

Date March 19, 2014

To Rhode Island Turnpike and Bridge Authority

From Jacobs Engineering Group, Inc.

Subject RITBA Toll Rates with Four-Bridge and Two-Bridge System

Introduction

While for many years RITBA was responsible for two facilities – the Newport Pell and Mount Hope bridges – in mid-2012 state law authorized the transfer of two other bridges from the Rhode Island Department of Transportation (RIDOT) to RITBA: The Jamestown and Sakonnet River Bridges. All-electronic tolling (AET) began in August 2013 at the Sakonnet River Bridge at a “placeholder” rate of 10 cents, which is not sufficient to support on-going costs and capital needs.

The purpose of this memorandum is to present proposed toll rates that would produce sufficient revenues to meet the RITBA’s coverage requirements, operating and maintenance costs, and capital costs. Two different cases are considered in this analysis:

- 1) The Four-Bridge System, including Sakonnet and Jamestown Bridges, with tolls on the Sakonnet River Bridge and Newport Pell Bridge. Tolls increase April 1, 2014 on Sakonnet River Bridge.
- 2) A Two-Bridge System, consisting of the Newport Pell and Mt. Hope Bridges only. The Sakonnet and Jamestown Bridges would be returned to the responsibility of the State of Rhode Island. Tolls are eliminated April 1, 2014 on the Sakonnet River Bridge.

Jacobs Engineering Group, Inc. (Jacobs) has been working with the Rhode Island Turnpike and Bridge Authority (RITBA) and their financial advisor First Southwest to identify funding needs and determine toll rates for each of the two cases that will produce sufficient revenues to cover RITBA’s costs and debt service.

Table 1 presents the full year FY 2015 proposed tolls (Implemented April 1, 2014 for Sakonnet) for each of the two scenarios. Future year proposed toll rates are presented later in this memorandum.

Table 1: RITBA FY 2015 Proposed Toll Rates

| | Four-Bridge System | Two-Bridge System |
|--|--------------------|-------------------|
| Newport Pell Bridge | | |
| Passenger Cars-Cash | \$ 4.00 | \$ 5.00 |
| Passenger Cars-Out-of-State E-ZPass | \$ 4.00 | \$ 5.00 |
| Passenger Cars-RI E-ZPass | \$ 0.83 | \$ 1.04 |
| Passenger Car 30-Day Unlimited E-ZPass | \$ 40.00 | \$ 50.00 |
| Trucks-Cash - PER AXLE | \$ 2.00 | \$ 2.50 |
| Trucks-E-ZPass - PER AXLE | \$ 2.00 | \$ 2.50 |
| Sakonnet River Bridge | | |
| Passenger Cars-Video* | \$ 3.75 | |
| Passenger Cars-Out-of-State E-ZPass | \$ 3.75 | |
| Passenger Cars-RI E-ZPass | \$ 0.50 | |
| Passenger Car 30-Day Unlimited E-ZPass | \$ 24.10 | |
| Trucks-Video* - PER AXLE | \$ 1.88 | |
| Trucks-E-ZPass - PER AXLE | \$ 1.88 | |

*A \$2.00 per transaction convenience charge is applied if driver has not registered license plate with RITBA or if toll is not paid by phone or online in the two weeks before the first invoice is sent. Late payment fees also apply after 45 days.

New discounts to take effect at the beginning of FY 2015 for both scenarios:

- All passenger cars with a RI E-ZPass pay the resident rate
- Customers with RI E-ZPass do not pay for more than two trips per transponder per day on each bridge
- 2-Axle trucks are eligible for a \$100/month unlimited travel plan on each bridge
- RI E-ZPass passenger cars with trailers pay the same rate per axle as passenger cars; 4-tire trucks over 7,000 lbs such as landscaping trucks will also pay this lower rate.

Ten-Year Capital Plan

The majority of the funding will go toward the Authority's adopted April 1, 2014 10-Year Capital Plan which includes a total of \$170.6M for the Newport Pell and Mt. Hope Bridges. The annual and total 10-year costs shown in Table 2 are for the four-bridge system and include construction cost inflation (which will make the Newport Pell and Mt. Hope costs appear higher than the adopted 10-Year Plan which is in 2013 dollars).

With construction cost inflation factored in, the 10-Year Plan amounts are \$163.1 million for the Newport Pell Bridge and \$44.7 million for the Mt. Hope Bridge. Pell Bridge projects include the painting of the superstructure (about \$38M in 2013 dollars) and bridge deck slab partial depth rehabilitation (\$28M in 2013 dollars). On the Mt. Hope Bridge, capital projects include painting and steel repairs (\$10M in 2013 dollars) and roadway deck pavement replacement (\$6M in 2013 dollars). Note that the FY 2014 Capital Plan costs shown in the table are only for the remainder of FY 2014.

Table 2: RITBA Current 10-Year Capital Plan (R&R) Costs, \$M

| Bridge | FY 2014 * | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | 10-Year Total * |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Newport Pell | \$ 8.8 | \$ 30.1 | \$ 21.8 | \$ 15.8 | \$ 23.5 | \$ 19.8 | \$ 18.2 | \$ 8.9 | \$ 10.8 | \$ 5.4 | \$ 163.1 |
| Mt Hope | \$ 1.5 | \$ 7.1 | \$ 0.5 | \$ 4.7 | \$ 18.2 | \$ 9.9 | \$ 0.6 | \$ 0.7 | \$ 1.0 | \$ 0.6 | \$ 44.7 |
| Jamestown | \$ - | \$ 0.7 | \$ 5.0 | \$ 1.2 | \$ 1.8 | \$ 0.8 | \$ - | \$ 1.3 | \$ - | \$ 7.1 | \$ 17.9 |
| Sakonnet | \$ 0.2 | \$ 0.4 | \$ 0.2 | \$ 0.4 | \$ 0.4 | \$ 0.5 | \$ 0.2 | \$ 0.5 | \$ 0.3 | \$ 2.2 | \$ 5.3 |
| TOTAL R&R | \$ 10.5 | \$ 38.2 | \$ 27.6 | \$ 22.1 | \$ 44.0 | \$ 30.9 | \$ 18.9 | \$ 11.4 | \$ 12.1 | \$ 15.3 | \$ 230.9 |

Note: Capital Plan costs include construction cost inflation

* Includes only the remainder of FY 2014

Toll Rate Assumptions

Jacobs reviewed various toll rate combinations with the Authority staff to determine toll rate structures that would produce enough revenue to cover RITBA’s costs with the two-bridge and four-bridge systems. In order to continue to collect sufficient revenues to meet the Authority’s future financial needs, periodic toll rate increases would be necessary. The two proposed tolling scenarios are presented in Table 3 over the 10-year period FY 2014 through FY 2023. As shown in the table, the Four-Bridge System scenario has small annual increases on the Pell Bridge beginning in FY 2020, while the Sakonnet River Bridge has small increases occur that every year after the initial FY15 increase; increases for both bridges are at 2.5 percent, the assumed rate of inflation. For the Two-Bridge System, where only the Pell Bridge is tolled, the necessary increases are larger. The proposed toll scenario includes toll increases every three years starting at the beginning of FY 2015 (July 2014). Sakonnet River Bridge tolls will either increase on April 1, 2014 for the Four Bridge Scenario or be eliminated April 1, 2014 for the Two Bridge Scenario.

