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Ms. Susan Drotleff
Toll Facilities Operations Manager
Lee County Department of Transportation
1500 Monroe Street
Fort Myers, FL 33901

Subject: Semiannual Traffic and Toll Revenue Report – Fiscal Year 2020
Lee County Toll Facilities

Dear Ms. Drotleff:

CDM Smith is pleased to submit this Semiannual Traffic and Toll Revenue Report, addressing facility performance for the first half of Fiscal Year (FY) 2019, beginning October 1, 2019 and ending March 31, 2020. As with previous semiannual reports, the performance data presented herein is compared to data from the same period in the previous fiscal year. This document will follow essentially the same format as the prior report. Any changes in methodology or data sources will be noted in the document.

During March 2020, the last month in the first half of the fiscal year, the Lee County toll facilities began experiencing negative impacts due to the COVID-19 pandemic. Lee County suspended all cash toll collections starting March 18, 2020 on all three toll facilities, offering only transponder or Toll-by-Plate payments. COVID-19 will continue to negatively impact Lee County toll facilities during the second half of the fiscal year, which will be reported in the FY 2020 Annual Report. These negative impacts can be attributed to social distancing guidelines and stay-at-home orders throughout the State of Florida. This has resulted in the closings of schools, restaurants, malls, sporting events, beaches and other public venues. As a result, many people have been furloughed or lost their jobs. The combined effect has been a dramatic impact on people's travel behavior, leading to a reduction in travel. CDM Smith will continue monitoring transactions and revenue on Lee County toll facilities to assess the ongoing impacts of COVID-19.

Total Transactions and Toll Revenue

Table 1 contains total transactions (including non-revenue and exempt transactions) for the three Lee County toll facilities over the first half of FY 2020, compared against those from the same period in FY 2019. As indicated, total system-wide transactions declined by 0.7 percent. The largest decline occurred on the Sanibel Causeway, with a decrease of 2.2 percent over the first half of FY 2019. Total transactions on the Cape Coral Bridge decreased by 0.7 percent compared to FY 2019 and total transactions on the Midpoint Memorial Bridge remained the same as FY 2019.



Table 1
Semiannual Total Transactions (Including Non-Revenue and Exempt)
(First Half, FY 2020 vs. FY 2019)

Facility	Total Transactions FY 2019	Total Transactions FY 2020	Percent Change
Midpoint Memorial Bridge	4,464,861	4,465,068	0.0%
Cape Coral Bridge	4,388,618	4,356,834	-0.7
Sanibel Causeway	1,748,287	1,709,835	-2.2
Total	10,601,766	10,531,737	-0.7%

Source: Lee County Transactions by Class and Payment Type Reports

Table 2 contains the total toll transactions (excluding non-revenue and exempt transactions) and toll revenues for the three Lee County toll facilities for the first half of FY 2020, compared against total toll transactions and toll revenues from the same period in FY 2019. As indicated, total toll transactions decreased by 0.7 percent. Total toll transactions decreased on Sanibel Causeway and Cape Coral Bridge while Midpoint Memorial Bridge remained the same compared to the same period in FY 2019. The largest decrease of 2.2 percent occurred on the Sanibel Causeway.

Table 2
Semiannual Total Toll Transactions (Excluding Non-Revenue and Exempt)
and Toll Revenues
(First Half, FY 2020 vs. FY 2019)

Facility	Toll Transactions FY 2019	Toll Transactions FY 2020	Percent Change	Toll Revenues FY 2019	Toll Revenues FY 2020	Percent Change	FY 2020 Average Toll Rate
Midpoint Memorial Bridge	4,424,659	4,424,668	0.0%	\$9,219,979	\$9,058,725	-1.7%	\$2.05
Cape Coral Bridge	4,366,155	4,333,757	-0.7	8,680,004	8,573,688	-1.2	1.98
Sanibel Causeway	1,739,840	1,701,356	-2.2	8,857,279	8,740,561	-1.3	5.14
Total	10,530,654	10,459,781	-0.7%	\$26,757,262	\$26,372,974	-1.4%	\$2.52

Source: Lee County Transactions by Class and Payment Type Reports; Lee County Excess Revenues

With respect to toll revenues, system-wide revenues for the first half of FY 2020 were approximately \$26.4 million—a decrease of \$384,288, or 1.4 percent compared with the first half of FY 2019. In general, the changes in revenue on individual facilities, as well as the overall total for the three facilities, mirrors the pattern in transactions. The Midpoint Memorial Bridge continues to be the largest contributor of overall system-wide revenue with a total of \$9.1 million, while the Sanibel Causeway is close behind with \$8.7 million for the first half of FY 2020.



From FY 2007 through FY 2011, the period after the Great Recession, systemwide transactions and revenues declined each year, but at a diminishing rate. However, from FY 2012 through the first half of FY 2018, transactions and revenues increased year over year. These results reinforce the observation that conditions in the region have returned to a modest growth pattern after a period of decline that lasted several years. As previously mentioned, the slight decline during the first half of FY 2019 can be attributed to interoperability transponder issues and a decline in local tourism due to the negative impacts of blue-green algae in the Sanibel area. As previously mentioned, FY 2020 transactions and revenue were negatively impacted by COVID-19.

Table 3 includes monthly toll transactions by individual facility over the first half of FY 2019 and FY 2020. All three facilities experienced growth in transactions during the first five months of FY 2020 and declines in transactions during March 2020 due to the negative impacts of COVID-19. February appears as the strongest month in terms of year-over-year growth on the Midpoint Memorial and Cape Coral Bridges. October 2019 was the strongest month of growth on the Sanibel Causeway.

