

# FORECAST SUMMARY

As the Turnpike's Traffic Engineering Consultant, URS Corporation (URS) annually updates forecasts of traffic and revenue for its Mainline and Expansion projects. These traffic and revenue forecasts are required by bond covenants. These forecasts along with the Turnpike's Five-Year Work Program provide the basis for the Department's Finance and Cash Forecast Plans.

Revenues from the existing Mainline represent the majority of total Turnpike System toll revenues (73 percent in FY 2008). Future revenue estimates for the existing Turnpike System are based on actual traffic and revenue performance and the recognition of major system events such as toll rate increases and the opening of access and improvement projects. Historically, the revenue estimates for the Mainline have been very reliable. This trend is expected to continue.

Initial traffic and revenue estimates for expansion projects are based on forecasts of travel demand developed for the relevant metropolitan areas without actual traffic or revenue data to serve as a starting point. The computer simulation models of travel demand contain the latest transportation system and land use data forecasts provided by local and state agencies. Revenue estimates for all of the Expansion projects (except Western Beltway, Part C) are now aided with actual traffic and revenue experience. Even though the traffic and revenue history on these facilities may be brief, much of the uncertainty has been eliminated.

URS will continue to monitor traffic and revenue conditions on all parts of the expanding Turnpike System and update traffic and revenue estimates as conditions warrant. Improved methods of forecasting traffic and toll revenues based on this experience will be utilized. URS will refine the travel demand models to reflect the experience on Turnpike Expansion projects and to account for the latest information on transportation and land use conditions in the vicinity of Turnpike projects.

## 7.1 COMBINED REVENUE FORECASTS

The revenue forecasts contained in this section are a result of analyses made of the individual components of the Turnpike System presented earlier in this Annual Report. The Turnpike System experienced a decline in traffic and revenue during FY 2008 due to the persistent economic slowdown in the nation that started last year and rising fuel prices. Florida is specially hit hard by the rising unemployment, slowing construction and fewer visitors. The economic outlook for the state is projected to stay weak in the short term and, therefore, lag behind a nationwide recovery. According to the prominent economist Dr. Hank Fishkind, the current recession in Florida is expected to continue through the end of 2009, with a slow recovery starting in 2010 and building momentum in 2011. He also believes that future growth rates in Florida will not be as high as historical growth rates. Additionally, due to decline in revenues, some of the widening projects and new interchanges planned in prior year's forecast have been postponed. The Turnpike's future revenues are projected with these expectations in mind.

### 7.1.1 MAINLINE

During the forecast period through FY 2019, toll revenues on the Mainline are projected to increase to \$594 million, up from nearly \$462 million in FY 2008. Toll revenue projections are lower than the previous year's revenue forecast because the actual traffic and revenue were lower than the previous estimate due to the economic downturn as stated earlier. The following is a summary of major factors that impact the revenue forecast for each individual component of the Mainline:

- HEFT: The current revenue forecast is substantially lower than the prior year forecast due to significant drop in traffic during FY 2008 as a result of dramatic slowdown in the economy and the rising fuel prices. The forecast also includes the impact of the new interchange at

NW 74<sup>th</sup> Street in FY 2010 and a widening project expected to be complete in FY 2013.

- **Southern Coin System:** The current revenue forecast is substantially less than the prior year forecast due to significant decline in traffic in FY 2008. This decrease is attributed to a marked downturn in the economy triggered by the housing correction, high fuel prices and the declining growth rate in population and tourism as stated earlier. The forecast includes the impact of various widening projects that will be complete between FY 2010 and FY 2013.
- **Ticket System:** The current revenue forecast is less than the prior year forecast due to flat traffic growth observed during FY 2008. The forecast also incorporates the impact of the widening project along this facility expected to be complete in FY 2019.
- **Northern Coin System:** The current revenue forecast is lower than the prior year forecast due to slight decline in traffic observed during FY 2008, which is attributed to a downturn in the economy and the declining growth of Florida's population and tourism. The forecast includes the impact of various widening projects that will be complete during the forecast period.
- **Beachline West Expressway:** The current revenue forecast is less than the prior year forecast due in part to decline in traffic observed during FY 2008 as a result of the economic slowdown and declining growth in the tourism industry. The forecast includes the impact of widening to be complete during FY 2010.