Table 3: RITBA Future Toll Rates Required to Cover Costs of Two-Bridge and Four-Bridge System

Four-Bridge System

| Newport Pell Bridge | FY | FY | FY | FY | FY | FY | FY | FY | FY | FY |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2014 | 2015** | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Passenger Cars-Cash | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ 4.25 | \$ 4.25 | \$ 4.50 | \$ 4.50 |
| Passenger Cars-Out-of-State E-ZPass | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ 4.10 | \$ 4.20 | \$ 4.31 | \$ 4.42 |
| Passenger Cars-RI E-ZPass | \$ 0.83 | \$ 0.83 | \$ 0.83 | \$ 0.83 | \$ 0.83 | \$ 0.83 | \$ 0.85 | \$ 0.87 | \$ 0.89 | \$ 0.92 |
| Passenger Car 30-Day Unlimited E-ZPass | \$ 40.00 | \$ 40.00 | \$ 40.00 | \$ 40.00 | \$ 40.00 | \$ 40.00 | \$ 41.00 | \$ 42.03 | \$ 43.08 | \$ 44.15 |
| Trucks-Cash - PER AXLE | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.25 | \$ 2.25 | \$ 2.25 | \$ 2.25 |
| Trucks-E-ZPass - PER AXLE | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.05 | \$ 2.10 | \$ 2.15 | \$ 2.21 |

| Sakonnet River Bridge | FY | FY | FY | FY | FY | FY | FY | FY | FY | FY |
|--|---------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2014 | 2015** | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Passenger Cars-Video* | \$0.10 all vehicles | \$ 3.75 | \$ 3.84 | \$ 3.94 | \$ 4.04 | \$ 4.14 | \$ 4.24 | \$ 4.35 | \$ 4.46 | \$ 4.57 |
| Passenger Cars-Out-of-State E-ZPass | | \$ 3.75 | \$ 3.84 | \$ 3.94 | \$ 4.04 | \$ 4.14 | \$ 4.24 | \$ 4.35 | \$ 4.46 | \$ 4.57 |
| Passenger Cars-RI E-ZPass | | \$ 0.50 | \$ 0.51 | \$ 0.53 | \$ 0.54 | \$ 0.55 | \$ 0.57 | \$ 0.58 | \$ 0.59 | \$ 0.61 |
| Passenger Car 30-Day Unlimited E-ZPass | | \$ 24.10 | \$ 24.70 | \$ 25.32 | \$ 25.95 | \$ 26.60 | \$ 27.26 | \$ 27.94 | \$ 28.64 | \$ 29.36 |
| Trucks-Video* - PER AXLE | | \$ 1.88 | \$ 1.92 | \$ 1.97 | \$ 2.02 | \$ 2.07 | \$ 2.12 | \$ 2.17 | \$ 2.23 | \$ 2.28 |
| Trucks-E-ZPass - PER AXLE | | \$ 1.88 | \$ 1.92 | \$ 1.97 | \$ 2.02 | \$ 2.07 | \$ 2.12 | \$ 2.17 | \$ 2.23 | \$ 2.28 |

*A \$2.00 per transaction convenience charge is applied if driver has not registered license plate with RITBA or if toll is not paid by phone, online or in person in the two weeks before the first invoice is sent.

Two-Bridge System

| Newport Pell Bridge | FY | FY | FY | FY | FY | FY | FY | FY | FY | FY |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2014 | 2015** | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Passenger Cars-Cash | \$ 4.00 | \$ 5.00 | \$ 5.00 | \$ 5.00 | \$ 6.25 | \$ 6.25 | \$ 6.25 | \$ 8.00 | \$ 8.00 | \$ 8.00 |
| Passenger Cars-Out-of-State E-ZPass | \$ 4.00 | \$ 5.00 | \$ 5.00 | \$ 5.00 | \$ 6.25 | \$ 6.25 | \$ 6.25 | \$ 7.81 | \$ 7.81 | \$ 7.81 |
| Passenger Cars-RI E-ZPass | \$ 0.83 | \$ 1.04 | \$ 1.04 | \$ 1.04 | \$ 1.30 | \$ 1.30 | \$ 1.30 | \$ 1.62 | \$ 1.62 | \$ 1.62 |
| Passenger Car 30-Day Unlimited E-ZPass | \$ 40.00 | \$ 50.00 | \$ 50.00 | \$ 50.00 | \$ 62.50 | \$ 62.50 | \$ 62.50 | \$ 78.13 | \$ 78.13 | \$ 78.13 |
| Trucks-Cash - PER AXLE | \$ 2.00 | \$ 2.50 | \$ 2.50 | \$ 2.50 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 4.00 | \$ 4.00 | \$ 4.00 |
| Trucks-E-ZPass - PER AXLE | \$ 2.00 | \$ 2.50 | \$ 2.50 | \$ 2.50 | \$ 3.13 | \$ 3.13 | \$ 3.13 | \$ 3.91 | \$ 3.91 | \$ 3.91 |

**New discounts to take effect at the beginning of FY 2015

Details of each proposed toll scenario are as follows:

- With the **Four-Bridge System**, Pell Bridge toll rates are kept at \$4.00 for cash and undiscounted E-ZPass. The Sakonnet River Bridge charges a \$3.75 undiscounted E-ZPass toll and a \$0.50 discounted E-ZPass toll at the Sakonnet Bridge commencing April 1, 2014. Pell Bridge E-ZPass tolls are increased every year starting in FY 2020 at 2.5%, the assumed rate of inflation, while cash tolls are increased in increments of \$0.25. Sakonnet River Bridge tolls are increased every

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year by 2.5% starting in FY 2016. Sakonnet River Bridge customers without an E-ZPass will be identified through video license plate recognition. Non-E-ZPass customers that have registered their license plate with RITBA for video toll collection within 14 days of the transaction will pay the same rate as out-of-state E-ZPass. Non-E-ZPass customers will also be allowed to establish an account based on their license plate and be charged tolls at the out-of-state E-ZPass rate.. If after 14 days, the license plate toll is not paid, an invoice will be generated and mailed to the customer. The invoice will include a \$2.00 convenience charge per transaction in addition to the out-of-state E-ZPass toll rate. Late fees will apply if the toll remains unpaid on the second and third invoice.

- With the **Two-Bridge System**, Sakonnet will no longer be tolled or maintained by RITBA as of April 1, 2014, therefore, only the Pell Bridge is tolled. The toll increases by 25 percent at the start of FY 2015 (i.e., July 2014) to \$5.00 for cash and out of state E-ZPass, and to \$1.04 for RI E-ZPass. Tolls are increased every three years by the amount necessary to pay for operations and maintenance and debt service for the Two-Bridge System.
- Several new discount plans are considered in *both* of these scenarios, all of which will go into effect at the start of FY 2015:
 - What is currently known as the “Resident Rate” will now apply to all passenger cars - as long as they have a RI E-ZPass. This will make it unnecessary to continue the current 6-Trip Plan, but the Unlimited Monthly plan will remain for the Four Bridge and Two Bridge Scenarios.
 - Passenger cars with a RI E-ZPass do not pay for more than two trips per bridge (per transponder) in one day (midnight to midnight).
 - 2-Axle trucks are eligible to sign up for a \$100/month unlimited travel plan per transponder. There will be a separate plan on each bridge
 - RI E-ZPass passenger cars with trailers pay the same rate per axle as passenger cars without trailers. Four-tire trucks (no dual tires) over 7,000 lbs such as landscaping trucks will also pay the RI E-ZPass passenger car rate.

Convenience Charge and Late Fees

For the Four-Bridge System there will be a \$2.00 convenience charge for Sakonnet River Bridge video toll transactions that are billed by mail. Transactions that are paid within 14 days will not be charged a convenience fee nor will transactions that have a pre-paid registered license plate account.

Late fees will be applied to the second and third invoices. If the first invoice is not paid within 45 days of the transaction, then a second invoice is sent in the amount of \$11.50 per transaction that includes tolls,

convenience charges and late fees. A third invoice will be sent after the original toll is not paid within 75 days for \$23.00 per transaction that includes tolls, convenience charges and late fees.