Some volatility among individual months is always expected, due to factors such as changing numbers of weekdays and weekends; changes in the days when holidays occur; and nonrecurring events such as accidents and special events. It is important to note there was one less weekday in November 2019, one additional weekday in December 2019, and one additional weekday in March 2020. The negative impacts of COVID-19 are prominent during the month of March 2020 on all three facilities.

Table 3
Comparison of Total Toll Transactions for First Six Months
(First Half, FY 2020 vs. FY 2019)

Month	Midpoint Memorial Bridge			Cape Coral Bridge			Sanibel Causeway		
	FY 2019	FY 2020	Percent Change	FY 2019	FY 2020	Percent Change	FY 2019	FY 2020	Percent Change
October	746,867	757,406	1.4%	711,549	733,321	3.1%	237,796	251,415	5.7%
November	710,754	718,211	1.0	695,098	706,844	1.7	259,969	265,440	2.1
December	723,573	754,662	4.3	694,379	722,330	4.0	274,660	283,690	3.3
January	752,884	778,765	3.4	750,809	776,185	3.4	304,031	316,708	4.2
February	713,483	757,739	6.2	721,979	756,189	4.7	309,033	319,769	3.5
March	777,098	657,885	-15.3	792,341	638,888	-19.4	354,351	264,334	-25.4
Total	4,424,659	4,424,668	0.0%	4,366,155	4,333,757	-0.7%	1,739,840	1,701,356	-2.2%

Source: Lee County Transactions by Class and Payment Type Reports



Detailed Transactions by Facility

While the principal factor affecting toll revenue is the quantity of transactions, this is not a one-to-one relationship. Shifts in the distribution of transactions amongst various vehicle classes and payment types/discount programs will influence the amount of total revenue collected, as can sales of subscriptions to discount and unlimited transaction programs. To illustrate how these trends have played out in FY 2020, this section reviews the comparative performance statistics for the first six months between the current and previous fiscal year for vehicle class and payment type, on each of the three facilities. Additionally, this section summarizes the shifting market shares of particular vehicle classes and payment types.

Midpoint Memorial Bridge

The data in **Table 4** indicates a continuation in the shift toward full fare pay-as-you-go transactions on the Midpoint Memorial Bridge, which has been ongoing for several years. Full Fare LeeWay transactions increased by 5.2 percent and LeeWay Variable Discount transactions grew by 5.3 percent over the first six months of FY 2020. Cash transactions declined by 0.7 percent compared to the same period in FY 2019. It is important to note that cash collection was suspended on the Lee County toll facilities beginning on March 18, 2020 due to COVID-19. During this time, Lee County implemented Toll-by-Plate for all customers and waived all administrative fees associated with the Toll-by-Plate payment option. At this time, motorcycle transactions started being classified as 2-axle transactions due to the removal of cash toll collection at the toll plaza. Over the same period, LeeWay Reduced Fare transactions declined by 4.4 percent and Unlimited transactions declined by 5.9 percent.

Motorcycle traffic declined by 18.5 percent, or 2,472 transactions, in the first half of FY 2020. This is the eighth year of decline in motorcycle traffic during the first six months of the year after two years of significant growth including 19.1 percent in FY 2012 and 10.3 percent in FY 2011. Large fluctuations in recorded motorcycle traffic in past years may have been due in part to known issues with the way multiple motorcycles were recorded. Lee County developed a software revision designed to automate the process with the goal of limiting errors and reducing unwarranted fluctuations in motorcycle counts. Also, there is some indication that motorcyclists may prefer using transponders and paying a higher toll to avoid stopping to pay cash at the toll plazas. This same trend has been seen on the Cape Coral Bridge and the Sanibel Causeway.

Table 5 shows each vehicle type and payment category from Table 4 as a percentage of total transactions on the Midpoint Memorial Bridge. This is intended to illustrate the shifts that take place in payment types and vehicle classes from year to year, as these shifts can have a noticeable impact on revenue. This information also provides useful insight into how the facility is being used and may reflect the changing economic landscape. For instance, a boom in construction typically results in a higher percentage of transactions occurring in the “3+ Axle Vehicles” category while hard economic times often result in a reduction in Unlimited and other pre-paid transaction types.

Table 4
Semiannual Transactions by Payment Type and Vehicle Class
Midpoint Memorial Bridge (First Half, FY 2020 vs. FY 2019)

Full Fare and Variable Pricing (2 Axle)	FY 2019	FY 2020	Change	% Change
Cash	1,663,173	1,651,088	-12,085	-0.7%
Full Fare LeeWay	1,023,548	1,077,156	53,608	5.2
Full Fare LeeWay Variable Discount	301,989	318,090	16,101	5.3
Subtotal – Full Fare and Variable	2,988,710	3,046,334	57,624	1.9%
LeeWay Discounted Programs (2 Axle Vehicles)				
LeeWay Reduced Fare	895,905	856,207	-39,698	-4.4
LeeWay Reduced Fare Variable Discount	255,359	248,015	-7,344	-2.9
Subtotal – Reduced Fare	1,151,264	1,104,222	-47,042	-4.1%
LeeWay Unlimited	190,171	178,874	-11,297	-5.9
Subtotal – LeeWay Discounted	1,341,435	1,283,096	-58,339	-4.3%
All Vehicles				
Subtotal – 2-Axle Vehicles	4,330,145	4,329,430	-715	0.0%
Motorcycles	13,328	10,856	-2,472	-18.5
3+ Axle Vehicles	81,186	84,382	3,196	3.9
Subtotal – Toll-Paying Traffic	4,424,659	4,424,668	9	0.0%
Exempt/Nonrevenue	40,202	40,400	198	0.5
Total	4,464,861	4,465,068	207	0.0%

