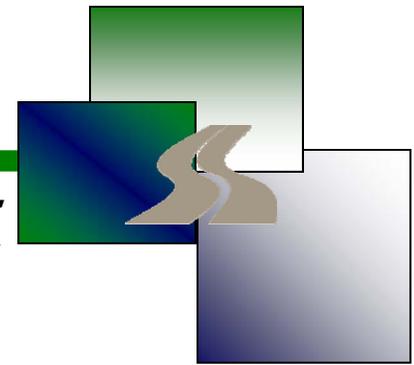


Section 1– Summary of Fiscal Year 2011



Recent Traffic and Toll Revenue Performance

In the latest financial year, during this continued economic slowdown, transactions on the Lee Roy Selmon Expressway increased by 0.6% for Fiscal Year 2011 (July 1, 2010 through June 30, 2011) compared to the same period in FY 2010. Toll revenues increased by 1.1 % in FY 2011 compared to FY 2010.

Table 1-1 shows the traffic and toll revenue performance from FY 2005 – FY 2011 and compares actual toll revenue against previous comprehensive and planning forecasts.

Table 1-2 shows the average toll (revenue per transaction) from FY 2005 to FY2 011. The average toll for the facility increased from \$0.91 in FY 2005 to \$1.29 in FY2011 due mostly to toll rate adjustments in January 2007.

The average toll varies from year to year due to the normal variation in the number of transactions at toll gantries with different toll rates. It should also be noted that all-electronic tolling (AET) was implemented in September 2010 (FY 2011).

Table 1-1 Transactions & Toll Revenue Performance (thousands)						
Fiscal Year	Total Transactions	Previous Forecast	Gross Toll Revenue	Previous Forecast	Variance (Revenue)	
					Amount	Percent
2005	30,685	29,200 ⁽¹⁾	\$27,796	\$27,000 ⁽¹⁾	\$796	+2.9%
2006	32,222	31,100 ⁽¹⁾	29,320	28,500 ⁽¹⁾	820	+2.8%
2007	33,664	34,400 ⁽¹⁾	37,308	36,700 ⁽¹⁾	608	+1.6%
2008	32,652	35,300 ⁽¹⁾	41,455	43,700 ⁽¹⁾	-2,245	-5.4%
2009	31,600	31,400 ⁽²⁾	40,350	39,700 ⁽²⁾	650	+1.6%
2010	31,743	31,700 ⁽²⁾	40,018	39,800 ⁽²⁾	218	+0.5%
2011	31,836	32,300 ⁽²⁾	40,467	40,100 ⁽²⁾	367	+0.9%

Sources:
 Historical Actuals, FTE Reports & THEA General Purpose Financial Statement FY2011.
 CDM Smith Forecasts—Various Planning Forecasts and Annual Report Forecasts for 2007-2011:
⁽¹⁾ Official Statement 2005, Wilbur Smith Associates (CDM Smith)
⁽²⁾ Updated Traffic & Revenue Study 2009, Wilbur Smith Associates (CDM Smith)

Table 1-2 Average Toll Rates (thousands)			
Fiscal Year	Total Transactions	Gross Toll Revenue	Average Revenue Per Transaction
2005	30,685	\$27,796	\$0.91
2006	32,222	29,320	0.91
2007 ⁽¹⁾	33,664	37,308	1.11
2008	32,652	41,455	1.27
2009	31,599	40,350	1.28
2010	31,743	40,018	1.26
2011 ⁽²⁾	31,836	40,467	1.27

Source: FTE and THEA
⁽¹⁾ Toll adjustment during FY 2007
⁽²⁾ All Electronic Tolling (AET) began September 2010

**Table 1-3
Transactions by Payment Method FY 2011**

Month	SunPass	Cash / Video ⁽¹⁾	Total ⁽³⁾	Percent (%) SunPass
July 2010	1,925	614	2,540	75.8%
August	1,998	605	2,603	76.8%
September ⁽²⁾	2,023	523	2,546	79.5%
October	2,154	399	2,553	84.4%
November	2,078	439	2,517	82.5%
December	2,093	514	2,608	80.3%
January 2011	2,169	507	2,676	81.0%
February	2,046	527	2,573	79.5%
March	2,339	567	2,906	80.5%
April	2,152	554	2,706	79.5%
May	2,193	539	2,733	80.3%
June	2,142	534	2,676	80.0%
FY 2011 Total	25,312	6,323	31,635	
Percent	80%	20%	100%	

Source: THEA CFO Traffic & Revenue Reports FY2011 and FY2012
⁽¹⁾ All Electronic Tolling (AET) began September 2010
⁽²⁾ Cash / Video column represents sum of cash and video transactions for this month
⁽³⁾ Excludes non revenue transactions

Transition to Cashless Operations

Prior to FY 2011, the method of toll collection varied depending on location. The local lanes processed both SunPass and cash transactions while tolls were collected electronically on the Reversible Express Lanes (SunPass or video tolling).

Toll collection became consistent across the THEA System in FY 2011 when All Electronic Tolling (AET) was introduced. Since mid-September 2010, all tolls are collected electronically either via a pre-paid SunPass transponder account or via a video based post-paid account called “We Bill You”. Under “We Bill You”, THEA takes a photo of the vehicle’s license plate, bundles the tolls for that vehicle, and a monthly invoice is mailed to the address on the license plate registration. Customers using SunPass save 25 cents at each tolling location.

Table 1-3 shows non-revenue transactions per month by payment method for FY2011. The Cash/Video column in the middle represents a combination of cash and video transactions.



Overall, the Selmon Expressway system recorded an 80.0% SunPass participation (transactions) in FY 2011, representing a 5.3% increase over FY 2010.

Presented in Table 1-4 are the toll revenue contributions per month from SunPass and cash/video payments on the Selmon Expressway for FY 2011. Revenue collection by SunPass continues to grow in FY 2011 reaching 79.1% for the year compared to 75.0% in FY 2010. During FY 2011 SunPass revenue peaked at 84.8% of the total revenue collected during the month of October.

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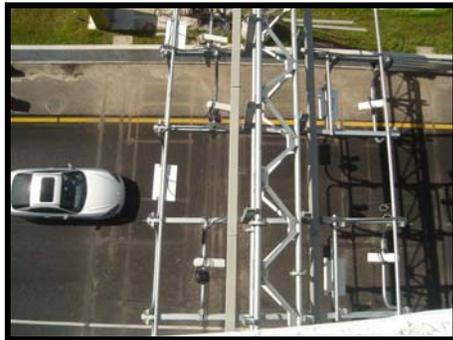