ORT Violations

On the Newport Pell Bridge, toll violators (those who drive through the open-road tolling lane and do not have an E-ZPass account) are charged \$5.00 per axle on their violation notice for each violation. This equates to \$10.00 for a passenger car. The \$10.00 increases to \$50.00 if the first notice is not paid and a second notice is required. Similarly, if the second notice is not paid, a third notice is issued for \$85.00.

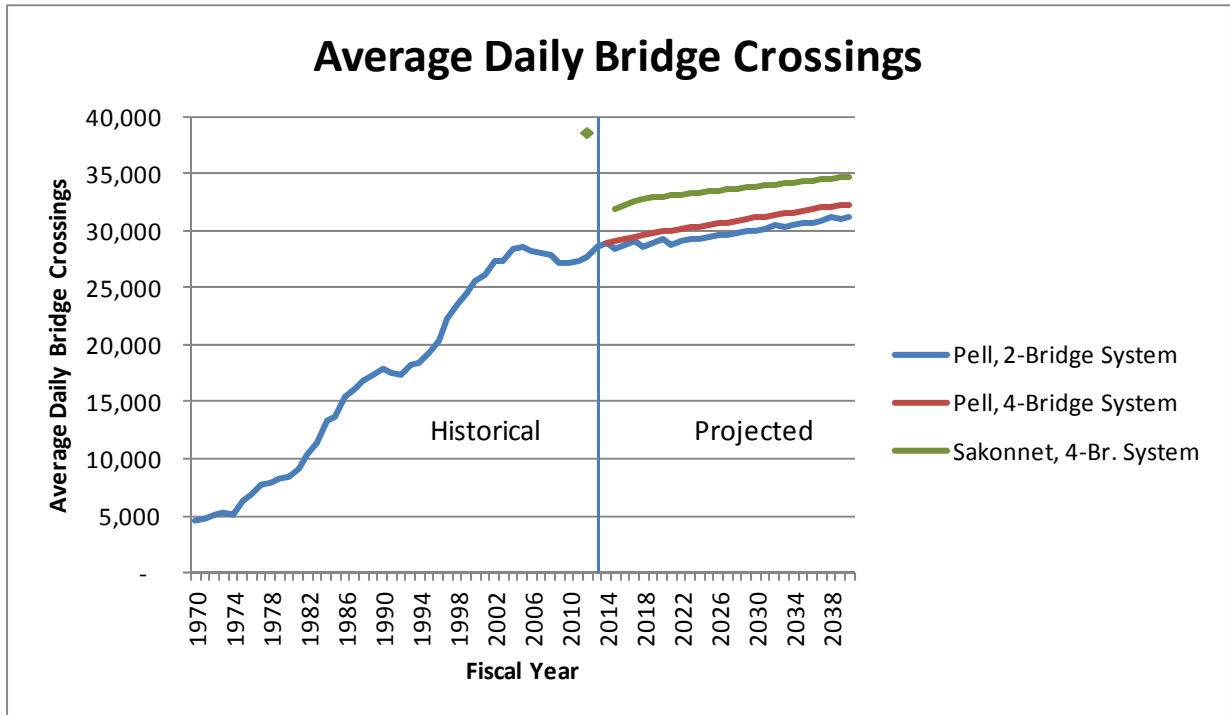
Traffic Estimates

Currently, traffic on the Newport Pell Bridge averages about 28,000 vehicles per day. Sakonnet River Bridge traffic prior to the current tolling averaged some 39,000 vehicles a day; however, with the toll rates presented herein, it is estimated that 20 percent of the 39,000 vehicles per day will not use the Sakonnet River Bridge. Of these trips, some will divert to the Mt. Hope Bridge, some will become carpools, a small number will use the Newport Pell Bridge instead, and some will no longer be made.

Jacobs' current estimate of background traffic growth (i.e., growth without toll increases) is consistent with the forecasts developed for the FEIS Re-evaluation prepared for the Sakonnet River Bridge.

Figure 1 shows Jacobs' estimates of future traffic on the Newport Pell and Sakonnet River Bridges with the proposed toll rates for the Four-Bridge and Two-Bridge scenarios.

Figure 1: Historical and Future Traffic Estimates, Newport Pell Bridge and Sakonnet River Bridge



Gross Revenue Estimates

Table 4 presents Jacobs’ estimates of gross revenues through 2042 for the two tolling scenarios. For the Sakonnet River Bridge, toll revenue leakage associated with bad video images, customers who cannot be reached, etc., were estimated from data from other AET facilities, and have been considered in the projections. Revenue resulting from payment of ORT lane violations and E-ZPass statement fees is based on actual data for the Pell Bridge. RITBA will also collect revenue from the Sakonnet River Bridge in the form of late fees from video customers.

Revenues from the sale of RI E-ZPass transponders have also been included in Table 4. Interior transponders are sold by RITBA for \$20.95, while a small share of exterior transponders are sold for \$33.04. Transponder sales increased when tolling began on the Sakonnet River Bridge. Overall, the number of transponders sold will decrease over time as E-ZPass usage ramps up, but there are occasional “bumps” in the transponder sales forecasts where replacement tags are purchased. An E-ZPass transponder’s life span is about 8 to 9 years.