Source: Lee County Transactions by Class and Payment Type Reports

Table 5
Percent of Total Transactions by Payment Type and Vehicle Class
Midpoint Memorial Bridge (First Half, FY 2020 vs. FY 2019)

Full Fare and Variable Pricing (2 Axle)	Change in		
	FY 2019	FY 2020	Market Share
Cash	37.3%	37.0%	-0.3%
Full Fare LeeWay	22.9	24.1	1.2
Full Fare LeeWay Variable Discount	6.8	7.1	0.4
Subtotal – Full Fare and Variable	66.9%	68.2%	1.3%
LeeWay Discounted Programs (2 Axle Vehicles)			
LeeWay Reduced Fare	20.1	19.2	-0.9
LeeWay Reduced Fare Variable Discount	5.7	5.6	-0.2
Subtotal – Reduced Fare	25.8%	24.7%	-1.1%
LeeWay Unlimited	4.3	4.0	-0.3
Subtotal – LeeWay Discounted	30.0%	28.7%	-1.3%
All Other Vehicles			
Subtotal – 2-Axle Vehicles	97.0%	97.0%	0.0%
Motorcycles	0.3	0.2	-0.1
3+ Axle Vehicles	1.8	1.9	0.1
Subtotal – Toll-Paying Traffic	99.1%	99.1%	0.0%
Exempt/Nonrevenue	0.9	0.9	0.0
Total	100.0%	100.0%	

Source: Lee County Transactions by Class and Payment Type Reports

The first six months of FY 2020 saw continued reductions in market share under the various prepaid discount programs. The pay-as-you-go LeeWay market share grew by an equal amount. Cash and LeeWay Reduced Fare transactions continue to represent over a half of all transactions, with a slight decline in market share in cash transactions due to the suspension of cash toll collection in mid-March.

Due to the continuing shift away from discount programs toward Full Fare LeeWay transactions, overall market share among payment types has continued to change. Overall, Full Fare LeeWay transactions saw no change in market share. The decline in discount program market share suggests that motorists were less able or willing to make the initial outlay of funds required to enroll in the discounted programs, or simply took fewer trips. These are consistent with the trends seen on the facility last year. The discount program market share could continue to decline as a result of the ongoing impacts of COVID-19 over the next several months.



Cape Coral Bridge

Table 6 contains semiannual transactions by payment type and vehicle class for the Cape Coral Bridge. The strongest growth occurred in the LeeWay Variable Discount pricing category, which experienced growth of 5.9 percent. Full Fare LeeWay transactions experienced growth of 4.7 percent. Cash transactions declined by 2.0 percent compared to FY 2019. It is important to note that cash collection was suspended on the Lee County toll facilities beginning on March 18, 2020 due to COVID-19. During this time, Lee County implemented Toll-by-Plate for all customers and waived all administrative fees associated with the Toll-by-Plate payment option. At this time, motorcycle transactions started being classified as 2-axle transactions due to the removal of cash toll collection at the toll plaza. LeeWay Reduced Fare and LeeWay Reduced Fare Variable Discount transactions decreased by 3.8 percent and 1.9 percent, respectively. LeeWay Unlimited transactions during the six-month period also declined by 5.4 percent. Motorcycle transactions decreased on the facility during the first six months of FY 2020 by 19.1 percent.

Table 6
Semiannual Transactions by Payment Type and Vehicle Class
Cape Coral Bridge (First Half, FY 2020 vs. FY 2019)

Full Fare and Variable Pricing (2-Axle)	FY 2019	FY 2020	Change	% Change
Cash	1,541,883	1,510,372	-31,511	-2.0%
Full Fare LeeWay	943,652	988,348	44,696	4.7
Full Fare LeeWay Variable Discount	282,606	299,164	16,558	5.9
Subtotal – Full Fare and Variable	2,768,141	2,797,884	29,743	1.1%
LeeWay Discounted Programs (2 Axle Vehicles)				
LeeWay Reduced Fare	963,903	926,862	-37,041	-3.8
LeeWay Reduced Fare Variable Discount	284,457	278,946	-5,511	-1.9
Subtotal – Reduced Fare	1,248,360	1,205,808	-42,552	-3.4%
LeeWay Unlimited	272,553	257,892	-14,661	-5.4
Subtotal – LeeWay Discounted	1,520,913	1,463,700	-57,213	-3.8%
All Vehicles				
Subtotal – 2-Axle Vehicles	4,289,054	4,261,584	-27,470	-0.6%
Motorcycles	21,878	17,701	-4,177	-19.1
3+ Axle Vehicles	55,224	54,472	-752	-1.4
Subtotal – Toll-Paying Traffic	4,366,156	4,333,757	-32,399	-0.7%
Exempt/Nonrevenue	22,463	23,077	614	2.7
Total	4,388,619	4,356,834	-31,785	-0.7%

Source: Lee County Transactions by Class and Payment Type Reports



Table 7 includes the distribution of transactions between the various vehicle type and payment categories. Full Fare categories collectively gained 1.1 percentage points of market share, counteracted by declines in the shares of transactions in all other 2-axle vehicle categories. All LeeWay Discount Program transactions saw declines in market share. As with the Midpoint Memorial Bridge, the decline in market share of Discounted and Unlimited transactions was outpaced by declines in the sales of these subscription programs (discussed in a later section).