### 7.1.2 EXPANSION PROJECTS

With the exception of the newly opened Western Beltway, Part C, current toll revenue projections are lower than the previous year's revenue forecast because the FY 2008 actual traffic and revenue were lower than the previous estimate due to the economic slowdown as discussed earlier.

- **Sawgrass Expressway:** During the period FY 2009 through FY 2019, toll revenues on the Sawgrass

Expressway are projected to increase to \$61 million, up from \$51 million in FY 2008.

- **Seminole Expressway:** During the forecast period through FY 2019, toll revenues on the Seminole Expressway are projected to increase to \$48 million, up from \$36 million in FY 2008.
- **Veterans Expressway:** From FY 2009 through FY 2019, toll revenues on the Veterans Expressway are projected to increase to \$43 million, up from \$33 million in FY 2008. This increase reflects a combination of land development in the corridor and the additional traffic brought to the Veterans Expressway from the Suncoast Parkway, which opened in FY 2001. The forecast also reflects widening on the southern part of this facility expected to be complete in FY 2015.
- **Southern Connector Extension:** During the forecast period through FY 2019, toll revenues on the Southern Connector Extension are projected to increase to \$7 million, up from \$5 million in FY 2008.
- **Polk Parkway:** From FY 2009 through FY 2019, toll revenues on the Polk Parkway are projected to increase to \$32 million, up from \$22 million in FY 2008. The forecast includes the impact of the new Pace Road interchange in FY 2011 and the widening on the northern section of this facility which is expected to be complete in FY 2012.
- **Suncoast Parkway:** During the period FY 2009 through FY 2019, toll revenues on the Suncoast Parkway are projected to increase to \$33 million, up from nearly \$21 million in FY 2008. The forecast incorporates the impact of the new Lutz-Lake Fern Road interchange in FY 2010.
- **Western Beltway, Part C:** The first five miles of the Western Beltway, Part C, from US 192 to Seidel Road opened to traffic in December 2005. The remaining southerly six miles of this facility opened in December 2006 (FY 2007). As such, FY 2008 was the first full year of operation for this facility. From FY 2009 through FY 2019, toll revenues on the Western Beltway, Part C are

projected to increase substantially from nearly \$5 million to \$11 million. The increases throughout the forecast period are primarily attributed to expected ramp-up and new development in the corridor.

### 7.1.3 CONCESSION REVENUE

- During the forecast period through FY 2019, concession revenues are projected to increase to \$13 million, up from \$10 million in FY 2008. Turnpike's current contracts with HMSHost, the food service provider, and Martin Petroleum, the gas station operator, expire halfway through FY 2009. As such, revenues for the last half of FY 2009 through FY 2019 are estimated using a conservative growth factor. In the Fall of 2008, Turnpike advertised a competitive Request for Proposal to secure a Concession Agreement to design, finance, construct, remodel, operate and maintain Turnpike's eight service plazas. The forecast for service station fuel sales revenues is based on the estimated level of traffic on the Mainline from Golden Glades to Wildwood. Concession forecasts also include advertisement revenue from license agreements with Travelers Marketing LLC and Florida Logos, Inc. The forecast revenues from Travelers are based on required payments as stipulated in the contract for Road Ranger sponsorship and toll booth advertising which expires in December 2012. After this period, the forecast incorporates a constant amount. Additionally, the revenue stream from Florida Logos, Inc for the highway logo sign program and the newly introduced Sponsor-A-Highway program are also included in the fore-

cast. The Sponsor-A-Highway program contract ends in FY 2013 and the logo sign contract ends in FY 2016. Upon expiration of the contracts, revenues are held constant through the remaining forecast period.

The toll revenue forecasts for Florida's Turnpike Mainline and Expansion projects are shown in **Table 7.1** and **Table 7.2**, respectively. The Turnpike system wide revenue forecast is presented in **Table 7.3**.

The forecast of total toll and concession revenue in **Table 7.3** indicates that revenues on the Turnpike System are expected to increase from approximately \$634 million in FY 2009 to \$841 million in FY 2019. This forecast is significantly lower than the FY 2007 Annual Report revenue forecast based on actual traffic and revenue decline observed during FY 2008.