Table 4: RITBA Gross Annual Revenues in Millions

| FY | Four-Bridge Scenario Revenues | | | | | | Two-Bridge Scenario Revenues | | | | | |
|------|-------------------------------|---------------------------------|----------|-----------|-------------------|---------------|------------------------------|---------------------------------|----------|-----------|-------------------|---------------|
| | Newport Pell | | Sakonnet | | Transponder Sales | TOTAL | Newport Pell | | Sakonnet | | Transponder Sales | TOTAL |
| | Tolls | Violations + E-ZPass Statements | Tolls | Late Fees | | | Tolls | Violations + E-ZPass Statements | Tolls | Late Fees | | |
| 2014 | \$17.8 | \$ 0.8 | \$ 2.6 | \$ - | \$ 0.8 | \$22.1 | \$17.8 | \$ 0.8 | \$0.5 | \$ - | \$ 0.3 | \$19.5 |
| 2015 | \$17.1 | \$ 0.8 | \$15.0 | \$ 0.5 | \$ 0.7 | \$34.2 | \$20.9 | \$ 0.8 | \$- | \$ - | \$ 0.3 | \$22.0 |
| 2016 | \$17.1 | \$ 0.9 | \$15.0 | \$ 0.6 | \$ 0.4 | \$34.0 | \$21.0 | \$ 0.9 | \$- | \$ - | \$ 0.2 | \$22.1 |
| 2017 | \$17.2 | \$ 0.9 | \$15.1 | \$ 0.6 | \$ 1.6 | \$35.4 | \$21.3 | \$ 0.9 | \$- | \$ - | \$ 1.4 | \$23.6 |
| 2018 | \$17.3 | \$ 0.9 | \$15.3 | \$ 0.6 | \$ 1.0 | \$35.1 | \$25.9 | \$ 0.9 | \$- | \$ - | \$ 0.9 | \$27.7 |
| 2019 | \$17.4 | \$ 0.9 | \$15.6 | \$ 0.5 | \$ 0.7 | \$35.2 | \$26.3 | \$ 0.9 | \$- | \$ - | \$ 0.6 | \$27.8 |
| 2020 | \$18.1 | \$ 0.9 | \$16.0 | \$ 0.5 | \$ 0.7 | \$36.3 | \$26.7 | \$ 0.9 | \$- | \$ - | \$ 0.6 | \$28.2 |
| 2021 | \$18.5 | \$ 0.9 | \$16.4 | \$ 0.5 | \$ 0.3 | \$36.7 | \$32.7 | \$ 0.9 | \$- | \$ - | \$ 0.2 | \$33.8 |
| 2022 | \$19.2 | \$ 0.9 | \$16.9 | \$ 0.5 | \$ 0.6 | \$38.1 | \$33.3 | \$ 0.9 | \$- | \$ - | \$ 0.5 | \$34.7 |
| 2023 | \$19.7 | \$ 0.9 | \$17.3 | \$ 0.6 | \$ 1.5 | \$40.0 | \$33.7 | \$ 0.9 | \$- | \$ - | \$ 0.5 | \$35.2 |
| 2024 | \$20.4 | \$ 1.0 | \$17.8 | \$ 0.6 | \$ 0.9 | \$40.6 | \$36.4 | \$ 1.0 | \$- | \$ - | \$ 0.4 | \$37.8 |
| 2025 | \$20.9 | \$ 1.0 | \$18.3 | \$ 0.6 | \$ 0.6 | \$41.3 | \$36.7 | \$ 1.0 | \$- | \$ - | \$ 0.3 | \$38.0 |
| 2026 | \$21.7 | \$ 1.0 | \$18.8 | \$ 0.6 | \$ 1.8 | \$43.8 | \$37.0 | \$ 1.0 | \$- | \$ - | \$ 1.6 | \$39.6 |
| 2027 | \$22.2 | \$ 1.0 | \$19.3 | \$ 0.6 | \$ 1.2 | \$44.2 | \$39.8 | \$ 1.0 | \$- | \$ - | \$ 1.0 | \$41.8 |
| 2028 | \$22.7 | \$ 1.0 | \$19.8 | \$ 0.6 | \$ 0.9 | \$45.0 | \$40.1 | \$ 1.0 | \$- | \$ - | \$ 0.7 | \$41.9 |
| 2029 | \$23.5 | \$ 1.0 | \$20.3 | \$ 0.6 | \$ 0.9 | \$46.3 | \$40.5 | \$ 1.0 | \$- | \$ - | \$ 0.7 | \$42.2 |
| 2030 | \$24.0 | \$ 1.1 | \$20.9 | \$ 0.6 | \$ 0.4 | \$47.0 | \$43.1 | \$ 1.1 | \$- | \$ - | \$ 0.3 | \$44.5 |
| 2031 | \$24.8 | \$ 1.1 | \$21.4 | \$ 0.6 | \$ 0.7 | \$48.7 | \$43.5 | \$ 1.1 | \$- | \$ - | \$ 0.6 | \$45.2 |
| 2032 | \$25.7 | \$ 1.1 | \$22.0 | \$ 0.6 | \$ 1.7 | \$51.1 | \$43.8 | \$ 1.1 | \$- | \$ - | \$ 0.6 | \$45.5 |
| 2033 | \$26.3 | \$ 1.1 | \$22.6 | \$ 0.7 | \$ 1.0 | \$51.7 | \$47.3 | \$ 1.1 | \$- | \$ - | \$ 0.6 | \$49.0 |
| 2034 | \$27.2 | \$ 1.1 | \$23.2 | \$ 0.7 | \$ 0.8 | \$52.9 | \$47.7 | \$ 1.1 | \$- | \$ - | \$ 0.5 | \$49.3 |
| 2035 | \$27.8 | \$ 1.1 | \$23.8 | \$ 0.7 | \$ 2.0 | \$55.4 | \$48.1 | \$ 1.1 | \$- | \$ - | \$ 1.7 | \$50.9 |
| 2036 | \$28.7 | \$ 1.2 | \$24.5 | \$ 0.7 | \$ 1.4 | \$56.4 | \$51.5 | \$ 1.2 | \$- | \$ - | \$ 1.1 | \$53.8 |
| 2037 | \$29.4 | \$ 1.2 | \$25.1 | \$ 0.7 | \$ 1.1 | \$57.4 | \$51.9 | \$ 1.2 | \$- | \$ - | \$ 0.9 | \$53.9 |
| 2038 | \$30.3 | \$ 1.2 | \$25.8 | \$ 0.7 | \$ 1.0 | \$59.1 | \$52.3 | \$ 1.2 | \$- | \$ - | \$ 0.8 | \$54.3 |
| 2039 | \$31.3 | \$ 1.2 | \$26.5 | \$ 0.7 | \$ 0.6 | \$60.4 | \$55.9 | \$ 1.2 | \$- | \$ - | \$ 0.4 | \$57.5 |
| 2040 | \$32.4 | \$ 1.2 | \$27.2 | \$ 0.7 | \$ 0.9 | \$62.5 | \$59.7 | \$ 1.2 | \$- | \$ - | \$ 0.8 | \$61.7 |
| 2041 | \$33.5 | \$ 1.2 | \$27.9 | \$ 0.8 | \$ 1.8 | \$65.2 | \$63.8 | \$ 1.2 | \$- | \$ - | \$ 0.8 | \$65.8 |
| 2042 | \$34.6 | \$ 1.3 | \$28.7 | \$ 0.8 | \$ 1.2 | \$66.5 | \$68.2 | \$ 1.3 | \$- | \$ - | \$ 0.7 | \$70.2 |

As the table shows, with the proposed toll rates the Four-Bridge System is expected to collect \$34.2M in revenues in FY 15 while the Two-Bridge System will collect \$22.0M. These numbers grow to \$40.0M and \$33.2M by FY 2023 for the two scenarios, respectively.

Pell Bridge toll revenue declines by \$0.2M from FY 2015 to FY 2016 with the Four-Bridge System. This is primarily due to the expected increase in E-ZPass usage that pays a lower toll rate.

Operation and Maintenance Costs

Newport Pell Bridge / Mt. Hope Bridge

Jacobs and RITBA staff worked closely together to identify, evaluate, and forecast operations and maintenance costs (O&M) for Newport Pell and Mt. Hope Bridges. The primary data source was RITBA's most recent estimates for their FY 14 and FY 15 budget. Cost escalation factors were derived and applied individually to the various cost elements to determine the future O&M costs.

The O&M costs for these two bridges included the following elements:

- Personnel Services costs, which consists of payroll, benefits, and payroll taxes
- Insurance costs
- Cost for professional services
- Pell and Mt. Hope Bridge routine maintenance costs, including supplies and IT equipment maintenance
- Toll equipment and maintenance at the Pell Bridge
- "Other" O&M costs including marketing, dues and subscriptions, travel and meetings, and host community costs
- Motor vehicle maintenance costs
- Building maintenance costs, including office supplies and IT data and equipment maintenance, and telephone
- Safety and security costs
- E-ZPass back office and transaction processing costs which include E-ZPass toll collection, back office staffing, toll system maintenance, postage, credit card fees and transponder costs.
- Compliance expenses
- Miscellaneous expenses, including uniforms, rubbish removal, and engineering expenses
- ORT violation collection expenses.

Sakonnet River Bridge / Jamestown-Verrazzano Bridge

For this financial analysis the Sakonnet and Jamestown O&M costs were treated as *additional* costs to RITBA for the operation and maintenance of these two bridges, including operational costs related to tolling the Sakonnet River Bridge. No allocation was made for RITBA common costs to the Four Bridge Scenario. The following assumptions were used in preparing O&M estimates for the Sakonnet River and Jamestown-Verrazzano Bridges:

- No additional RITBA personnel services costs (payroll/benefits) have been assumed
- Insurance costs. RIDOT covers all of the insurance for the Jamestown Bridge and most of the Sakonnet River Bridge, RITBA is responsible for \$100K per year of the Sakonnet River Bridge insurance cost.
- Additional costs for professional services
- Sakonnet and Jamestown Bridge routine maintenance costs, including supplies and IT equipment maintenance
- Toll equipment and maintenance at the Sakonnet River Bridge
- “Other” O&M costs including additional advertising and marketing costs
- No additional motor vehicle maintenance costs have been assumed
- Additional building maintenance costs, including any additional costs for telephone, cable/internet, and IT data and equipment maintenance
- Safety and security costs
- Additional costs related to E-ZPass toll collection
- Compliance expenses
- Sakonnet video toll collections costs.