Table 7
Percent of Total Transactions by Payment Type and Vehicle Class
Cape Coral Bridge (First Half, FY 2020 vs. FY 2019)

Full Fare and Variable Pricing (2 Axle)	FY 2019	FY 2020	Change in Market Share
Cash	35.1%	34.7%	-0.5%
Full Fare LeeWay	21.5	22.7	1.2
Full Fare LeeWay Variable Discount	6.4	6.9	0.4
Subtotal – Full Fare and Variable	63.1%	64.2%	1.1%
LeeWay Discounted Programs (2 Axle Vehicles)			
LeeWay Reduced Fare	22.0	21.3	-0.7
LeeWay Reduced Fare Variable Discount	6.5	6.4	-0.1
Subtotal – Reduced Fare	28.4%	27.7%	-0.8%
LeeWay Unlimited	6.2	5.9	-0.3
Subtotal – LeeWay Discounted	34.7%	33.6%	-1.1%
All Other Vehicles			
Subtotal – 2-Axle Vehicles	97.7%	97.8%	0.1%
Motorcycles	0.5	0.4	-0.1
3+ Axle Vehicles	1.3	1.3	0.0
Subtotal – Toll-Paying Traffic	99.5%	99.5%	0.0%
Exempt/Nonrevenue	0.5	0.5	0.0
Total	100.0%	100.0%	

Source: Lee County Transactions by Class and Payment Type Reports

Sanibel Causeway

Table 8 contains a summary of the transactions on the Sanibel Causeway during the first half of FY 2020. Cash transactions declined by 5.1 percent compared to FY 2019, while Full Fare LeeWay transactions increased by 3.6 percent. Overall, Full Fare transactions declined by 2.5 percent. This was a larger decline than the LeeWay Discounted Programs, which decreased by an average of 1.8 percent among two-axle vehicles, as compared to the same period in FY 2019. Transactions from three-or-more-axle vehicles also declined by 1.2 percent over FY 2019. Motorcycle transactions also declined by 10.4 percent over the same period.

It is important to note that cash collection was suspended on the Lee County toll facilities beginning on March 18, 2020 due to COVID-19. During this time, Lee County implemented Toll-by-Plate for all customers and waived all administrative fees associated with the Toll-by-Plate payment option. At this time, motorcycle transactions started being classified as 2-axle transactions due to the removal of cash toll collection at the toll plaza.

Table 8
Semiannual Transactions by Payment Type and Vehicle Class
Sanibel Causeway (First Half, FY 2020 vs. FY 2019)

Full Fare (2 Axle)	FY 2019	FY 2020	Change	% Change
Cash	607,014	575,783	-31,231	-5.1%
Full Fare LeeWay	256,448	265,681	9,233	3.6
Subtotal – Full Fare	863,462	841,464	-21,998	-2.5%
LeeWay Discounted Programs (2 Axle Vehicles)				
LeeWay Reduced Fare	449,443	439,049	-10,394	-2.3
LeeWay Unlimited	386,486	381,433	-5,053	-1.3
Subtotal – LeeWay Discounted	835,929	820,482	-15,447	-1.8%
All Vehicles				
Subtotal – 2-Axle Vehicles	1,699,391	1,661,946	-37,445	-2.2%
Motorcycles	5,925	5,307	-618	-10.4
3+ Axle Vehicles	34,524	34,103	-421	-1.2
Subtotal – Toll-Paying Traffic	1,739,840	1,701,356	-38,484	-2.2%
Exempt/Nonrevenue	8,447	8,479	32	0.4
Total	1,748,287	1,709,835	-38,452	-2.2%

Source: Lee County Transactions by Class and Payment Type Reports



The relative stability in transactions by vehicle class and payment type is also reflected in terms of market share, as shown in **Table 9**. Despite the 2.5 percent decrease in total transactions in the Full Fare category, that category’s market share only declined by 0.2 percent. Cash remained the single largest category in terms of total market share, followed by the LeeWay Reduced Fare and LeeWay Unlimited Programs. The Unlimited Program represents a significantly higher share of transactions on the Sanibel Causeway (22.3 percent) than on the Midpoint Memorial (4.0 percent) or Cape Coral (5.9 percent) Bridges. This is likely due to the fact that residents of Sanibel Island must use the bridge to access the mainland and therefore buy passes to receive unlimited use of the facility, while the motorists on the other bridges can either use U.S. 41 as a toll-free diversion or simply remain on their side of the Caloosahatchee River. The toll amounts on Sanibel Causeway are higher than the amounts on Midpoint and Cape Coral Bridges making the unlimited discount more attractive.

