



MEETING SUMMARY
LOCAL AGENCY REVIEW TEAM MEETING #7
FERRY FINANCING LEGISLATION
SPIKE EIKUM CONFERENCE ROOM, COLMAN DOCK
OCTOBER 30, 2008
1:00 – 3:30 P.M.

Note: This meeting summary represents notes from the Local Agency Review Team (LART) meeting, and is not a formal transcript. It is provided for the information of WSDOT/WSF, LART members, and other interested parties.

Meeting Attendees

<i>Present</i>	<i>LART members</i>
X	Heather McCartney, City of Mukilteo
	Ian Munce, City of Anacortes
	Matt Sheldon, Sound Transit
	Greg Cioc, Kitsap County
	Mike Bertrand, Town of Friday Harbor
	Ann Sutphin, City of Seattle
X	Stephen Clifton, City of Edmonds
X	Mike Sudduth, King County Metro
	Randy Brackett, Island County
X	Phil Williams, City of Bremerton
	Mike Morton, Island County
	Kelly Dickson, City of Bainbridge Island
X	Rick Sepler, City of Port Townsend
X	Shannon Wilbur, San Juan County
	John Clausen, Kitsap Transit
X	Stephen Kiehl, Puget Sound Regional Council
	Mary McClure, Kitsap Regional Coordinating Council

Staff:

Ray Deardorf, WSF
Celine Gihring, WSF
Michael Hodgins, Berk & Associates
Laura LaBissoniere, PRR

Meeting Overview

Ray Deardorf, WSF Planning Director, welcomed attendees to the seventh meeting of the Local Agency Review Team (LART). The agenda focused on a summary of September/October Outreach, a round table discussion of level of service standards, and an update on the LART Draft Plan status. Ray presented four distinct options and the WSF recommendation to be included in the Draft Plan and presented to the Legislature. Members were given the opportunity to provide feedback on the Draft Plan.



Roundtable: Perspectives from LART on Current Ferry Issues

LART members shared the following comments about current WSF activities from their community's perspective. In some cases, staff responses are noted following each comment.

- Commuters on Whidbey Island are concerned that a reservation system might give preference to leisure travelers. They believe commuters should have some priority within the reservation system. This concern was echoed at the public open houses as well.
 - Ray responded that this issue is being addressed in the plan and a portion of the boat will likely be reserved for frequent users. He also noted that this component is not being conveyed adequately at public meetings.
 - Ray also shared that based on feedback received in recent public meetings; public perception of the reservation system is changing. People are becoming more accepting of the idea.
- At recent public meetings in Mukilteo/Whidbey Island, one common concern was the lack of park and rides. Transit providers don't have enough money to buy the land needed to expand and meet demand. There needs to be a seamless transition between these two modes of transportation.
- Port Townsend has one boat out of service. It will be down for four weeks and in the meantime they will run passenger service for commuters. Port Townsend is also expected to receive two new boats the week of Nov. 13th.
- Port Townsend also reported on the implementation of the reservation system. So far it has been relatively seamless in terms of predictability and reducing wait time. In addition, there hasn't been a significant drop in retail sales. They have encountered one challenge; about 50 percent are no shows because people make multiple reservations without a penalty.
 - Ray added that next year a deposit may be required to discourage multiple reservations.
- PSRC gave a presentation to the transportation policy board on their Passenger-Only Ferry study. PSRC also received a visit from David Mosley, the Commissioner, and the JTC and were informed on the status of the state long range finance plan. At both meetings, PRSC boards (elected from the region) felt strongly that the ferry system must work in conjunction with transit. PRSC also needs to collaborate with WSF to align their evolving plans and discuss how POF will be integrated.
- Celine gave an update to the LART members on forecasting. WSDOT is finalizing a set of final alternatives and scenarios and is expected to finish them today—the recommended alternative will be released soon. WSF now has a set of elasticity estimates from the ferry surveys and the Transportation Commissioners have provided estimation models that we will use to develop pricing strategies.

September/October Outreach

Ray passed out a summary of the September/October 2008 Ferries public meetings for the LART members to review. He prefaced the document by explaining that there appeared to be a slight shift in public perception between June/July and September/October meetings. People are becoming more accepting of the



reservation system. In some places, such as Vashon and Southworth, reservations are still not favored.