Table 5 presents the future O&M cost estimates for the two scenarios analyzed.

Table 5: Operations and Maintenance Estimates, in Millions

| FY | Four-Bridge Scenario O&M | | | Two-Bridge Scenario O&M | | |
|------|-------------------------------|-------------------------|---------|-------------------------------|-------------------------|---------|
| | Newport Pell / Mt. Hope | Sakonnet / Jamestown | TOTAL | Newport Pell / Mt. Hope | Sakonnet / Jamestown | TOTAL |
| 2014 | \$ 8.8 | \$ 0.3 | \$ 9.1 | \$ 8.8 | \$ - | \$ 8.8 |
| 2015 | \$ 8.5 | \$ 1.9 | \$ 10.4 | \$ 8.5 | \$ - | \$ 8.5 |
| 2016 | \$ 8.7 | \$ 1.9 | \$ 10.6 | \$ 8.7 | \$ - | \$ 8.7 |
| 2017 | \$ 8.9 | \$ 1.9 | \$ 10.8 | \$ 8.9 | \$ - | \$ 8.9 |
| 2018 | \$ 9.2 | \$ 1.9 | \$ 11.0 | \$ 9.2 | \$ - | \$ 9.2 |
| 2019 | \$ 9.4 | \$ 1.9 | \$ 11.3 | \$ 9.4 | \$ - | \$ 9.4 |
| 2020 | \$ 9.7 | \$ 1.9 | \$ 11.6 | \$ 9.7 | \$ - | \$ 9.7 |
| 2021 | \$ 10.0 | \$ 1.9 | \$ 11.9 | \$ 10.0 | \$ - | \$ 10.0 |
| 2022 | \$ 10.3 | \$ 2.0 | \$ 12.3 | \$ 10.3 | \$ - | \$ 10.3 |
| 2023 | \$ 10.6 | \$ 2.0 | \$ 12.7 | \$ 10.6 | \$ - | \$ 10.6 |
| 2024 | \$ 11.0 | \$ 2.1 | \$ 13.1 | \$ 11.0 | \$ - | \$ 11.0 |
| 2025 | \$ 11.3 | \$ 2.2 | \$ 13.5 | \$ 11.3 | \$ - | \$ 11.3 |
| 2026 | \$ 11.7 | \$ 2.2 | \$ 13.9 | \$ 11.7 | \$ - | \$ 11.7 |
| 2027 | \$ 12.1 | \$ 2.3 | \$ 14.4 | \$ 12.1 | \$ - | \$ 12.1 |
| 2028 | \$ 12.5 | \$ 2.3 | \$ 14.8 | \$ 12.5 | \$ - | \$ 12.5 |
| 2029 | \$ 12.9 | \$ 2.4 | \$ 15.3 | \$ 12.9 | \$ - | \$ 12.9 |
| 2030 | \$ 13.3 | \$ 2.5 | \$ 15.8 | \$ 13.3 | \$ - | \$ 13.3 |
| 2031 | \$ 13.7 | \$ 2.5 | \$ 16.3 | \$ 13.7 | \$ - | \$ 13.7 |
| 2032 | \$ 14.2 | \$ 2.6 | \$ 16.8 | \$ 14.2 | \$ - | \$ 14.2 |
| 2033 | \$ 14.6 | \$ 2.7 | \$ 17.3 | \$ 14.6 | \$ - | \$ 14.6 |
| 2034 | \$ 15.1 | \$ 2.8 | \$ 17.9 | \$ 15.1 | \$ - | \$ 15.1 |
| 2035 | \$ 15.6 | \$ 2.8 | \$ 18.4 | \$ 15.6 | \$ - | \$ 15.6 |
| 2036 | \$ 16.1 | \$ 2.9 | \$ 19.0 | \$ 16.1 | \$ - | \$ 16.1 |
| 2037 | \$ 16.6 | \$ 3.0 | \$ 19.6 | \$ 16.6 | \$ - | \$ 16.6 |
| 2038 | \$ 17.1 | \$ 3.1 | \$ 20.2 | \$ 17.1 | \$ - | \$ 17.1 |
| 2039 | \$ 17.7 | \$ 3.2 | \$ 20.9 | \$ 17.7 | \$ - | \$ 17.7 |
| 2040 | \$ 18.3 | \$ 3.3 | \$ 21.6 | \$ 18.3 | \$ - | \$ 18.3 |
| 2041 | \$ 18.9 | \$ 3.4 | \$ 22.3 | \$ 18.9 | \$ - | \$ 18.9 |
| 2042 | \$ 19.5 | \$ 3.5 | \$ 23.0 | \$ 19.5 | \$ - | \$ 19.5 |

Financial Analysis

First Southwest (FSW) conducted financial analyses to fully fund the adopted April 1, 2014 RITBA 10-year plan using the net revenue estimates contained in this analysis, proposed 10-year capital plan costs, and the existing debt service. FSW’s plan of finance each of the two scenarios includes revenues from three future bond sales between now and 2019, and the associated projections of debt service for those new bond sales. Table 6 and Table 7 show the funding that RITBA is projected to obtain through those future bond sales for the Four-Bridge and Two-Bridge scenarios, respectively.

Table 6: Revenues from Proposed Future Bond Sales, Four-Bridge System

| | Bond Revenues |
|----------------------|---------------|
| Proposed Series 2015 | \$68,090,000 |
| Proposed Series 2017 | \$45,375,000 |
| Proposed Series 2019 | \$56,360,000 |

Table 7: Revenues from Proposed Future Bond Sales, Two-Bridge System

| | Bond Revenues |
|----------------------|---------------|
| Proposed Series 2015 | \$68,090,000 |
| Proposed Series 2017 | \$77,035,000 |
| Proposed Series 2019 | \$25,585,000 |

The Federal Highway Administration’s (FHWA’s) Title 23 is also a consideration in this financial analysis, because the Sakonnet River Bridge is part of the Federal-aid system. Title 23 specifically addresses the conditions and allowances for tolling Federal-aid or other facilities under the direction of FHWA; it limits the projects that can legally be funded by Sakonnet River Bridge toll revenues. Therefore, with the Four-Bridge System, it was necessary to split the RITBA’s costs into two categories: those that can legally be funded by Sakonnet revenues (“Title 23”) and those that must be funded by Newport Pell Bridge revenues (“Non-Title 23”).

Another constraint to the financing plan is the RITBA Board policy of maintaining a debt service coverage ratio of at least 1.50x for each toll bridge with the intended effect of maintaining RITBA’s existing credit rating levels.

FSW developed a plan of finance for each of the two scenarios. Net toll revenues, projected annual debt service, and debt service coverage ratios for the Four-Bridge System for the Newport Pell and Sakonnet River Bridges are shown in Table 8 and Table 9. For each bridge the annual debt service coverage ratios are 1.50 or above. It is important to note that in FY 2022 through FY 2037 the coverage ratio is at this minimum coverage for the Sakonnet River Bridge. Any unforeseen occurrence such as extended bad weather, a longer period of economic distress or some other change in the factors affecting travel may result in a coverage ratio below 1.5. If that occurs, actions the RITBA may take include delaying or changing the proposed capital plan, raising tolls or some combination of these and other actions.