Table 9
Percent of Total Transactions by Payment Type and Vehicle Class
Sanibel Causeway (First Half, FY 2020 vs. FY 2019)

	FY 2019	FY 2020	Change in Market Share
Full Fare (2 Axle)			
Cash	34.7%	33.7%	-1.0%
Full Fare LeeWay	14.7	15.5	0.9
Subtotal – Full Fare	49.4%	49.2%	-0.2%
LeeWay Discounted Programs (2 Axle Vehicles)			
LeeWay Reduced Fare	25.7	25.7	0.0
LeeWay Unlimited	22.1	22.3	0.2
Subtotal – LeeWay Discounted	47.8%	48.0%	0.2%
All Other Vehicles			
Subtotal – 2-Axle Vehicles	97.2%	97.2%	0.0%
Motorcycles	0.3	0.3	0.0
3+ Axle Vehicles	2.0	2.0	0.0
Subtotal – Toll-Paying Traffic	99.5%	99.5%	0.0%
Exempt/Nonrevenue	0.5	0.5	0.0
Total	100.0%	100.0%	

Source: Lee County Transactions by Class and Payment Type Reports



Discount Program Sales

The Discount Program sales figures and associated revenues over the first half of FY 2020 and FY 2019 are presented in **Table 10**. As shown, the total volume of programs sold in FY 2020 increased by a total of 199 over FY 2019, which represented a 0.3% increase. Looking at the specific programs that were sold, there was a reduction in Annual Unlimited Pass sales and an increase in Annual Reduced Fare Pass sales across all facilities. This suggests that the relative value (cost per transaction) of the Unlimited Passes has decreased compared to the Reduced Fare Passes. This is consistent with the slight reduction in transactions observed across the facilities in FY 2020.

Table 10
Comparison of Semiannual Program Sales/Revenue
(First Half, FY 2020 vs. FY 2019)

Program Description	Program Count (October - March)			Program Revenue (October-March)		
	FY 2019	FY 2020	Change	FY 2019	FY 2020	Change
Sanibel Annual Unlimited	3,058	3,032	-26	\$1,140,999	\$1,133,156	-\$7,843
Sanibel Annual Reduced Fare	10,120	10,293	173	630,604	640,889	10,285
Sanibel Semi-Annual Nov through Apr Unlimited	73	76	3	20,550	20,800	250
Sanibel Semi-Annual Nov through Apr Reduced Fare	2,094	2,020	-74	101,150	97,650	-3,500
Sanibel Semi-Annual May through Oct Unlimited	0	0	0	0	0	0
Sanibel Semi-Annual May through Oct Reduced Fare	1	0	-1	50	0	-50
Cape/Midpoint Annual Unlimited	3,325	3,288	-37	987,769	977,343	-10,427
Cape/Midpoint Annual Reduced Fare	41,523	41,727	204	1,516,040	1,523,760	7,720
Cape/Midpoint Semi-Annual Nov through Apr Unlimited	119	99	-20	21,756	18,052	-3,704
Cape/Midpoint Semi-Annual Nov through Apr Reduced Fare	2,631	2,578	-53	59,844	58,572	-1,272
Cape/Midpoint Semi-Annual May through Oct Unlimited	0	0	0	0	0	0
Cape/Midpoint Semi-Annual May through Oct Reduced Fare	0	0	0	0	0	0
Combination Annual Unlimited	533	522	-11	378,217	371,379	-6,838
Combination Annual Reduced Fare	4,336	4,386	50	439,944	445,548	5,604
Combination Semi-Annual Nov through April Unlimited	15	9	-6	7,168	4,090	-3,078
Combination Semi-Annual Nov through April Reduced Fare	337	351	14	24,050	25,123	1,073
Combination Semi-Annual May through Oct Unlimited	0	0	0	0	0	0
Combination Semi-Annual May through Oct Reduced Fare	0	0	0	0	0	0
Dual Annual Sanibel CD - Cape/Midpoint FF	93	79	-14	34,497	29,681	-4,816
Dual Semi-Annual Nov through April Sanibel CD & Cape/Mid FF	1	0	-1	250	0	-250
Dual Semi-Annual May through Oct Sanibel CD & Cape/Mid FF	0	0	0	0	0	0
Dual Annual Sanibel FF - Cape/Midpoint CD	184	182	-2	78,436	77,405	-1,031
Dual Semi-Annual Nov through April Sanibel FF & Cape/Mid CD	0	0	0	0	0	0
Dual Semi-Annual May through Oct Sanibel FF & Cape/Mid CD	0	0	0	0	0	0
Total	68,443	68,642	199	\$5,441,324	\$5,423,447	-\$17,877

Source: Lee County FY 2018-2019 Discount Program Monthly Data

As a result of the shift in the types of passes purchased, program sales revenue decreased by 0.3 percent, or \$17,877, a relatively small amount. It should be noted that these trends will likely continue through the rest of FY 2020, since most program sales typically occur during the first half of the fiscal year, i.e., during the months of October through March.

Violations

Table 11 contains a summary of the total monthly toll violations for the first six months of FY 2020 as compared to the same period in FY 2019. As shown, violation rates increased from 6.1 percent of total transactions in FY 2019 to 8.3 percent of total transactions in FY 2020. In FY 2020, monthly violation rates ranged between a low of 6.7 percent in January and February to a high of 16.7 percent in March. It is important to note the percentages included in Table 11 reflect all violations, specifically those for which a Violation Enforcement System (VES) account was opened and a Toll Due Notice was mailed. The actual number of violations in the first six months of FY 2020 increased by 34.3 percent compared to the same period in FY 2019, or from 644,045 to 864,750. The increase in violations beginning in March 2020 can be attributed to the suspension of cash toll collection due to COVID-19 on the Lee County toll facilities.