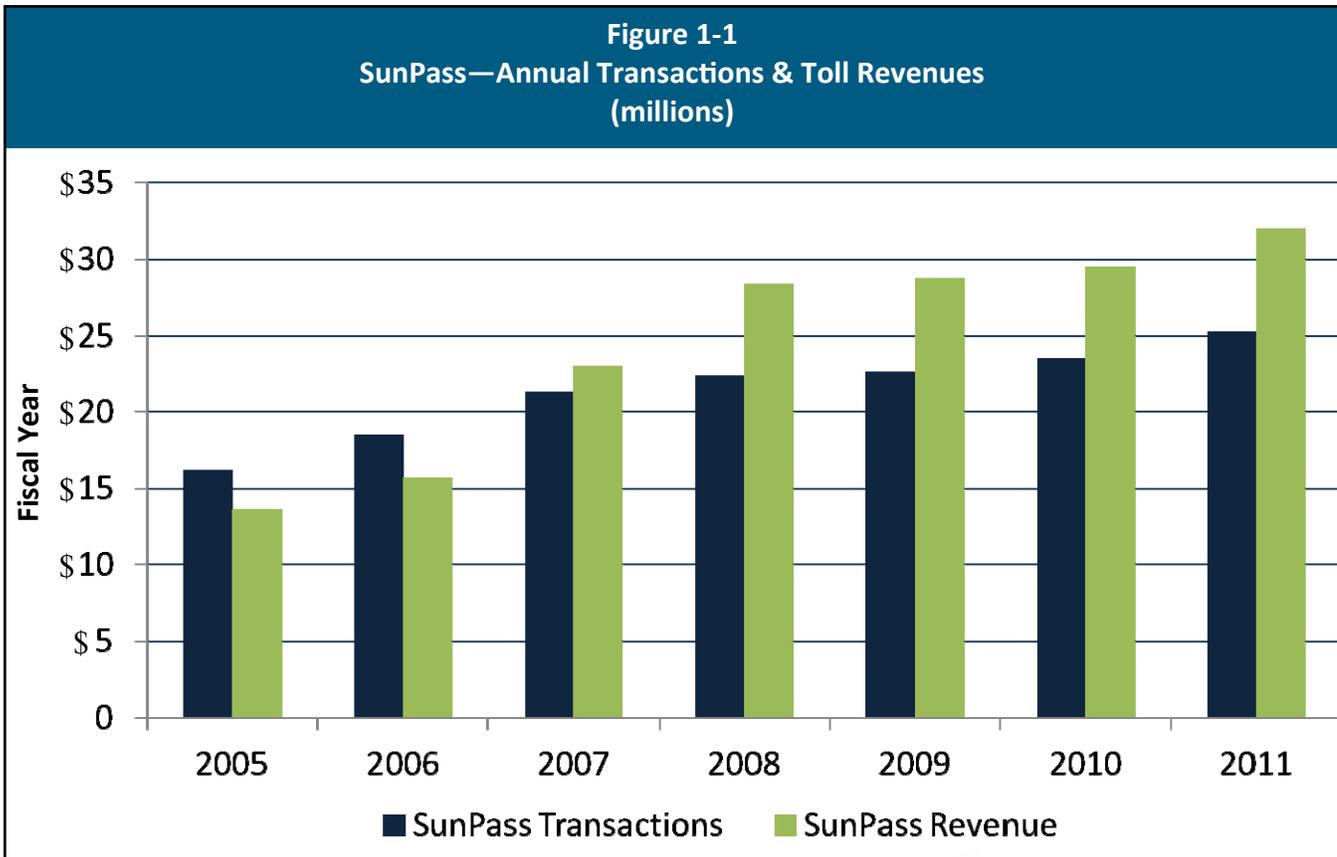
Table 1-4 Revenue by Payment Method FY 2011 (thousands)				
Month	SunPass	Cash/Video ⁽¹⁾	Total	Percent SunPass
July 2010	\$2,438	\$738	\$3,176	76.8%
August	2,514	714	3,228	77.9%
September ⁽²⁾	2,579	585	3,164	81.5%
October	2,747	494	3,241	84.8%
November	2,636	532	3,168	83.2%
December	2,663	666	3,329	80.0%
January 2011	2,729	664	3,393	80.4%
February	2,572	702	3,274	78.6%
March	2,945	822	3,767	78.2%
April	2,703	808	3,511	77.0%
May	2,756	835	3,591	76.7%
June	2,729	896	3,625	75.3%
FY 2011 Total	32,011	8,456	40,467	
Percent	79.1%	20.9%	100%	

Source: THEA CFO Traffic & Revenue Reports, FY 2011 and FY 2012
⁽¹⁾ All Electronic Tolling (AET) began September 2010
⁽²⁾ Cash / video column represents sum of cash and video transactions for this month

SunPass Transactions & Revenue

Figure 1-1 shows the number of SunPass transactions and related toll revenue trends. SunPass transactions grew from 22.8 million in FY2009 to 23.6 million in FY2010. Due to increased popularity of SunPass and the conversion of the Selmon Expressway system to AET, SunPass transactions and revenue increased to 25.3 million and \$32 million, respectively in the past financial year.

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Historic Growth and Future Tolling

Table 1-5 contains detailed historical traffic and toll revenue growth on the Selmon Expressway since FY 2000. Transactions on the Selmon Expressway system increased by 0.6% in FY2011 and revenue by 1.1%. The average revenue per toll paying transaction in FY2011 was \$1.27.

During the past 34 years, there have been six periodic toll increases on the Selmon Expressway. With the introduction of AET, THEA intends to implement gradual toll adjustments following a policy of consumer pricing indexing rather than the large increases in the past. The Selmon Expressway will continue to use the “N minus 1” formula for multi-axle vehicles. This means the toll per vehicle is the total number of axles (N) minus 1 times the toll rate.

Table 1-5—Historical Traffic and Toll Revenue Growth (thousands)						
Fiscal Year	Transactions				Toll Revenue	
	Toll Paying	Non Revenue	Total	Percent Change	Amount	Percent Change
2000	\$27,837	\$312	\$28,149	-2.9%	\$21,447	29.6%
2001	28,998	359	29,357	4.3%	24,105	12.4%
2002	29,982	391	30,373	3.5%	24,520	1.7%
2003	30,589	411	31,000	2.1%	25,078	2.3%
2004	30,374	382	30,756	-0.8%	25,815	2.9%
2005	29,604	1,081	30,685	-0.2%	27,796	7.7%
2006	32,088	134	32,222	5.0%	29,320	5.5%
2007	33,520	144	33,664	4.5%	37,308	27.2%
2008	32,490	163	32,652	-3.0%	41,455	11.1%
2009	31,398	202	31,600	-3.2%	40,350	-2.7%
2010	31,581	162	31,743	0.5%	40,018	-0.8%
2011	31,635	201	31,836	0.6%	40,467	1.1%

Source: FTE, FDOT Office of the Comptroller and FY 2011 THEA RITE Transaction Detail reports.
⁽¹⁾ Average toll represents toll revenue paid per toll paying transaction.

Expenses

The historical operating and maintenance (O&M) expenses for the Selmon Expressway are shown in Table 1-6. THEA has significantly reduced its operating budget over the past three years.

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Table 1-6
Historical Operating & Routing Maintenance Expenses
(thousands)

Fiscal Year	Operating Expense	Routine Maintenance Expense	Total O & M Expenses
2002	\$5,888	\$652	\$6,540
2003	5,606	919	6,525
2004	6,826	1,288	8,114
2005 ⁽¹⁾	5,507	1,358	6,865
2006 ⁽²⁾	5,403	1,348	6,846
2007	6,378	2,085	8,463
2008	6,541	3,530	10,029
2009	6,833	4,022	10,797
2010	5,827	3,475	9,302
2011 ⁽³⁾	4,000	3,265	7,265

Source: FDOT Office of the Comptroller and THEA

⁽¹⁾ A prior period adjustment of \$215 thousand was made to FY 2005 operating expenses.