Table 10 shows the net toll revenues, projected annual debt service, and debt service coverage ratios for the Newport Pell Bridges under the Two-Bridge Scenario. While the Newport Pell Bridge has adequate coverage ratios throughout, FY 2017 coverage is just above the minimum, at 1.51. Again, any circumstance resulting in a lower coverage ratio can be mitigated by an increase in tolls and/or changes to the capital plan.

Limits and Disclaimers

It is Jacobs' opinion that the traffic and toll revenue forecasts provided herein are reasonable and that they have been prepared in accordance with accepted industry-wide practice. However, given the uncertainties within the current economic climate, it is important to note the following assumptions which, in our opinion, are reasonable:

- This report presents the results of Jacobs' consideration of the information available as of the date hereof and the application of our experience and professional judgment to that information. It is not a guarantee of any future events or trends.
- The traffic and revenue estimates will be subject to future economic and social conditions, demographic developments and regional transportation construction activities that cannot be predicted with certainty.
- The estimates contained in this report, while presented with numeric specificity, are based on a number of estimates and assumptions which, though considered reasonable to us, are inherently subject to economic and competitive uncertainties and contingencies, most of which are beyond the control of the RITBA and cannot be predicted with certainty. In many instances, a broad range of alternative assumptions could be considered reasonable. Changes in the assumptions used could result in material differences in estimated outcomes.

This memorandum was prepared for planning purposes to assist the RITBA Board in its decisions. It is not suitable for and cannot be used to secure financing.

Table 8: NEWPORT PELL BRIDGE Projected Debt Service and Coverage, Four-Bridge System

| Fiscal Year | Newport Pell Projected Net Revenues | | | Existing Newport Pell Debt Service | | | Total Projected Coverage |
|-------------|-------------------------------------|--------------|---------------|------------------------------------|----------------------|-----------------------|--------------------------|
| | Gross Revenues | O&M Expenses | Net Revenues | Series 2003 | Series 2010 | Total Debt Service | |
| 2014 | \$ 18,997,240 | \$ 8,756,073 | \$ 10,241,166 | \$ 3,257,498 | \$ 2,387,400 | \$ 5,644,898 | 1.81 x |
| 2015 | 18,283,008 | 8,453,281 | 9,829,727 | 3,251,984 | 2,387,400 | 5,639,384 | 1.74 x |
| 2016 | 18,214,615 | 8,683,683 | 9,530,932 | 3,247,296 | 2,387,400 | 5,634,696 | 1.69 x |
| 2017 | 19,535,662 | 8,921,903 | 10,613,759 | 3,247,536 | 2,387,400 | 5,634,936 | 1.88 x |
| 2018 | 19,112,016 | 9,168,212 | 9,943,804 | 3,237,503 | 2,387,400 | 5,624,903 | 1.77 x |
| 2019 | 18,937,936 | 9,422,892 | 9,515,045 | | 3,708,863 | 3,708,863 | 2.57 x |
| 2020 | 19,603,816 | 9,686,231 | 9,917,585 | | 3,710,200 | 3,710,200 | 2.67 x |
| 2021 | 19,625,461 | 9,994,531 | 9,630,931 | | 3,708,200 | 3,708,200 | 2.60 x |
| 2022 | 20,654,880 | 10,313,182 | 10,341,698 | | 3,710,425 | 3,710,425 | 2.79 x |
| 2023 | 21,125,522 | 10,642,539 | 10,482,983 | | 3,707,425 | 3,707,425 | 2.83 x |
| 2024 | 21,838,498 | 10,982,967 | 10,855,531 | | 3,710,778 | 3,710,778 | 2.93 x |
| 2025 | 22,224,931 | 11,334,847 | 10,890,084 | | 3,709,150 | 3,709,150 | 2.94 x |
| 2026 | 24,222,309 | 11,698,569 | 12,523,740 | | 3,711,006 | 3,711,006 | 3.37 x |
| 2027 | 24,188,112 | 12,074,540 | 12,113,572 | | 3,707,081 | 3,707,081 | 3.27 x |
| 2028 | 24,405,919 | 12,463,178 | 11,942,741 | | 3,708,084 | 3,708,084 | 3.22 x |
| 2029 | 25,199,191 | 12,864,918 | 12,334,273 | | 3,712,566 | 3,712,566 | 3.32 x |
| 2030 | 25,372,927 | 13,280,209 | 12,092,718 | | 3,711,050 | 3,711,050 | 3.26 x |
| 2031 | 26,544,687 | 13,709,515 | 12,835,172 | | 3,709,294 | 3,709,294 | 3.46 x |
| 2032 | 27,401,528 | 14,153,317 | 13,248,211 | | 3,713,253 | 3,713,253 | 3.57 x |
| 2033 | 27,984,336 | 14,612,111 | 13,372,225 | | 3,712,250 | 3,712,250 | 3.60 x |
| 2034 | 28,780,961 | 15,086,412 | 13,694,549 | | 3,714,650 | 3,714,650 | 3.69 x |
| 2035 | 30,638,020 | 15,576,752 | 15,061,268 | | 3,710,194 | 3,710,194 | 4.06 x |
| 2036 | 31,028,935 | 16,083,680 | 14,945,255 | | 3,713,500 | 3,713,500 | 4.02 x |
| 2037 | 31,396,767 | 16,607,767 | 14,789,000 | | 3,715,250 | 3,715,250 | 3.98 x |
| 2038 | 32,370,825 | 17,149,600 | 15,221,225 | | 3,715,250 | 3,715,250 | 4.10 x |
| 2039 | 32,994,880 | 17,709,789 | 15,285,091 | | 3,712,125 | 3,712,125 | 4.12 x |
| 2040 | 34,391,845 | 18,288,965 | 16,102,880 | | 3,710,500 | 3,710,500 | 4.34 x |
| 2041 | 35,467,843 | 18,887,779 | 16,580,064 | | - | - | - |
| 2042 | 36,564,037 | 19,506,906 | 17,057,131 | | - | - | - |
| 2043 | 36,564,037 | 17,042,034 | 19,522,003 | | - | - | - |
| 2044 | 36,564,037 | 17,042,034 | 19,522,003 | | - | - | - |
| 2045 | 36,564,037 | 17,042,034 | 19,522,003 | | - | - | - |
| 2046 | 36,564,037 | 17,042,034 | 19,522,003 | | - | - | - |
| 2047 | 36,564,037 | 17,042,034 | 19,522,003 | | - | - | - |
| 2048 | 36,564,037 | 17,042,034 | 19,522,003 | | - | - | - |
| 2049 | 36,564,037 | 17,042,034 | 19,522,003 | | - | - | - |
| 2050 | 36,564,037 | 17,042,034 | 19,522,003 | | - | - | - |
| 2051 | 36,564,037 | 17,042,034 | 19,522,003 | | - | - | - |
| 2052 | 36,564,037 | 17,042,034 | 19,522,003 | | - | - | - |
| | | | | <u>\$ 16,241,816</u> | <u>\$ 93,578,094</u> | <u>\$ 109,819,910</u> | |

