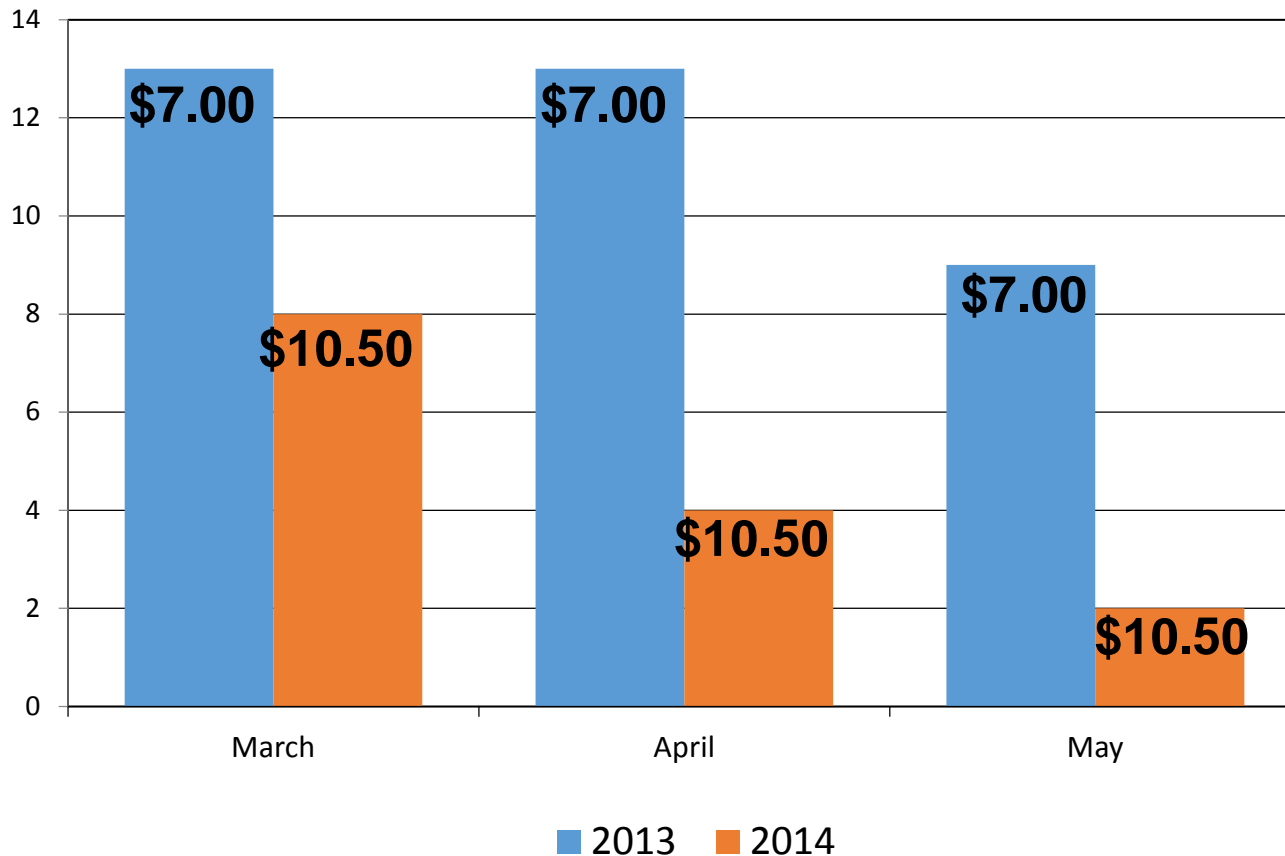
**5%**  
increase

**Value of  
Reliability  
(VOR)**

- Safety
- No trucks
- Predictability
- Bypass

# 95 Express – Maximum Toll

Number of Occurrences



**7**  
Occurrences  
Average  
monthly  
reduction

# Summary: Price Matters

## First 5 Years (Ramp-Up)

	Avg. Expansion Project*	95 Express
Traffic	85%	9%
Avg. Toll		
Year 1	<b>STATIC</b>	\$0.77
Year 5		\$1.06

**DYNAMIC** 38%

\*Includes nine FTE expansion projects