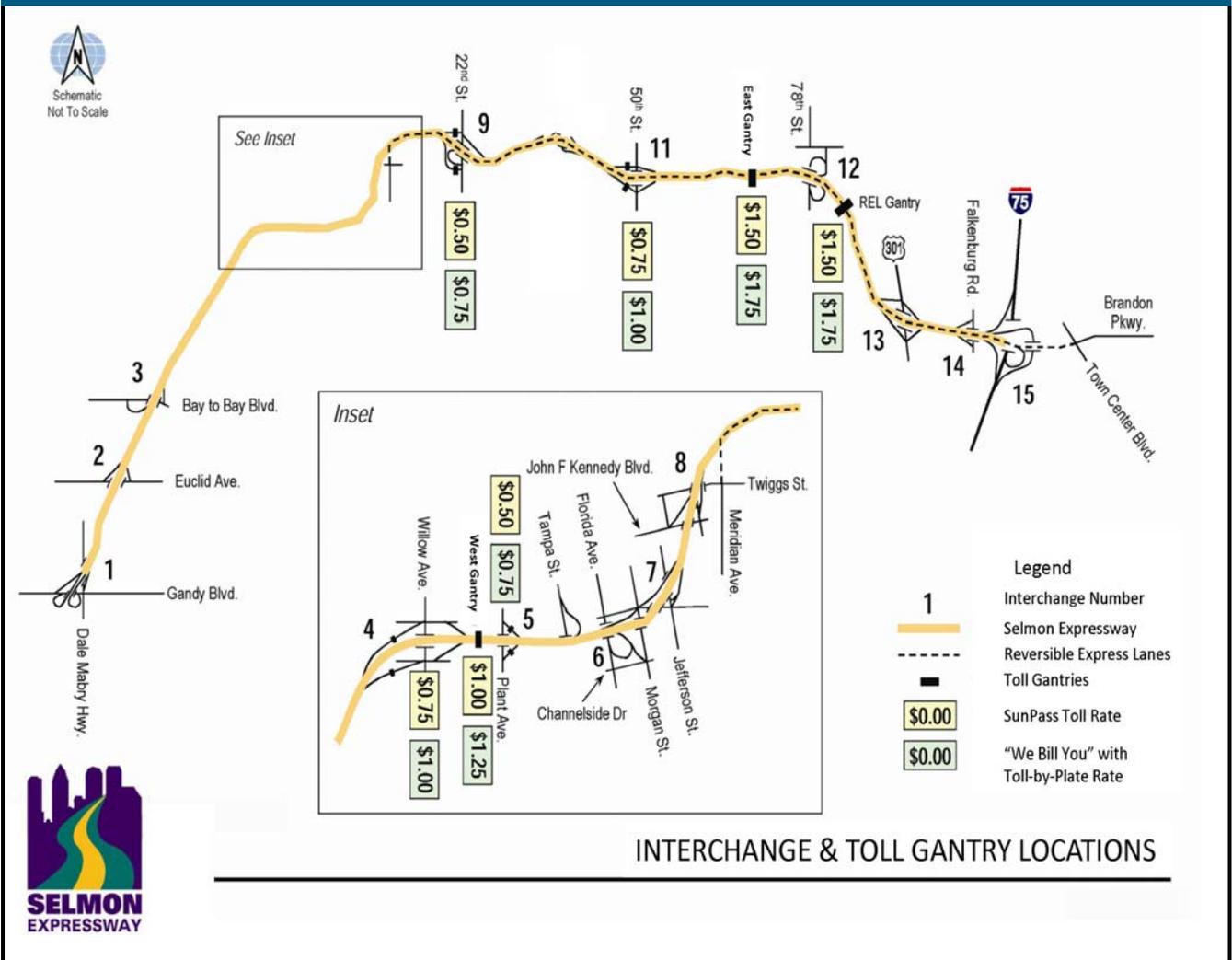
⁽²⁾ Prior period adjustment of \$64 thousand and \$31 thousand made to FY 2006 operating and maintenance expenses, respectively.

⁽³⁾ THEA Finance Office—Operations, Maintenance and Administration Budget Worksheet.

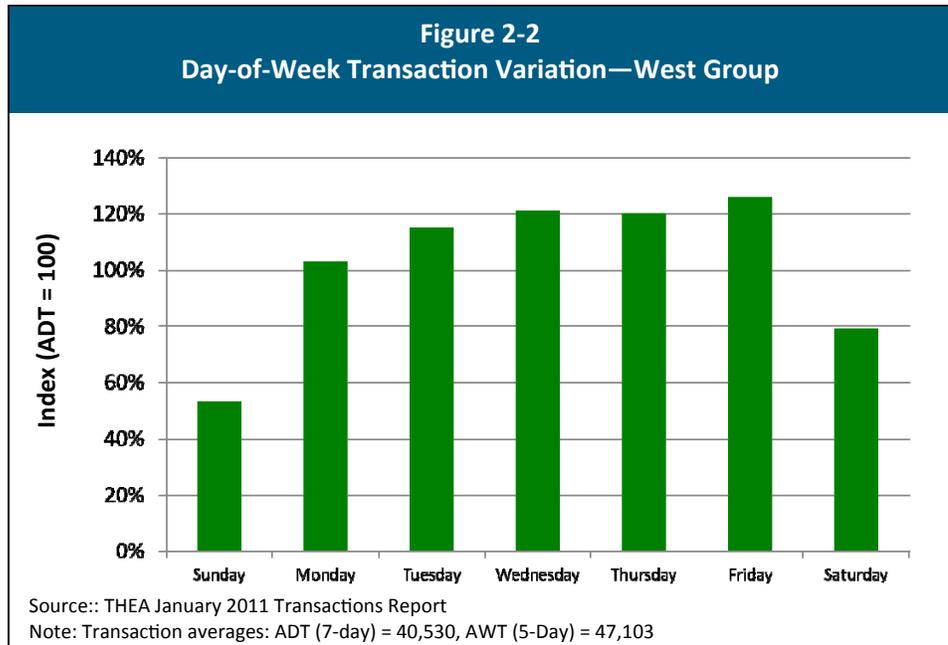
Section 2—Traffic & Toll Revenue

Despite the continued economic slowdown and significant operational changes during the year, toll revenue remained steady in FY2011, collecting around \$40.5 million from 31.6 million toll-paying transactions. The average toll per transaction in FY2011 was \$1.27. Figure 2-1 shows the location of the interchanges and corresponding toll rates.

**Figure 2-1
Interchange & Toll Gantry Locations**



Typical daily transaction variations are shown in Figure 2-2 for the West Group of toll gantries on the Selmon Expressway during a sample period in FY2011. Figures 2-3 and 2-4 show the typical daily transaction variations for the East Group of toll gantries and the Reversible Express Lanes (REL) mainline, respectively. The Selmon Expressway has significantly higher weekday transactions reflective of a commuter customer base.



In the West Group of toll gantries (West Toll Gantry, Plant Avenue, Willow Avenue, and 22nd Street), the busiest day of the week is Friday which averages 26% more than the Average Daily Transactions (ADT). Monday at the West Group carries 103% of the ADT whereas Tuesday, Wednesday, and Thursday carry between 15 and 21% above the ADT.

The weekend break down above below reflect 79% of the ADT on Saturday and 53% of the ADT on Sunday.