LART members provided the following suggestions, questions and comments:

- If you make a reservation and a deposit is required, will there be an option in case you miss the boat, to deposit your payment into an account for future use?
 - Michael Hodgins responded that WSF is considering a three tier system:
 - If you call ahead by at least 30 minutes to cancel, your deposit is refunded.
 - If you don't call ahead, but arrive late, you won't lose deposit but will go to back of line.
 - If you don't call or show up, then you lose your money entirely.
- Education is key: there were a lot of misconceptions about the reservation system at our public meetings. People will see the benefits but there is a lot of misinformation that needs to be counteracted.
 - Michael explained that WSF wants to create a preference for frequent users, with a certain percentage of each boat allocated to them.
- Could this benefit be used as an incentive to increase fares?
 - Michael stated that at this phase we're not going to use price to force people out of traveling at peak times. Instead, we will attempt to widen the difference between passenger and car fares and introduce a small car fare. We will rely on these types of pricing strategies that have TDM benefits. He also explained that fares will likely need to increase for revenue purposes.
- Are you still considering charging frequent users summer peak fares?
 - Michael answered that the plan will not incorporate seasonal increases for frequent users. Ray added that frequent users would be affected by vehicle fares increasing more rapidly than passenger fares.

Level of Service Standards (LOS)

Ray/Michael Introduced a discussion about what level of service (LOS) criteria should replace WSF's boat wait standards. Currently, the majority of the ferry system follows the LOS standard for an average one boat wait time. One of the exceptions includes the San Juan Islands, which has a standard that exceeds the one boat wait time at Anacortes. Seattle/Bainbridge and Mukilteo/Clinton are also exceptions, with an average two boat wait. We were asked to revisit LOS standards. Over time, we intend to move toward system wide reservations, but need a metric system to measure LOS that is blind to reservations. This new system might be similar to the current San Juan structure. It will vary by route, depending on how well demand is evenly distributed.

One issue is that can't be measured is whether or not people arrived on time. This information would help in looking at demand for certain routes.

LART members provided the following suggestions, questions and comments:



- If you could find a way to demonstrate this information to the community, a high percentage of people against reservations could change their minds.
- Look at each run individually.
 - Michael: We will look at spread of demand and set goals lower for certain routes because it doesn't make sense to have the same standard for all routes. But we do intend to track them similarly.
- We need to combine passengers and vehicles but use a different metric to measure passenger increases.
 - Michael responded that our primary system sizing issue concerns vehicles. It is important to track walk-ons from a performance management standard but passengers aren't a driving force in system sizing.
- I would encourage more than a single metric because there are other parts of the system that need to be considered so we know if there is a problem elsewhere.
 - Ray responded that in the course of the plan we will propose a methodology. WSF still needs to work with communities and planning organizations to refine the actual standards and make sure they are incorporated in local plans.
- The effort to manage demand, spreading it out over time, could balance supply and demand, but how would you know where the real unconstrained demand is located? Can demand be transferred to passenger ferries?
- Keep track of customer profiles and what their behavior and needs are. Over time, this would provide fairly robust feedback.
- What was concluded in relation to Cedar River Group study?
 - Ray replied that the analysis is still in progress; and they will come out with a draft vessel sizing study to discuss and present on Nov. 17th to the JTC.
 - Michael added that WSF is working on a parallel track.

Plan Status/Schedule of Upcoming Events

Ray directed the LART committee's attention to the formulation, timing and content of the Draft Long Range Plan. He announced that the plan will be released for review with the JTC on Nov. 17th and released for public review Nov. 19-20th. This will allow for a one-month comment period, closing on Friday Dec. 19th.

Ray announced that WSF is planning a series of public hearings on the Draft Plan for two weeks in December. There will be eight meetings. He passed out a schedule of the public hearings and explained that the goal is to present the plan and folio. The meetings will follow a public hearing format, with a ten minute introduction by David Moseley, followed by a 20 minute explanation of the plan by Ray Deardorf.

LART Members provided the following questions and comments:

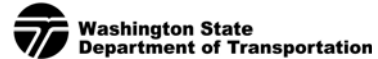


- Given the Thanksgiving holiday, there is not much time for public review of the plan.
 - Michael responded that the timing is tight because of legislative session and the need to tier the development of the plan.

Ray gave a brief explanation about how the plan is taking shape in terms of formatting and content. The Plan is going to be constructed to provide a tiered series of investments and a final recommendation from WSF. The following table outlines the four basic variations, a description and the associated cost.