The revenue forecasts presented in this report are subject to significant economic uncertainties and contingencies beyond the control of URS. As such, if the economy does not recover as expected, these forecasts may require adjustments.

**Table 7.1**  
**Florida's Turnpike Mainline**  
**Toll Revenue Forecast (\$000)**  
**FY 2009 through FY 2019**

Fiscal Year	HEFT	Southern Coin	Ticket	Northern Coin	Beachline West Expressway	Total
2009	\$103,551	\$102,660	\$141,997	\$87,324	\$15,845	\$451,377
2010	105,327	104,235	144,282	88,582	16,121	458,547
2011	108,170	107,883	149,188	91,859	16,702	473,802
2012	110,875	111,443	154,111	94,983	17,253	488,665
2013	114,201	115,009	159,197	98,592	17,770	504,769
2014	116,827	118,459	164,450	101,747	18,250	519,733
2015	119,398	121,776	169,548	104,901	18,706	534,329
2016	121,905	125,186	174,855	108,048	19,155	549,149
2017	124,343	128,578	180,101	111,181	19,596	563,799
2018	126,706	132,320	185,324	114,295	20,027	578,672
2019	128,986	135,760	191,069	117,266	20,447	593,528

Note: The above revenue forecasts reflect the construction of the following interchanges: HEFT - NW 74th Street (FY 2010). The forecasts also include the impact of various widenings currently programmed through FY 2019. FY 2009 revenues include the impact from Tropical Storm Fay and Hurricane Ike.

**Table 7.2**  
**Florida's Turnpike Expansion Projects**  
**Toll Revenue Forecast (\$000)**  
**FY 2009 through FY 2019**

Fiscal Year	Sawgrass Expressway	Seminole Expressway	Veterans Expressway	Southern Connector Extension	Polk Parkway	Suncoast Parkway	Western Beltway, Part C	Total
2009	\$49,874	\$35,662	\$32,496	\$5,085	\$22,320	\$21,156	\$5,357	\$171,950
2010	50,642	36,209	32,886	5,207	22,674	21,719	6,028	175,365
2011	52,060	37,729	34,070	5,425	23,807	23,022	6,836	182,949
2012	53,362	39,238	35,194	5,632	24,902	24,334	7,451	190,113
2013	54,589	40,651	36,144	5,817	25,948	25,551	7,995	196,695
2014	55,735	42,033	37,048	5,980	26,986	26,675	8,483	202,940
2015	56,794	43,336	39,308	6,136	28,012	27,822	8,958	210,366
2016	57,817	44,636	40,251	6,289	29,048	29,019	9,424	216,484
2017	58,800	45,931	41,177	6,440	30,036	30,237	9,876	222,497
2018	59,740	47,217	42,083	6,588	31,027	31,477	10,331	228,463
2019	60,636	48,492	42,925	6,727	31,989	32,736	10,785	234,290

Note: The above revenue forecasts reflect the construction of the following interchanges: Polk Parkway - Pace Road (FY 2011); Suncoast Parkway - Lutz Lake Fern (FY 2010). The forecasts also include the impact of various widenings currently programmed through FY 2019. FY 2009 revenues include the impact from Tropical Storm Fay and Hurricane Ike.

**Table 7.3**  
**Summary of Florida's Turnpike System**  
**Toll and Concession Revenue Forecast (\$000)**  
**FY 2009 through FY 2019**

Fiscal Year	Mainline	Expansion Projects	Total Toll Revenue	Gross Concession Revenue	Total Gross Revenue
2009	\$451,377	\$171,950	\$623,327	\$10,456	\$633,783
2010	458,547	175,365	633,912	10,575	644,487
2011	473,802	182,949	656,751	10,852	667,603
2012	488,665	190,113	678,778	11,139	689,917
2013	504,769	196,695	701,464	11,376	712,840
2014	519,733	202,940	722,673	11,619	734,292
2015	534,329	210,366	744,695	11,868	756,563
2016	549,149	216,484	765,633	12,073	777,706
2017	563,799	222,497	786,296	12,281	798,577
2018	578,672	228,463	807,135	12,493	819,628
2019	593,528	234,290	827,818	12,711	840,529