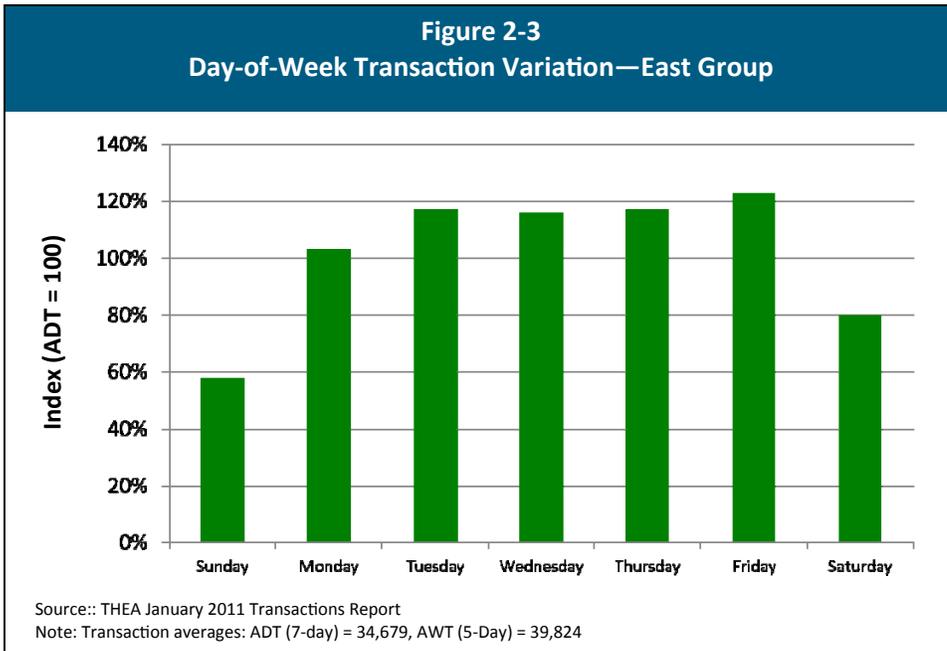


Figure 2-3 shows the average day-of-week transaction variation for the East Group of toll gantries (East Toll Gantry, and 50th Street). As with the West Group, the busiest day for the East Group is Friday, which is 23% above the ADT. Tuesday, Wednesday, and Thursday at the East Mainline toll gantry have similar characteristics as those days at the West Mainline toll gantry with transactions being 16 to 17% above the ADT. Monday is the least busy weekday at 3% above the ADT.

Transactions on the weekends at the East Group are similar to transactions on the weekends at the West Group with Saturdays averaging 80% of the ADT and Sundays averaging 58% of the ADT.

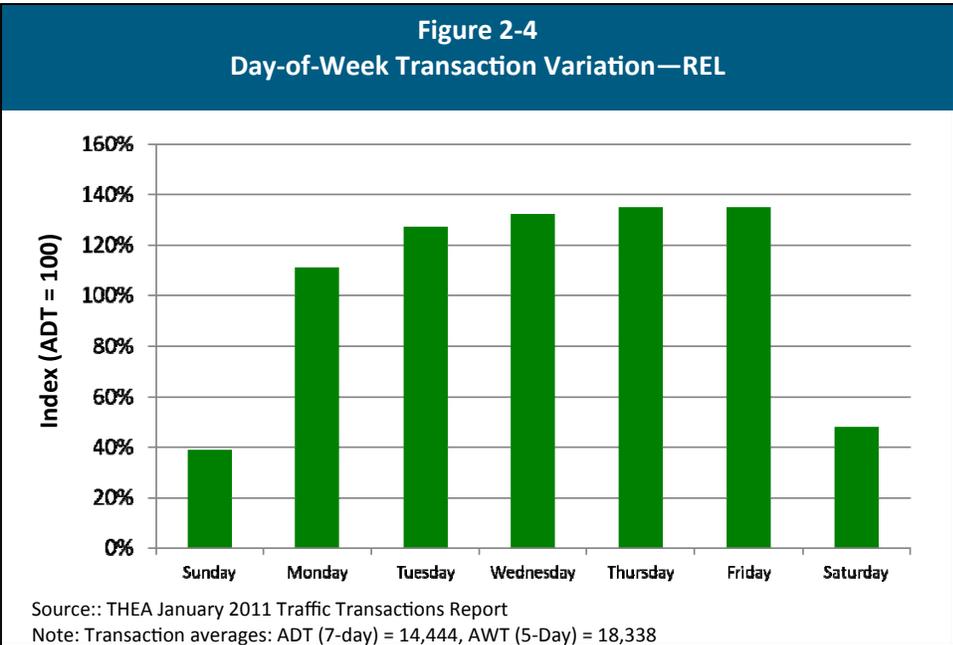
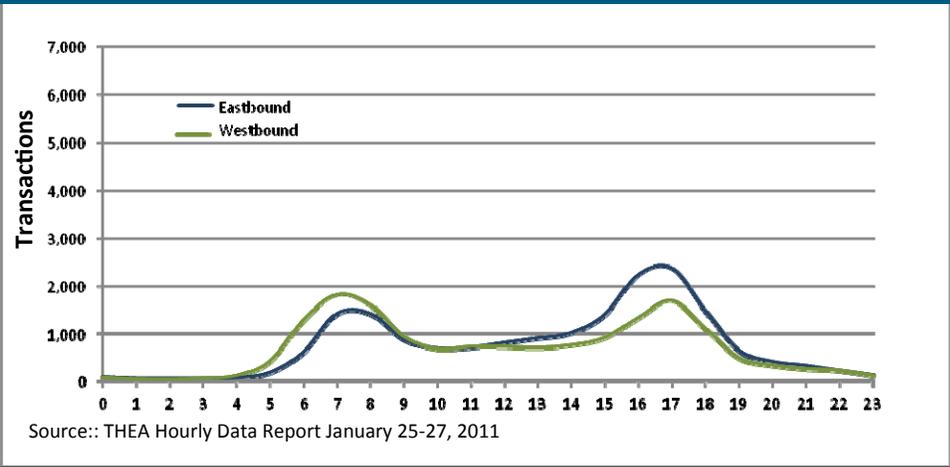


Figure 2-4 shows the average day-of-week transaction variations at the REL mainline toll gantry. The REL most strongly reflects the commuter use of the Selmon Expressway. The weekend transactions are the lowest percentage of the three tolling groups. On Saturdays, the REL only sees about 48% of the ADT and Sundays only carry 39% of the ADT. Thursday and Friday are the busiest day on the REL with average transactions at 35% above the ADT. Monday is the least busy weekday at 11% above ADT and the transactions for the remaining weekdays (Tuesday and Wednesday) varies between 27 and 32% above the ADT.

Monday is the least busy weekday at 11% above ADT and the transactions for the remaining weekdays (Tuesday and Wednesday) varies between 27 and 32% above the ADT.

Figure 2-5 shows the average hourly transaction variations over three weekdays in January 2011 at the West Mainline toll gantry. As to be expected, there are two peaks in each direction. In the eastbound direction, the AM peak occurs from 7 to 9 AM with over 1,400 transactions.