Table 11
Systemwide Violation Percentage
(First Half, FY 2020 vs. FY 2019)

Month	FY 2019			FY 2020		
	Total Traffic	Total Violations	% Violations	Total Traffic	Total Violations	% Violations
October	1,696,212	106,025	6.3%	1,742,142	118,004	6.8%
November	1,665,821	103,076	6.2	1,690,495	115,104	6.8
December	1,692,612	103,656	6.1	1,760,682	122,433	7.0
January	1,807,724	112,602	6.2	1,871,658	125,937	6.7
February	1,744,495	108,548	6.2	1,833,697	123,287	6.7
March	1,924,060	110,138	5.7	1,561,107	259,985	16.7
Total	10,530,924	644,045	6.1%	10,459,781	864,750	8.3%

Source: Lee County FY 2019-2020 Violation Summary Report

The number of violations which were “coded off” due to unreadable license plate images is presented in **Table 12**. It is assumed all transactions that were not “coded off” ultimately resulted in successful collection through the various enforcement avenues available to Lee County. As shown, the collection percentage has decreased slightly when comparing the first six months of FY 2020 to FY 2019. During the first half of FY 2020, 0.80 percent of all transactions were “coded off”, as compared to 0.59 percent during the same period in FY 2019. Overall, “code offs” increased by 36.2 percent, while total violations (as shown in Table 11) increased by 34.3 percent. Thus, despite the increase in violations due primarily to the impacts of COVID-19, the resulting collection percentage only declined slightly. This illustrates that such transactions still represent an almost negligible share of overall traffic on the three Lee County DOT Toll Facilities.

Table 12
Systemwide Collection Percentage
(First Half, FY 2020 vs. FY 2019)

Month	FY 2019			FY 2020		
	Total Traffic	VES Code Offs	Collection %	Total Traffic	VES Code Offs	Collection %
October	1,696,212	9,615	99.43%	1,742,142	11,944	99.31%
November	1,665,821	9,608	99.42	1,690,495	10,910	99.35
December	1,692,612	9,545	99.44	1,760,682	11,884	99.33
January	1,807,724	11,680	99.35	1,871,658	11,915	99.36
February	1,744,495	10,339	99.41	1,833,697	11,585	99.37
March	1,924,060	10,941	99.43	1,561,107	25,848	98.34
Total	10,530,924	61,728	99.41%	10,459,781	84,086	99.20%

Source: Lee County FY 2019-2020 Violation Summary Report

Competing and Contributing Routes

A comparison of traffic volumes for a selection of other locations in the region is presented in **Table 13** and **Figure 1**. Due to limited availability of data, the values in Table 13 and Figure 1 only cover traffic volumes for October through December 2019. Overall, traffic across the region has decreased by 0.5 percent when compared with the same period in 2018, with two of five locations registering year-over-year decreases. This is consistent with the overall year-over-year changes in transactions observed on the three Lee County DOT Toll Facilities. However, especially in light of the observed increases on Pondella Road, it is unclear whether the variation in these decreases in traffic, which were recorded prior to the impacts of COVID-19, are due to a region wide decrease in travel demand, or other more local factors, such as construction or changes in travel patterns.

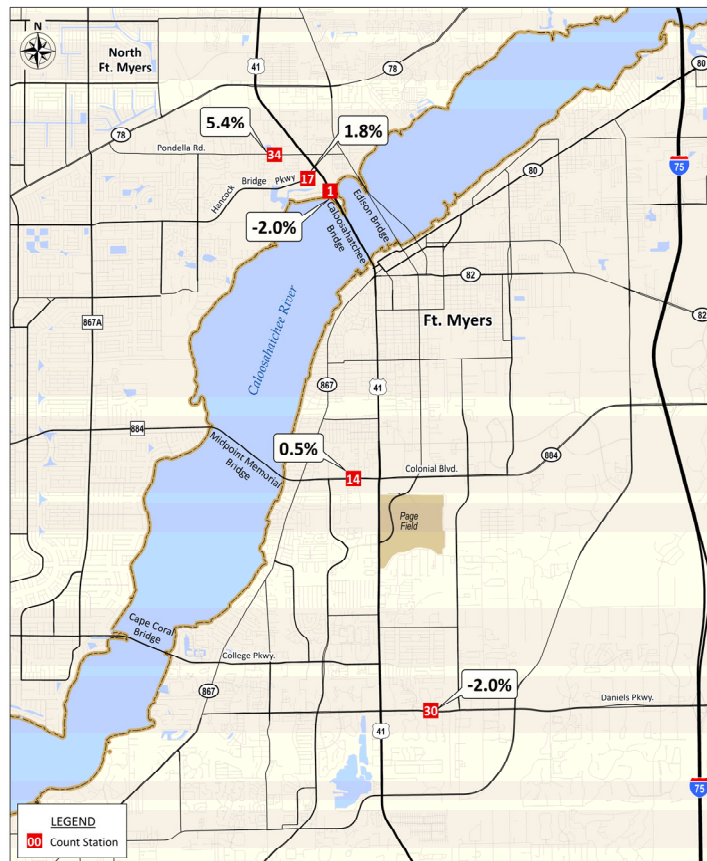


Table 13
Comparison of Average Daily Traffic on Competing and Contributing Routes
(October - December 2020 vs. 2019)

Count Station #	Road/Facility	FY 2019	FY 2020	Percent Change
14	Colonial Boulevard	56,708	56,981	0.5
30	Daniels Parkway	51,787	50,730	-2.0
17	Hancock Bridge Parkway	22,493	22,900	1.8
34	Pondella Road	21,428	22,588	5.4
1	Caloosahatchee Bridge - U.S. 41	44,795	43,905	-2.0

Source: Traffic Count Reports, 2019 and 2020, Lee County DOT

Figure 1
Percent Change in Traffic Volume on Competing and Contributing Routes
(October - December 2020 vs. 2019)



Events Influencing Toll Transactions and Revenue

Other than the COVID-19 pandemic, there have not been any other major events or incidents that would have had a material impact on Lee County DOT Toll Facility traffic and revenue through the first half of FY 2020. However, the following events, incidents, and construction activities were identified as having some impact:

- The Midpoint Memorial Bridge was closed to traffic from 11:00 pm on November 9, 2020 until 2:30 am on November 10, 2020 due to an accident on the bridge.
- On November 11, 2019, the Midpoint Memorial Bridge was closed to traffic from 6:15 pm until 8:30 pm for a Veterans Day race.
- On February 9, 2020, the Cape Coral Bridge was closed to traffic from 12:30 am until 4:30 am due to an accident on the bridge.

