

Memorandum

To: City Council
CC: Judie Zimomra and Ken Cuyler
From: Doug Congress
Date: 7/9/2013
Re: Mid-Year Causeway Report

For your review, you will find the mid-year Causeway Toll Facility Excess Revenue report from Lee County. Moving forward, the City can expect to receive this report on a semi-annual basis. This report provides a line item account for the toll revenue generated and expenses incurred by the county to operate the Sanibel Causeway. Once the junior lien is paid in full, estimated to occur by the 2014 mid-year report, Sanibel can expect to receive 21% of Excess Toll Revenues.

Based on conversations with county staff, I have edited the original document provided to include the following:

- A comparison to prior year mid-year report
- Notes explaining what each line represents
- A roll-forward of the current Junior Lien balance
- A recalculation of what Sanibel would be receiving in causeway receipts IF the Junior Lien was extinguished

I will provide further explanation and answer questions at the July 16th council meeting.

LEE COUNTY, FLORIDA
 CLERK OF COURTS
 FINANCE DIVISION - GENERAL ACCOUNTING
 TRANSPORTATION FACILITIES
 SANIBEL BRIDGE OPERATING AND MAINTENANCE FUNDS
 UNAUDITED EXCESS REVENUES OVER EXPENDITURES
 AS OF MARCH 31, 2013

	2013 SANIBEL FUND 42102	2012 SANIBEL FUND 42102
1 Gross Revenues	7,711,384.52	7,589,340.74
2 Leeway Gross Revenues (40/20/40)	54,371.62	46,640.95
Less:		
3 Operating expenses	(908,263.75)	(836,992.48)
4 Leeway operating expenses (40/20/40)	(234,297.32)	(188,267.26)
5 Adjustment to Leeway funding		
6 Debt service costs (01 Bond)	0.00	(81,827.05)
7 Debt service costs (04 Bond)		
8 Debt service costs (05A Bond)		
9 Debt service costs (05B Bond)	(1,940,522.23)	(1,789,933.25)
10 Debt service costs (11 Suntrust Loan-refunds S01 Bond)	(438,787.95)	(365,818.89)
11 DS Payments to Fund 23661 (Cap & Tran)		
12 FDOT Loan #7	(300,000.00)	(300,000.00)
13 R & R Requirement	(19,364.06)	(581.37)
14 Payments to City of Sanibel (used to pay IFL)	(773,448.42)	(767,965.85)
15 Leeway adjustments from prior year	(110,767.02)	(86,220.08)
15 Adjustments from prior year (38/18/44)	818,304.13	513,046.21
	<u>(3,907,146.62)</u>	<u>(3,904,560.02)</u>
A Excess toll revenues	3,858,609.52	3,731,421.67
<i>Transfers made during year:</i>		
16 Excess Transfer, to repay Interfund loan w/ 30701 (P)		
Excess Transfer, to repay Interfund loan w/ 30701 (P)	2,000,000.00	
<i>Transfers to make:</i>		
Excess Transfer, to 30721		
Excess Transfer, to 42133		
Excess Transfer, to 42135		
Add back Sanibel "Non-Payment" Note 14	773,448.42	
B ACCOUNT BALANCE AFTER PAY-DOWN	2,632,057.94	
 <u>JUNIOR LIEN ROLLFORWARD</u>		
Balance on Junior Lien as of 9/30/12	6,200,000.00	
Interest Accrued - 9/30/12 to 3/31/13	11,647.71	
Adjusted Balance	6,211,647.71	
Payment	<u>(2,000,000.00)</u>	
Balance on Junior Lien as of 3/31/13	<u>4,211,647.71</u>	

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NOTES

- 1 GROSS REVENUES - Gross toll revenues collected from Sanibel Causeway tolls
 - 2 LEEWAY GROSS REVENUE - Leeway revenue allocated to Sanibel (20%)
 - 3 OPERATING EXPENSES - Mainanence and Operating (M&O) expenses to operate the Sanibel toll facility
 - 4 LEEWAY OPERATING EXPENSES - Represents Sanibel's allocated portion (20%) of Leeway's total operating expenses
 - 5 NA
 - 6 DEBT SERVICE 01 BOND - This bond has been refunded on several occassions and originates from bridge construction in the 1980's. Most recently, it was refunded in 2012 to secure a more attractive interest rate through Suntrust Bank (see note 10)
 - 7 NA
 - 8 NA
 - 9 DEBT SERVICE COSTS - 05B BOND - payment to bond used to finance the new Sanibel Causeway
 - 10 DEBT SERVICE COSTS 11 SUNTRUST - see note 6. This debt is scheduled for payoff in 2017 and has an existing balance of approx \$21M. All three toll facilities (Cape Coral, Midpoint and Sanibel) share in the payoff of this bond
 - 11 NA
 - 12 FDOT LOAN - Represents an interest free loan from FDOT. Final payment to be made in FY2013.
 - 13 REPAIR AND MAINT FUND - Fund must maintain a balance of 500,000. Expense is the amount needed to fund to this balance
 - 14 PAYMENT TO CITY OF SANIBEL - This is the amount Sanibel would have received if no Junior Lien paydown existed. This DOES NOT represent a payment made to paydown the junior lien. It is simply illustrative of monies due Sanibel once Junior Lien is paid off.
 - 15 ADJUSTMENTS - Accrual adjustments from prior fiscal year
 - 16 EXCESS TRANSFER TO REPAY IFL - Funds transferred to Interfund Loan account (IFL) to pay-down Junior Lien
- A** EXCESS TOLL REVENUES - Per the interlocal agreement with the county, all excess toll revenue is used to pay-down the junior lien. Once the junior lien is extinguished, Sanibel will receive 21% of excess toll revenue.

RECALCULATION OF SANIBEL PORTION OF EXCESS TOLLS IF JL WAS PAID OFF

Excess Toll Revenue per County Excess Funds Schedule	3,858,609.52
Add back Sanibel Payment per County Funds Schedule (14)	773,448.42
Adjusted EXCESS TOLL REVENUE	4,632,057.94
Sanibel Portion of Toll Revenue	<u>972,732.17</u>

- B** ACCOUNT BALANCE - Per the county, a large mid-year balance in this account is maintained rather than paying down the Junior Lien more aggressively. At the end of the fiscal year, the county targets a \$50,000 fund balance with all remaining funds used to pay-down junior lien.