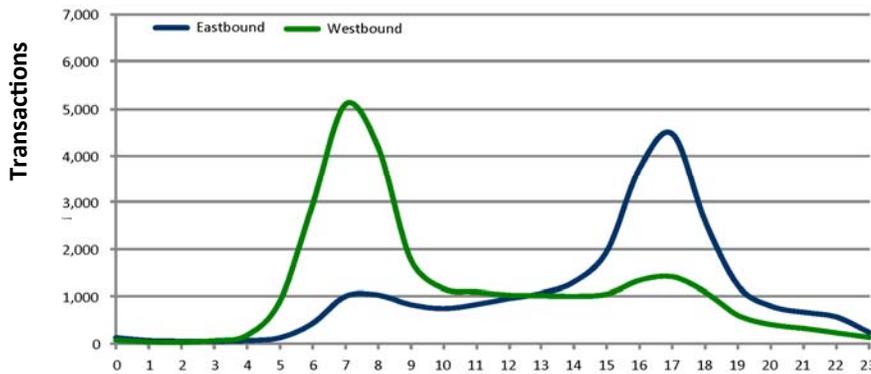
Figure 2-5
West Mainline Toll Gantry Weekday Hourly Transaction Variations
January 2011



The PM peak hour occurs from 5 to 6PM with over 2,350 transactions. The next busiest hour begins at 4 PM with over 2,200 transactions.

In the westbound direction, the AM peak occurs from 7 to 8 AM with over 1,800 transactions. The next busiest hour is 8 to 9 AM with almost 1,600 transactions. As with the eastbound direction, the PM

Figure 2-6
East Mainline Toll Gantry & REL Weekday Hourly Transaction Variations
January 2011



Source:: THEA Hourly Data Report January 25-27, 2011

peak occurs from 5 to 6 PM with over 1,650 transactions.

Figure 2-6 shows the average hourly transaction variations over the same three weekdays at the East Mainline toll gantry and the REL. The REL is included as both locations serve the same purpose in this type of analysis.

In the eastbound direction, the AM peak occurs from 7 to 9 AM. From 7 to 8 AM,

over 1,000 transactions occurred while almost 1,050 transactions were recorded from 8 to 9 AM. The PM peak hour occurs at 5 PM with almost 4,500 transactions; the next busiest hour begins at 4 PM with more than 3,750 transactions.

The combined East Mainline toll gantry and REL experience its westbound AM peak from 7 to 8 AM with almost 5,100 transactions. The next highest AM hour occurs from 8 to 9 AM with almost 4,200 transactions. The PM peak occurs during the 5 PM hour with over 1,400 transactions; the next busiest PM hour occurs during the 4 PM hour with almost 1,350 transactions.

The eastbound AM peak is lower than the westbound PM peak (approximately 400 transactions less) and the eastbound PM peak is lower than the westbound AM peak (approximately 650 transactions less).

Section 3

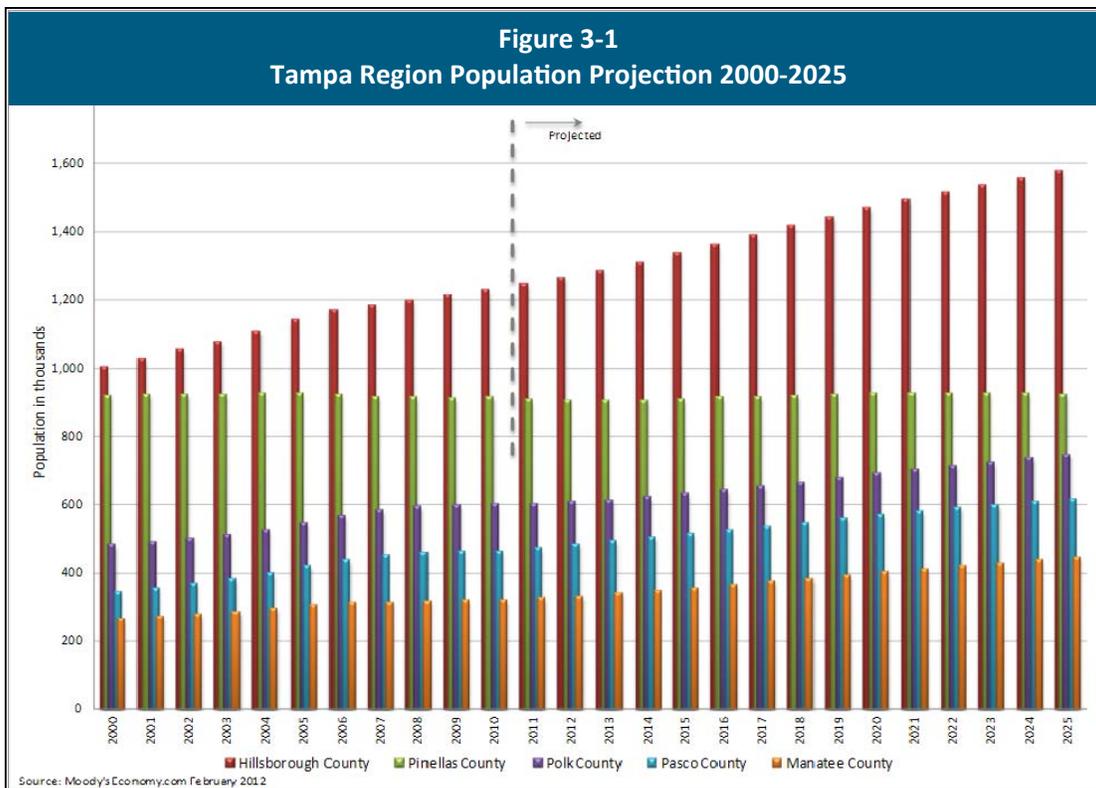
Factors Affecting Traffic & Toll Revenue

This section reviews several key factors that might typically affect future levels of traffic and toll revenue on the Selmon Expressway, including Tampa Bay area employment, population growth, incomes, inflation, and toll rate changes. These factors are recognized in the preparation of traffic and revenue forecasts prepared by CDM Smith for the Selmon Expressway and are qualified by certain assumptions that influence those forecasts.

Tampa Bay Area Population Growth

Traffic growth on the Selmon Expressway can be highly correlated to the population growth of west-central Florida. The population of Hillsborough County has undergone strong growth historically with an average annual population growth rate of 2.0% from 2001 to 2011. However, growth has reduced to approximately 1.5% in the last three years.