Table 9: SAKONNET RIVER BRIDGE Projected Debt Service and Coverage, Four-Bridge System

| Fiscal Year | Sakonnet Projected Net Revenues | | | Sakonnet Proposed New Debt Service | | | | Total Projected Coverage |
|-------------|---------------------------------|--------------|--------------|------------------------------------|-----------------------|----------------------|-----------------------|--------------------------|
| | Gross Revenues | O&M Expenses | Net Revenues | Series 2015A&B | Series 2017 | Series 2019 | Total Debt Service | |
| 2014 | \$ 3,084,589 | \$ 299,997 | \$ 2,784,591 | \$ - | \$ - | \$ - | \$ - | - |
| 2015 | 15,870,439 | 1,931,604 | 13,938,835 | - | - | - | - | - |
| 2016 | 15,744,453 | 1,874,919 | 13,869,533 | 7,369,693 | - | - | 7,369,693 | 1.88 x |
| 2017 | 15,839,066 | 1,850,761 | 13,988,305 | 7,417,900 | - | - | 7,417,900 | 1.89 x |
| 2018 | 16,025,676 | 1,853,899 | 14,171,777 | 4,377,400 | 3,056,510 | - | 7,433,910 | 1.91 x |
| 2019 | 16,309,630 | 1,866,786 | 14,442,844 | 4,379,650 | 2,835,938 | - | 7,215,588 | 2.00 x |
| 2020 | 16,649,627 | 1,889,216 | 14,760,411 | 4,376,000 | 2,835,938 | - | 7,211,938 | 2.05 x |
| 2021 | 17,054,054 | 1,939,582 | 15,114,472 | 4,376,600 | 2,835,938 | - | 7,212,538 | 2.10 x |
| 2022 | 17,493,267 | 1,991,582 | 15,501,684 | 4,376,300 | 2,835,938 | 3,120,503 | 10,332,740 | 1.50 x |
| 2023 | 18,894,583 | 2,045,271 | 16,849,312 | 4,374,700 | 2,835,938 | 4,018,900 | 11,229,538 | 1.50 x |
| 2024 | 18,785,328 | 2,100,704 | 16,684,624 | 4,375,700 | 2,835,938 | 3,908,588 | 11,120,225 | 1.50 x |
| 2025 | 19,099,838 | 2,157,939 | 16,941,899 | 4,378,950 | 2,835,938 | 4,076,200 | 11,291,088 | 1.50 x |
| 2026 | 19,581,455 | 2,217,036 | 17,364,418 | 4,379,200 | 2,835,938 | 4,357,800 | 11,572,938 | 1.50 x |
| 2027 | 20,057,532 | 2,278,058 | 17,779,475 | 4,378,900 | 2,835,938 | 4,634,238 | 11,849,075 | 1.50 x |
| 2028 | 20,571,433 | 2,341,067 | 18,230,366 | 4,379,100 | 2,835,938 | 4,933,625 | 12,148,663 | 1.50 x |
| 2029 | 21,092,529 | 2,406,130 | 18,686,399 | 4,379,500 | 2,835,938 | 5,238,588 | 12,454,025 | 1.50 x |
| 2030 | 21,613,202 | 2,473,315 | 19,139,887 | 4,374,800 | 2,835,938 | 5,547,813 | 12,758,550 | 1.50 x |
| 2031 | 22,170,846 | 2,542,693 | 19,628,152 | 4,375,000 | 2,835,938 | 5,869,688 | 13,080,625 | 1.50 x |
| 2032 | 23,693,862 | 2,614,337 | 21,079,525 | 4,374,500 | 2,835,938 | 6,841,563 | 14,052,000 | 1.50 x |
| 2033 | 23,713,666 | 2,688,322 | 21,025,345 | 4,378,000 | 2,835,938 | 6,800,938 | 14,014,875 | 1.50 x |
| 2034 | 24,158,683 | 2,764,726 | 21,393,957 | 4,374,900 | 2,835,938 | 7,046,563 | 14,257,400 | 1.50 x |
| 2035 | 24,776,349 | 2,843,629 | 21,932,720 | 4,375,200 | 2,835,938 | 7,409,688 | 14,620,825 | 1.50 x |
| 2036 | 25,392,112 | 2,925,115 | 22,466,997 | 4,378,300 | 2,835,938 | 7,760,938 | 14,975,175 | 1.50 x |
| 2037 | 26,047,433 | 3,009,269 | 23,038,163 | 4,378,600 | 2,835,938 | 8,143,438 | 15,357,975 | 1.50 x |
| 2038 | 26,716,785 | 3,096,181 | 23,620,603 | 4,375,800 | 2,835,938 | 5,099,783 | 12,311,520 | 1.92 x |
| 2039 | 27,386,653 | 3,185,943 | 24,200,711 | 4,374,600 | 2,835,938 | - | 7,210,538 | 3.36 x |
| 2040 | 28,099,537 | 3,278,648 | 24,820,889 | 4,379,400 | 2,835,938 | - | 7,215,338 | 3.44 x |
| 2041 | 29,781,831 | 3,374,397 | 26,407,434 | 4,379,300 | 2,985,938 | - | 7,365,238 | 3.59 x |
| 2042 | 29,964,054 | 3,473,289 | 26,490,765 | 4,374,000 | 3,046,563 | - | 7,420,563 | 3.57 x |
| 2043 | 29,964,054 | 3,473,289 | 26,490,765 | 4,378,200 | 3,437,813 | - | 7,816,013 | 3.39 x |
| 2044 | 29,964,054 | 3,473,289 | 26,490,765 | 4,375,700 | 3,438,750 | - | 7,814,450 | 3.39 x |
| 2045 | 29,964,054 | 3,473,289 | 26,490,765 | 4,375,586 | 3,212,188 | - | 7,587,773 | 3.49 x |
| 2046 | 29,964,054 | 3,473,289 | 26,490,765 | - | 7,817,188 | - | 7,817,188 | 3.39 x |
| 2047 | 29,964,054 | 3,473,289 | 26,490,765 | - | 7,812,500 | - | 7,812,500 | 3.39 x |
| 2048 | 29,964,054 | 3,473,289 | 26,490,765 | - | 7,813,125 | - | 7,813,125 | 3.39 x |
| 2049 | 29,964,054 | 3,473,289 | 26,490,765 | - | 7,812,500 | - | 7,812,500 | 3.39 x |
| 2050 | 29,964,054 | 3,473,289 | 26,490,765 | - | 7,814,375 | - | 7,814,375 | 3.39 x |
| 2051 | 29,964,054 | 3,473,289 | 26,490,765 | - | 7,812,188 | - | 7,812,188 | 3.39 x |
| 2052 | 29,964,054 | 3,473,289 | 26,490,765 | - | 7,814,688 | - | 7,814,688 | 3.39 x |
| | | | | <u>\$ 137,341,479</u> | <u>\$ 136,264,948</u> | <u>\$ 94,808,848</u> | <u>\$ 368,415,275</u> | |



Memorandum

RITBA Toll Rates with Four-Bridge and Two-Bridge System

Table 10: NEWPORT PELL BRIDGE Projected Debt Service and Coverage, Two-Bridge System