Socioeconomic Factors

Socioeconomic trends are a significant driver of overall travel demand in the region. Since 2007, all CDM Smith traffic and toll revenue products developed for Lee County have included an overview of regional economic performance. Socioeconomic data related to housing permits, foreclosures, and employment levels are included in the review. Data are both readily available and updated with greater frequency than other economic indicators and has proven useful in assessing the region's overall economic state and trajectory.

Following rapid economic growth in the region in the early 2000s, new housing construction came to a near standstill. Between 2007 and 2009, a dramatic downturn in the housing market was experienced throughout the United States. This downturn was particularly severe in Florida and in the Cape Coral-Fort Myers area, where population growth was previously robust prior to the downturn, and where new home construction was previously a significant contributor to the broader economy. As many of the jobs created in the earlier part of the decade resulted from the booming housing industry, the national housing downturn had an especially severe impact on the region's economy, resulting in a decrease in overall travel demand.

Table 14 contains the total number of housing units for which new building permits were issued during the first half of Fiscal Years 2010 through 2020. FY 2020 is the first year when new permits surpassed the pre-recession high in FY 2007 of 4,705 permits, with an increase over FY 2007 of 35.8 percent. New housing permits have increased by 51.5 percent compared to the same period in FY 2019. During the six-month period, year-over-year growth ranged from a decline of 29.8 percent in October to an increase of 139.2 percent in March. It is unclear whether this upward trend in new permits will continue through the COVID-19 pandemic.

Table 14
Permitted New Housing Units – Cape Coral/Ft. Myers
(First Half, FY 2007 through FY 2020)

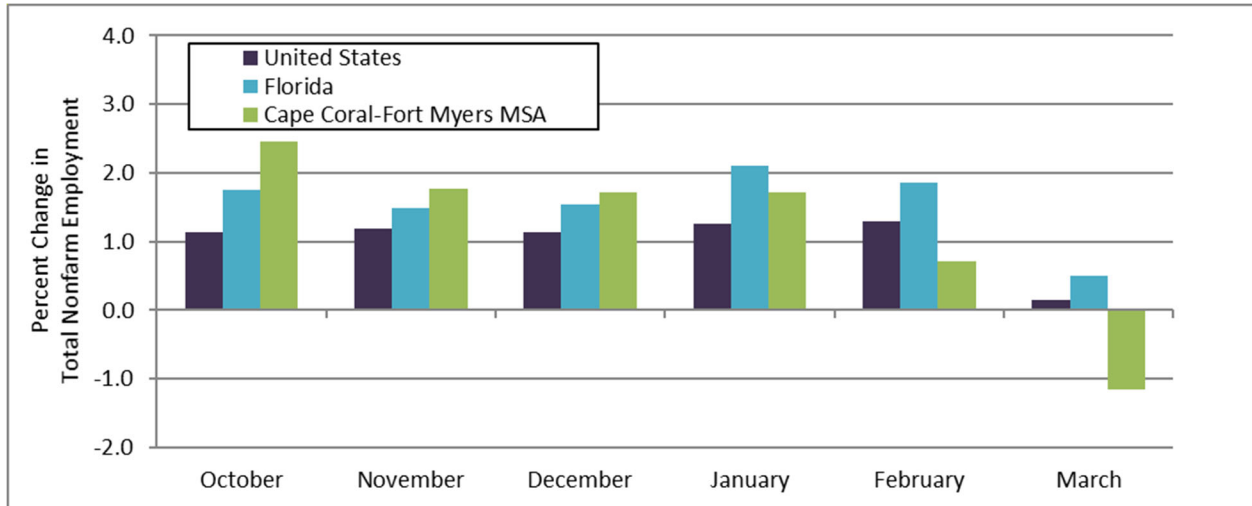
Month	Total Units Permitted										Percent Change				
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 11	FY 15	FY 16 - FY 20	FY 19	FY 20
October	77	121	186	246	300	430	572	790	1,079	757	289.6%		76.0%		-29.8%
November	85	355	136	201	242	422	537	459	732	798	184.7%		89.1%		9.0%
December	78	76	158	363	309	550	349	447	721	1,333	296.2%		142.4%		84.9%
January	85	97	143	373	674	339	796	550	761	1,656	692.9%		388.5%		117.6%
February	73	138	240	266	497	318	507	486	450	709	580.8%		123.0%		57.6%
March	148	180	248	377	619	465	510	535	475	1,136	318.2%		144.3%		139.2%
Total	546	967	1,111	1,826	2,641	2,524	3,271	3,267	4,218	6,389	383.7%		153.1%		51.5%

Source: U.S. Census Bureau

Mortgage default levels and foreclosures in the region are another factor in the health of the real estate market. A high rate of foreclosures can have a broader impact on a region’s overall housing market by undermining general property values, not just those that are distressed. In addition, a high rate of foreclosure results in a larger number of homes being on the market which, in turn, lowers demand for new construction. In Lee County, one in every 38,322 homes received a new foreclosure filing in July 2020, according to real estate website RealtyTrac. This rate decreased compared with a year ago, when home foreclosures filings occurred at a rate of one in 1,926 homes per month. It is also lower than the statewide average of one in 30,260, and lower than the national rate of one in 15,226. By comparison, the monthly Lee County new foreclosure filing rate at the time of the FY 2008 Semiannual Report, during the height of the most recent recession, was one in 90. These rates of foreclosure portray ongoing positive trends in the housing market, consistent with the new building permit trends discussed above. That being said, it is again unclear whether this positive trend in reduced foreclosures will continue through the COVID-19 pandemic, especially in light of the associated employment challenges.