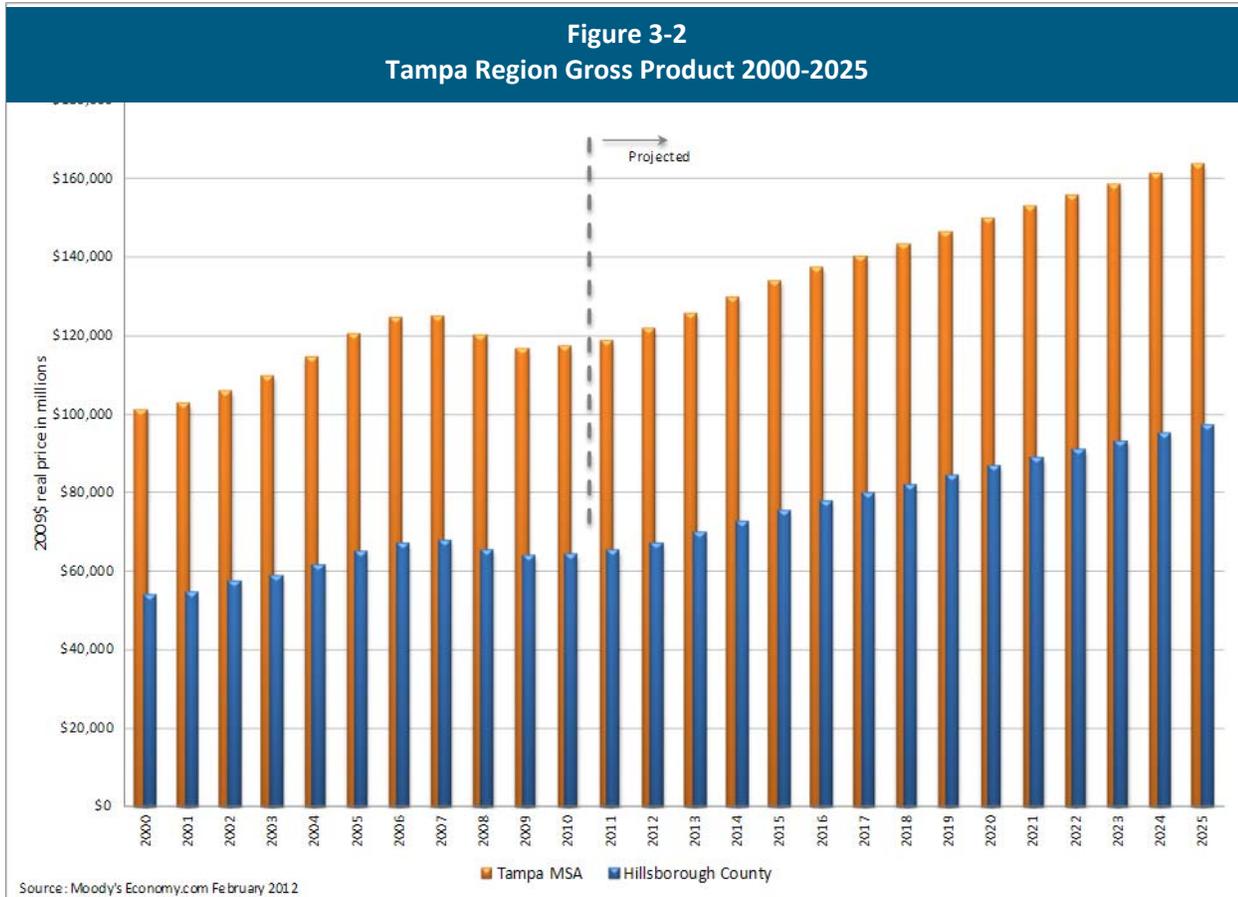
Future population projections for Hillsborough County and the surrounding counties are shown in Figure 3-1. Hillsborough County population growth is expected to return to a strong 1.9% average annual growth rate from 2012 through 2020. Based on these projections, most counties in the Tampa Bay Region Metropolitan Statistical Area (Tampa MSA) are also projected to have comparable or higher growth.



Economic Conditions

In the last four years, transportation growth saw a downturn due to worsening economic conditions and reduced vehicle miles traveled. The toll industry was also affected with many toll facilities experiencing year-on-year reductions in traffic and toll revenues falling well below prior growth projections. Figure 3-2 shows the economic growth forecast for Hillsborough County and the Tampa MSA by Moody's Economy.com. Based on this forecast, economic activity is expected to see a return to long-term growth.

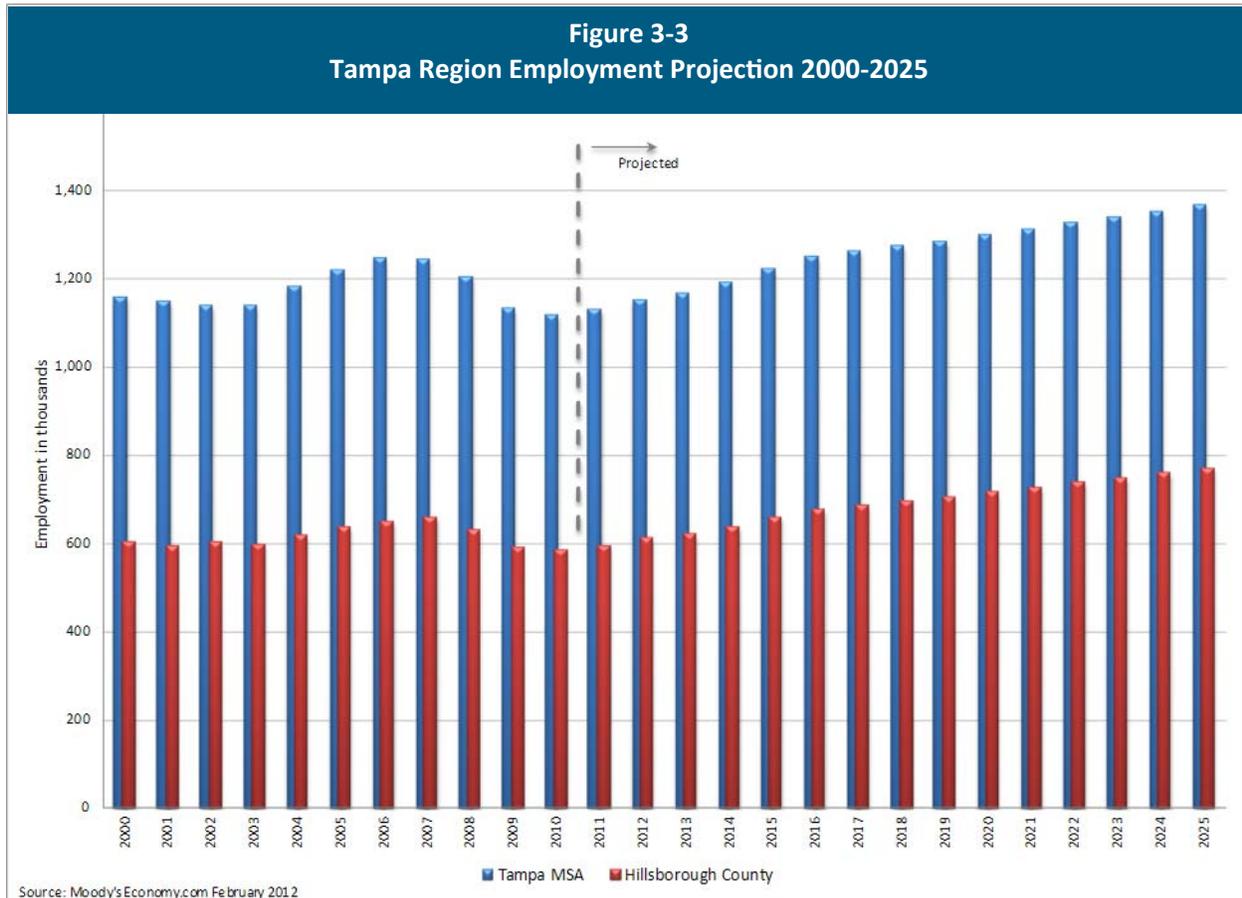
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Employment

Commuting demand is the largest market segment for the Selmon Expressway and as such the magnitude and distribution of jobs are critical determinants of a large proportion of the customer base.

Figure 3-3 shows Hillsborough County and the Tampa MSA area historical and projected employment.