| Fiscal Year | Newport Pell Projected Net Revenues | | | Existing Newport Pell Debt Service | | | Newport Pell Proposed New Debt Service | | | | Total Newport Debt Service | Total Projected Coverage |
|-------------|-------------------------------------|----------------------|-----------------------|------------------------------------|-----------------------|----------------------|--|-----------------------|-------------|------------|----------------------------|--------------------------|
| | Gross Revenues | O&M Expenses | Net Revenues | Series 2003 | Series 2010 | Total | Series 2015A&B | Series 2017 | Series 2019 | Total | | |
| 2014 | \$ 18,997,240 | \$ 8,756,073 | \$ 10,241,166 | \$ 3,257,498 | \$ 2,387,400 | \$ 5,644,898 | \$ - | \$ - | \$ - | \$ - | \$ 5,644,898 | 1.81 x |
| 2015 | 21,997,510 | 8,453,281 | 13,544,229 | 3,251,984 | 2,387,400 | 5,639,384 | - | - | - | - | 5,639,384 | 2.40 x |
| 2016 | 22,090,404 | 8,683,683 | 13,406,721 | 3,247,296 | 2,387,400 | 5,634,696 | 3,214,594 | - | - | 3,214,594 | 8,849,290 | 1.52 x |
| 2017 | 23,560,049 | 8,921,903 | 14,638,146 | 3,247,536 | 2,387,400 | 5,634,936 | 4,046,200 | - | - | 4,046,200 | 9,681,136 | 1.51 x |
| 2018 | 27,713,960 | 9,168,212 | 18,545,748 | 3,237,503 | 2,387,400 | 5,624,903 | 6,340,200 | - | - | 6,340,200 | 11,965,103 | 1.55 x |
| 2019 | 27,845,224 | 9,422,892 | 18,422,333 | - | 3,708,863 | 3,708,863 | 4,815,200 | 3,370,281 | - | 8,185,481 | 11,894,344 | 1.55 x |
| 2020 | 28,180,213 | 9,686,231 | 18,493,982 | - | 3,710,200 | 3,710,200 | 4,818,700 | 3,370,281 | 173,232 | 8,362,213 | 12,072,413 | 1.53 x |
| 2021 | 33,835,867 | 9,994,531 | 23,841,336 | - | 3,708,200 | 3,708,200 | 4,816,150 | 4,814,688 | 1,599,063 | 11,229,900 | 14,938,100 | 1.60 x |
| 2022 | 34,735,686 | 10,313,182 | 24,422,504 | - | 3,710,425 | 3,710,425 | 4,817,700 | 4,814,688 | 1,599,063 | 11,231,450 | 14,941,875 | 1.63 x |
| 2023 | 35,151,142 | 10,642,539 | 24,508,603 | - | 3,707,425 | 3,707,425 | 4,816,700 | 4,814,688 | 1,599,063 | 11,230,450 | 14,937,875 | 1.64 x |
| 2024 | 37,765,203 | 10,982,967 | 26,782,235 | - | 3,710,778 | 3,710,778 | 4,816,950 | 4,814,688 | 1,599,063 | 11,230,700 | 14,941,478 | 1.79 x |
| 2025 | 38,028,656 | 11,334,847 | 26,693,810 | - | 3,709,150 | 3,709,150 | 4,819,200 | 4,814,688 | 1,599,063 | 11,232,950 | 14,942,100 | 1.79 x |
| 2026 | 39,553,507 | 11,698,569 | 27,854,938 | - | 3,711,006 | 3,711,006 | 4,818,200 | 4,814,688 | 1,599,063 | 11,231,950 | 14,942,956 | 1.86 x |
| 2027 | 41,805,157 | 12,074,540 | 29,730,617 | - | 3,707,081 | 3,707,081 | 4,820,100 | 4,814,688 | 1,599,063 | 11,233,850 | 14,940,931 | 1.99 x |
| 2028 | 41,887,439 | 12,463,178 | 29,424,261 | - | 3,708,084 | 3,708,084 | 4,816,900 | 4,814,688 | 1,599,063 | 11,230,650 | 14,938,734 | 1.97 x |
| 2029 | 42,204,443 | 12,864,918 | 29,339,524 | - | 3,712,566 | 3,712,566 | 4,818,600 | 4,814,688 | 1,599,063 | 11,232,350 | 14,944,916 | 1.96 x |
| 2030 | 44,476,117 | 13,280,209 | 31,195,907 | - | 3,711,050 | 3,711,050 | 4,819,600 | 4,814,688 | 1,599,063 | 11,233,350 | 14,944,400 | 2.09 x |
| 2031 | 45,162,901 | 13,709,515 | 31,453,385 | - | 3,709,294 | 3,709,294 | 4,819,600 | 4,814,688 | 1,599,063 | 11,233,350 | 14,942,644 | 2.10 x |
| 2032 | 45,483,004 | 14,153,317 | 31,329,687 | - | 3,713,253 | 3,713,253 | 4,818,300 | 4,814,688 | 1,599,063 | 11,232,050 | 14,945,303 | 2.10 x |
| 2033 | 48,953,139 | 14,612,111 | 34,341,028 | - | 3,712,250 | 3,712,250 | 4,815,400 | 4,814,688 | 1,599,063 | 11,229,150 | 14,941,400 | 2.30 x |
| 2034 | 49,315,965 | 15,086,412 | 34,229,553 | - | 3,714,650 | 3,714,650 | 4,815,600 | 4,814,688 | 1,599,063 | 11,229,350 | 14,944,000 | 2.29 x |
| 2035 | 50,914,586 | 15,576,752 | 35,337,834 | - | 3,710,194 | 3,710,194 | 4,818,300 | 4,814,688 | 1,599,063 | 11,232,050 | 14,942,244 | 2.36 x |
| 2036 | 53,787,377 | 16,083,680 | 37,703,697 | - | 3,713,500 | 3,713,500 | 4,817,900 | 4,814,688 | 1,599,063 | 11,231,650 | 14,945,150 | 2.52 x |
| 2037 | 53,925,341 | 16,607,767 | 37,317,575 | - | 3,715,250 | 3,715,250 | 4,819,100 | 4,814,688 | 1,599,063 | 11,232,850 | 14,948,100 | 2.50 x |
| 2038 | 54,310,920 | 17,149,600 | 37,161,320 | - | 3,715,250 | 3,715,250 | 4,816,300 | 4,814,688 | 1,599,063 | 11,230,050 | 14,945,300 | 2.49 x |
| 2039 | 57,525,323 | 17,709,789 | 39,815,534 | - | 3,712,125 | 3,712,125 | 4,819,200 | 4,814,688 | 1,599,063 | 11,232,950 | 14,945,075 | 2.66 x |
| 2040 | 61,726,985 | 18,288,965 | 43,438,020 | - | 3,710,500 | 3,710,500 | 4,816,900 | 4,814,688 | 1,599,063 | 11,230,650 | 14,941,150 | 2.91 x |
| 2041 | 65,837,990 | 18,887,779 | 46,950,211 | - | - | - | 4,819,100 | 8,654,688 | 1,599,063 | 15,072,850 | 15,072,850 | 3.11 x |
| 2042 | 70,216,598 | 19,506,906 | 50,709,692 | - | - | - | 4,819,900 | 11,159,688 | 1,599,063 | 17,578,650 | 17,578,650 | 2.88 x |
| 2043 | 70,216,598 | 17,042,034 | 53,174,564 | - | - | - | 4,818,700 | 12,803,125 | 1,599,063 | 19,220,888 | 19,220,888 | 2.77 x |
| 2044 | 70,216,598 | 17,042,034 | 53,174,564 | - | - | - | 4,814,900 | 12,808,125 | 1,599,063 | 19,222,088 | 19,222,088 | 2.77 x |
| 2045 | 70,216,598 | 17,042,034 | 53,174,564 | - | - | - | 4,816,195 | 12,809,063 | 1,599,063 | 19,224,320 | 19,224,320 | 2.77 x |
| 2046 | 70,216,598 | 17,042,034 | 53,174,564 | - | - | - | - | 17,624,063 | 1,599,063 | 19,223,125 | 19,223,125 | 2.77 x |
| 2047 | 70,216,598 | 17,042,034 | 53,174,564 | - | - | - | - | 17,626,500 | 1,599,063 | 19,225,563 | 19,225,563 | 2.77 x |
| 2048 | 70,216,598 | 17,042,034 | 53,174,564 | - | - | - | - | - | 12,764,063 | 12,764,063 | 12,764,063 | 4.17 x |
| 2049 | 70,216,598 | 17,042,034 | 53,174,564 | - | - | - | - | - | 12,762,750 | 12,762,750 | 12,762,750 | 4.17 x |
| 2050 | 70,216,598 | 17,042,034 | 53,174,564 | - | - | - | - | - | - | - | - | - |
| | \$ 16,241,816 | \$ 93,578,094 | \$ 109,819,910 | \$ 143,680,389 | \$ 196,519,562 | \$ 68,874,732 | \$ 409,074,683 | \$ 518,894,593 | | | | |