Regional employment statistics are another excellent indicator of the general economic health of the region. **Figure 2** contains the year-over-year trend in employment, by month, at the national, state, and county level, for each of the first six months of FY 2020 compared to the same period in FY 2019. The results show during all months, employment growth in Florida outpaced national growth. Regional employment growth outpaced national growth during the months of October through January. Due to the closures and stay-at-home orders associated with COVID-19, employment growth in the region declined in March 2020 compared to March 2019. The local economy was more severely impacted by COVID-19 than were the state and national economies.

Figure 2
Change in Total Nonfarm Employment (not seasonally adjusted)
(First Half, FY 2020 vs. FY 2019)



Source: U.S. Bureau of Labor Statistics

Budget and Performance to Date

Lee County financial information for the first six months of FY 2019 is presented in **Tables 15** and **16**. These tables contain financial information necessary to determine whether Lee County Toll Facilities are on track to meet the requirements set forth by the bond covenant for FY 2020. Table 15 contains gross toll revenues through March 2020, compared against the annual revenue estimate from the Lee County Financial Budget Status (FBS) report as of March 31, 2020.

As shown in **Table 15**, gross toll revenues in FY 2020 were on pace to meet the annual budgeted revenues, as systemwide revenues over the first six months of the fiscal year have amounted to 56.4 percent of the total annual budgeted amount. This is comparable to the actual vs. budgeted revenue trends seen in prior years. Performance versus the budget has been similar on each of the three individual facilities, with revenue as a percentage of the budget ranging from 54.9 to 57.4 percent. Revenue from LeeWay operations, derived primarily from transponder sales, totaled 64.2 percent of the budgeted total for the fiscal year. However, gross toll revenues over the second half of FY 2020 will be negatively impacted by COVID-19. Gross toll revenues will need to be monitored through the end of the fiscal year to determine if the current budget will be met.

Table 15
Estimated and Actual Gross Toll Revenues, FY 2020
(\$000)

Facility	Estimated Annual Revenue (Current Budget) ¹	Gross Toll Revenue Year to Date	Year-to-Date Percent Variance from Budget ¹
Midpoint Memorial Bridge	\$15,200	\$8,724	57.4%
Cape Coral Bridge	15,000	8,239	54.9
Sanibel Causeway	15,280	8,573	56.1
LeeWay Operations	1,305	837	64.2
Total	\$46,785	\$26,373	56.4%

(1) Values based on the 3/31/2020 Lee County Financial Budget

Table 16 contains actual and estimated FY 2020 expenditures for the three Lee County Toll Facilities. Year-to-date operating expenses and budgeted expenses have been included in the comparison. As illustrated in Table 16, expenditures-to-date for the first half of FY 2020 are less than 50.0 percent of annual budgeted values, indicating Lee County is on pace to finish the fiscal year at or under budget in terms of expenditures. This is comparable to the actual vs. budgeted expenses trends seen in prior years. However, as previously mentioned, the gross toll revenue for the second half of FY 2020 will be negatively impacted by COVID-19. It should be noted the expenditures shown in Table 16 are for the facilities themselves and do not include any distributed expenses associated with the LeeWay Service Center, which exists as a separate expenditure category.

Table 16
Estimated and Actual Total Expenditures, FY 2020
(\$000)

Facility	Estimated Annual Expenses (Current Budget) ¹	Operating Expense Year-to-Date	Year-to Date Percent Variance from Budget ¹
Midpoint Memorial Bridge	\$3,187	\$1,542	48.4%
Cape Coral Bridge	\$3,116	\$1,564	50.2
Sanibel Causeway	\$2,329	\$1,057	45.4
LeeWay Operations	\$3,434	\$1,518	44.2
Total	\$12,066	\$5,681	47.1%

(1) Values based on the 3/31/2020 Lee County Financial Budget Status



Ms. Susan Drotleff
August 31, 2020
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CDM Smith would like to take this opportunity to thank Lee County staff for their input and valuable contributions to this report. We trust this semiannual report will meet your needs. Please contact us if the report can in any way be made more responsive or if you have any questions.

Sincerely,

CDM Smith

A handwritten signature in blue ink that reads "Hugh W. Miller, Jr." in a cursive script.

Hugh W. Miller, Jr. P.E., PhD
Vice President

A handwritten signature in blue ink that reads "Jennifer T. Bleau" in a cursive script.

Jennifer T. Bleau, PMP
Project Manager

Disclaimer:

CDM Smith is not, and has not been, a municipal advisor as defined in Federal law (the Dodd Frank Bill) to Lee County Department of Transportation (LeeDOT) and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to LeeDOT with respect to the information and material contained in this report. CDM Smith is not recommending and has not recommended any action to LeeDOT. LeeDOT should discuss the information and material contained in this report with any and all internal and external advisors it deems appropriate before acting on this information.