The number of jobs in Hillsborough County grew steadily between 2004 and into 2007. However, since April 2008, Florida and the Tampa MSA unemployment rates have been higher than national rates. By May 2009, the non-seasonally adjusted unemployment rate for the Tampa MSA had reached 10.2% and has continued to be in double digits through December 2011. The unemployment rate for Tampa MSA touched its peak in November 2010 at 12.6%. The situation in Hillsborough County was similar with the unemployment rate reaching 10.4% in June 2009 and remaining in double digits through October 2011 with its peak at 12.3% in November 2010.

The long-term outlook for the Tampa MSA and for Hillsborough County is expected to begin improving from 2011 onwards. Employment is forecast to begin an upward trend that will reach pre-crises levels by 2016 and continue upward throughout the remaining forecast period.

Housing Growth

Residential housing growth has a strong influence on the customer base of a toll facility such as the Selmon Expressway. Growth in the number of households is likely to translate directly into traffic growth.

According to the Greater Tampa Association of Realtors, residential home sales through the second quarter of 2011 increased to 11,586 up from 10,518 and 8,803 during the same time periods in 2010 and 2009, respectively. This compares to a high 14,057 total residential sales for the first two quarters of 2005.

The number of building permits issued is an indicator of the current health of the housing construction market. According to the U.S. Census Bureau for January through December 2011, 6,344 building permits were authorized in the Tampa MSA, down from 6,500 and 7,010 in 2010 and 2009, respectively. These compare to a peak of 34,005 annual permits in 2005. The State of Florida had 44,043 building permits approved in 2011 versus 39,524 and 35,858 in 2010 and 2009, respectively which are significantly below the peak 285,062 in 2005.

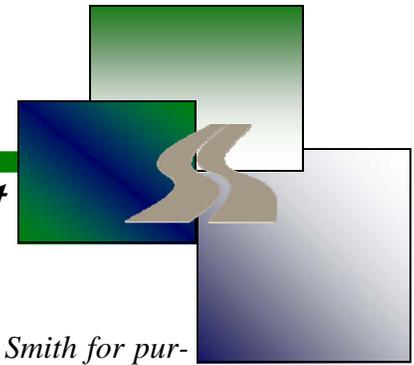
Fuel Prices

High gasoline prices will tend to discourage travel by motor vehicles. During FY2010, retail gasoline prices in Florida fluctuated less than in the previous years. Gasoline prices rose again in FY2011 leading to a high of \$3.83 per gallon for regular grade retail gasoline and \$4.10 for premium grade gasoline. Regular grade gasoline prices varied between \$3.09 and \$3.83 per gallon, while premium grade gasoline prices varied between \$3.36 and \$4.10 per gallon.

By the end of calendar year 2011 regular grade retail gasoline prices came down to \$3.26 per gallon.

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Section 4—Traffic & Revenue Forecast



Basic Assumptions

The following assumptions, which are considered reasonable by CDM Smith for purposes of the forecast, are the basis of updated traffic and gross toll revenue estimates for the Selmon Expressway.

1. The Selmon Expressway is assumed to provide two travel lanes in each direction, or a total of four lanes on the lower level prior to the proposed viaduct widening. In addition, it is assumed the Reversible Express Lanes (REL) will continue to operate as three reversible lanes and will maintain the current operating schedule into the future.
2. All-electronic tolling was implemented in September 2010, supplemented with video tolling. SunPass participation is assumed to increase after FY2011 as a result, reaching 90.0% by FY2015 with the remaining 10.0% assumed to participate in video tolling.
3. Toll rates assumed for the facility are in future year dollars and adjustments will be as set forth subsequently. Commercial vehicle rates will continue to be proportionately higher than for passenger cars.
4. Toll rate increments (indexing) will be applied annually based on the net change of a minimum adjustment rate of 2.5%. The initial toll adjustment would be in FY2014 with calculations beginning FY2012. The surcharge for video tolling is assumed to be \$0.25 initially which will also be subject to the indexing policy. Rate adjustments will be rounded to the nearest nickel.
5. The I-4/Selmon Expressway Connector was assumed to open in the month of January during FY2014. The connector consists of the S movement, the Z movement, and the T movement. SunPass toll rates for the S and Z movements were assumed at \$1.00 and \$0.50 in FY2014, respectively. The T movement is designed for trucks only with assumed toll rate to be \$1.00 in FY2014, regardless of payment option. Assuming FDOT collects tolls on the connector, \$0.20 of the \$1.00 for the S movement was assumed to be apportioned to THEA in FY2014. For the purpose of this forecast, both THEA and FDOT will escalate the Connector toll rates at an annual compound growth rate of 2.5% after FY2014. A ramp-up period was assumed for the I-4/Selmon Expressway Connector. It was assumed that in the first year of the opening of the I-4/Selmon Expressway Connector, 61% of the forecasted transactions would be realized. The ramp-up was assumed at 81% for the second year, 95% for the third year, and 100% for the fourth and the following years.
6. The widening of the viaduct between I-4 Connector and downtown Tampa was assumed to be completed by FY2014. Construction impacts on traffic have been estimated and included.
7. Motor fuel will continue to remain in adequate supply and the rate of price increase will not significantly exceed the overall rate of inflation.
8. No local, regional or national emergency will arise which would abnormally restrict the use of motor vehicles, or substantially alter economic activity or freedom of mobility.
9. The THEA system will continue to be well-maintained, efficiently-operated and effectively signed and promoted to encourage maximum usage.
10. Estimated revenue growth is based on indicated revenues, i.e. does not reflect any changes in the relationship between actual and indicated revenues. CDM Smith has also not attempted to reflect the lag time between billing and receipt of payment for video tolling. Actual data from AET operations is emerging which we recommend could be used by others in the financial analysis when more is known.
11. Any significant departure from the above basic assumptions could materially affect estimated traffic and revenue for the THEA system.

Estimated Annual Transactions and Toll Revenue

Estimates of annual transactions and toll revenue for the THEA system are presented in Table 4-1. These estimates have been presented through FY2021. Also shown is the average revenue per transaction for each financial year.

In order to more accurately account for the economic slowdown and to better model the amount and nature of travel behavior in the region, these traffic and toll revenue forecasts have been fully revised to reflect the recent economic downturn in the Tampa region and expected recovery.

As shown in Table 4-1, 31.6 million toll transactions were observed in FY2011 yielding \$40.5 million of toll revenue. CDM Smith estimates THEA will process approximately 32.6 million system-wide transactions in FY2012 yielding about \$41.2 million in toll revenues. It is assumed that the I-4/SEC will open to

traffic on January 1, 2014, midway through FY2014. The years in between have been assumed to be impacted by construction of the I-4/SEC and viaduct widening. By FY2014, it is estimated that a total of about 36.8 million toll transactions will occur on THEA system; this includes transactions from the I-4/SEC with tolling assumptions as outlined above. Overall, toll revenues are estimated to increase to \$45.5 million in FY2014.

The THEA system is estimated to have 45.6 million transactions and \$65.2 million in toll revenues by FY2020. This translates to average revenue of \$1.43 collected per transaction compared to \$1.27 in FY2010. The estimate of 45.6 million transactions in FY2020 compares to 31.6 million in FY2010 and 39.2 million in FY2015. There are multiple factors contributing to this growth potential of the Selmon Expressway corridor, which mainly includes the significant positive impact by opening of I-4/SEC in FY2014, the projected growth of the catchment area of the THEA facilities, and the lack of future new highway capacity in the competing network.