Option	Description	Cost
A	Updated version of the Draft 2006 plan. Build to accommodate growth without managing demand. There are a lot of familiar elements in this version. It would provide level 2 service investments, 5 bigger boats and no pricing strategies. This option serves as a reference to the old planning methodology and is merely a continuation of how ferries currently operate.	\$5.0 Billion
B	WSF recommendation – provides the best balance of reservations, some, but not all pricing strategies and some of the level-one service improvements. This version adds hours to routes, doesn't increase the number of fleets, accommodates some growth but balances with pricing strategies. It will likely include a small car discount and targeted off-peak discounting. The Transportation Commission is working on its funding study and will focus on this price as a target for raising money.	= < \$3.9 Billion
C	Illustrates the scenario if the legislature doesn't come up with any additional money for the ferry system. This 16 year plan includes the money from fares, dedicated gas tax money, planned transfers of gas tax money from highway to the ferry system. Funding will not meet base program maintenance costs and will result in fairly substantial service reductions. Some routes would be eliminated under this plan.	0
D	This version factors only fares and gas tax funding dedicated to ferries and doesn't include transfers from highway funding. It depicts how system would operate with this degree of funding.	- X

Michael concluded this segment of the discussion by explaining that the four scenarios are the product of conversations with key stakeholders and these elements will likely be the perimeters of the debate. The Plan should provide support for



debate among lawmakers and show the programs that fit under these versions. There will likely to be different variations within each plan, but they offer four distinct views.

Comments

LART Members provided the following questions and comments:

- Do these plans consider political implications and the potential outcomes of the upcoming elections?
 - Michael answered that the plans unveiled are blind to politics. C and D don't require any involvement from Olympia.
- Do you have the equivalent investment cost for options C and D?
 - Michael answered that C and D are already funded because the services are reduced—that is why there is no cost figure associated with them.
- Over what period of time does the plan stretch?
 - The plan outlines WSF services and investments over the next 22 years.
- Do you have programmed cost per year?
 - Michael responded that the dollars are inflated in these estimates—in the plan we will have to make the effects of inflation clear.
- Under B, there are strategies sited, but they are dependent on other improvements. Who is paying for those and are they included in the final cost number?
 - Michael answered that we have identified need, but the overall cost is not necessarily rolled into the number shown.
 - Ray added that this is where the conversation broadens – In 2010 we'll have clear messages about the intermodal connections that our plan is dependent upon.
- Will baseline cost include terminal improvements?
 - Michael responded that it does account for terminal costs.
- Where does the Regional Passenger Only Plan fit into this plan?
 - Michael responded that under C & D, passenger only service might replace current ferries, depending on the final outcome. We've started talking about how to move forward and create modeling on how the two plans will align. This step needs to happen during our planning period next year.
- Looking at option B, what happens when the Legislature requests different variations?
 - Michael explained that there will be different options within B. It can be changed to accommodate these requests, especially during the draft phase.
- When are you expecting the final plan to be released?
 - Ray announced that the final plan will be published in January.
- The timing of the release doesn't provide an opportunity for comment.
 - Ray assured the committee that they will have the opportunity to see the plan before it is released to the public.
- What are some of the service cuts being considered for C and D?
 - Ray answered: Under C, routes that have multiple vessels will be reduced. Under D, route closures will likely occur. The lesser



performing routes where there are other options, such as driving around the water, will be considered. Some of the cuts don't make any sense and fare policy may need to be used to balance the system.

- Who asked you to include D?
 - Ray answered that we included Option D because we want to show the Legislature that we've researched all situations.
- Are you assessing commercial damage?
 - We only have figures to identify ridership loss, not exhaustive economic impact. There could be impacts to other industries (tourism, etc). Option C would induce different growth patterns. The plan does not include an economic analysis.
- Fare increases are already a sensitive issue. We need to talk about subsidies and increments.
- We have a new economic cluster at PSRC that includes tourism.
 - Ray explained that local and state taxes must be defined. As part of the plan, we will develop a strategy and make a clear recommendation.
- The notion of local finance also posits local governance, which is a complicated issue. The local government will expect authority if they provide funding.
- Consider the King County Ferry District model that is locally funded and operated. It provides a good example of how this type of system could operate.
- How do you define local? Anything non-federal and non-state? Many small communities don't have enough money to fund those terminal improvements.

Look Ahead:

Ray thanked the LART for their comments and announced that the next meeting will be held the 2nd or 3rd Thursday in December as noted in the schedule. The meeting was then adjourned.

Meeting Handouts

- Agenda
- WSF Public Meetings Executive Summary September/October 2008
- LART Meeting #6 Draft Summary
- Public Hearing Schedule