Table 4-1
Estimated Annual Transactions & Toll Revenue (thousands)

Fiscal Year	Annual Transactions	%	Annual Revenues ⁽³⁾	%	Revenue per Transaction
2010 ⁽¹⁾	31,581	—	\$40,018	—	\$1.27
2011 ⁽¹⁾⁽⁴⁾	31,635	0.2%	40,467	1.1%	1.28
2012 ⁽²⁾⁽⁶⁾	32,600	3.0%	41,200	1.9%	1.27
2013 ⁽⁶⁾	33,800	3.7%	42,600	3.3%	1.26
2014 ⁽⁵⁾⁽⁷⁾	36,800	9.0%	45,500	6.9%	1.24
2015	39,200	6.6%	49,500	8.7%	1.26
2016	40,700	3.7%	52,600	6.3%	1.29
2017	41,900	3.1%	55,600	5.7%	1.33
2018	43,200	3.0%	58,700	5.6%	1.36
2019	44,400	2.8%	61,800	5.3%	1.39
2020	45,600	2.8%	65,200	5.4%	1.43
2021	46,900	2.8%	68,700	5.4%	1.46

Notes

⁽¹⁾ Actual

⁽²⁾ Estimate

⁽³⁾ Indicated, nominal Revenues

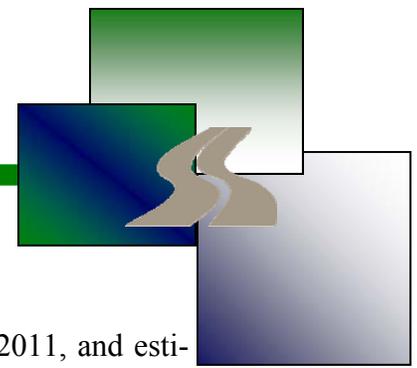
⁽⁴⁾ AET began September 2010

⁽⁵⁾ Toll Indexing from FY 2012, 1st Adjustment Year FY 2014

⁽⁶⁾ I-4 / Selmon Connector Construction Impacts FY 2011– FY 2013

⁽⁷⁾ I-4 / Selmon Connector assumed to open January 2014—mid FY 2014

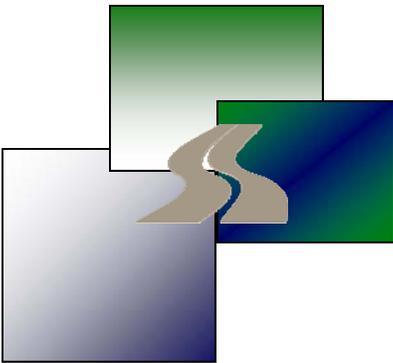
Section 5 Debt Service Coverage



Debt Service Coverage calculations, reflecting actual FY2010 and FY2011, and estimated FY2012 through FY2020, coverage are represented in Table 5-1. In FY2011, \$54 million of Series 2002 and 2005 Series Bonds were defeased. All estimated years exceed the bond covenant requirement of 130%. As of June 30, 2011, bonds in the principle amount of \$324.5 million remained outstanding from the 2002 and 2005 Series.

Table 5-1 Estimated Debt Service Coverage			
Fiscal Year	Estimated Revenue for Debt Service (\$000) ⁽¹⁾	Annual Debt Service (\$000)	Debt Service Coverage
2010 ⁽²⁾	\$40,428	\$26,511	1.52
2011 ⁽²⁾	40,839	16,590	2.46
2012	41,991	17,562	2.39
2013	43,401	18,861	2.30
2014	46,306	19,210	2.41
2015	50,316	20,652	2.44
2016	53,659	18,496	2.90
2017	56,677	21,294	2.66
2018	59,781	21,537	2.78
2019	62,905	25,454	2.47
2020	66,320	27,685	2.40

⁽¹⁾ Includes income from tolls, leases, interest, and misc. revenue; estimated toll revenue from Table 4-1
⁽²⁾ Actual revenue and bond debt service
 Source: THEA Finance Plan



Section 6 – Expense Forecasts

Expenses associated with the operation of the Selmon Expressway include administrative, operating and maintenance expenses. The following expense estimates are based on historical experience and future programmed costs.

Administrative Expenses

There are two types of administrative expenses: expenses related to investments and expenses related to the operation of the THEA.

Investment related expenses, consisting of Trustee fees, are paid from gross toll revenues, before payment of the debt service.

THEA administrative expenses are paid from toll revenues after payment of the senior and junior lien debt service reserve account. These expenses include employee compensation, office expenses and professional services.

Estimated administrative expenses are show in Table 6-1. The projected administrative expenses are estimates and are increased to allow for inflation.

Operating and Maintenance Expenses

Operating expenses include the cost to collect tolls, maintenance and repair of toll collection equipment, and operation of SunPass. Other operating expenses include the operation of the Traffic Management Center and the Road Ranger program. In September, 2010 toll collection was transferred to THEA. Florida Turnpike Enterprise (FTE) operates the SunPass program.

Maintenance expenses are categorized as either routine or periodic. Routine maintenance items are expected to recur annually and require funding to preserve the system and extend the life of the facility. Routine maintenance includes mowing, highway lighting and biannual bridge inspections. Periodic maintenance items are generally costly repairs that do not recur on an annual basis. These expenses include sign repair, shoulder repair, and ridge deck replacement. In January, 2009, maintenance of the Expressway was transferred to THEA. FDOT is responsible for bridge inspections only.

Table 6-1 Estimated THEA Administrative Expenses	
Fiscal Year	Expenses
2012	\$2,973,449
2013	2,896,338
2014	3,012,192
2015	3,132,679
2016	3,257,986
2017	3,388,306
2018	3,528,838
2019	3,664,792
2020	3,811,383
2021	3,963,839

Source: THEA Finance Plan

Operational expenses are paid from toll revenues available after payment of the senior and junior lien debt service and administrative expenses. Periodic renewal and replacement expenses are the responsibility of THEA and paid from toll revenues. Bridge Deck Replacements and Widening of the Viaduct expenses are being paid by FDOT and added to THEA long-term debt. A payment schedule has been established to repay the long-term debt to FDOT.

A comparison between budgeted and actual operating and maintenance expenses for FY2011 is presented in Table 6-2. In September, 2010, THEA converted to all-electronic tolling. (FY2011 budget included six month of cash collection; cash was collected for two and one-half months).

Table 6-2 FY 2011 Operating & Routine Maintenance (\$000)				
Type of Expense	Budget	Actual	Over (Under)	Percent Variance
Operating	\$6,493	\$4,000	(\$2,493)	(38.4)%
Routine Maintenance ⁽¹⁾	3,465	3,265	(200)	(5.8)%
Total	9,958	7,265	(2,693)	(27.0)%

⁽¹⁾ Does not include Renewal & Replacement
Source: THEA

Table 6-3 shows the estimated operating and maintenance expenses for FY2012 to FY2021.

Table 6-3 Estimated Operating & Maintenance Expenses			
Fiscal Year	Operating Expenses (\$000)	Routine Maintenance (\$000)	Total (\$000)
2012	\$5,100	\$3,438	\$8,538
2013	5,261	3,371	8,632
2014	5,471	3,505	8,976
2015	5,690	3,645	9,335
2016	5,917	3,791	9,708
2017	6,154	3,943	10,097
2018	6,400	4,100	10,500
2019	6,656	4,265	10,921
2020	6,923	4,435	11,358
2021	7,200	4,612	11,812

Source: THEA Finance Plan