



**MEETING SUMMARY  
LOCAL AGENCY REVIEW TEAM MEETING #1  
FERRY FINANCING LEGISLATION  
2901 THIRD AVENUE, WSF  
NOVEMBER 27, 2007  
1:30 – 4:00 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   |
| X              | Ian Munce, City of Anacortes          |
| X              | Matt Shelden, Sound Transit           |
| X              | Greg Cioc, Kitsap County              |
| X              | Mike Bertrand, Town of Friday Harbor  |
| X              | Ann Sutphin, City of Seattle          |
| X              | Stephen Clifton, City of Edmonds      |
| X              | Mike Sudduth, King County Metro       |
| X              | Mike Morton, Island County            |
| X              | Phil Williams, City of Bremerton      |
|                | Greg Byrne, City of Bainbridge Island |
|                | Rick Sepler, City of Port Townsend    |
|                | Pete Rose, San Juan County            |
|                | John Clausen, Kitsap Transit          |

*Staff:*

Ray Deardorf, WSF  
Celine Gihring, WSF  
Joy Goldenberg, WSF  
Michael Hodgins, Berk & Associates  
Rob Berman, KPFF  
Kirsten Hauge, PRR  
Paul Neal, Joint Transportation  
Commission (JTC)

**Meeting Overview**

Ray Deardorf, WSF Planning Director, opened the first meeting of the Local Agency Review Team (LART). Prior to reviewing the agenda, he asked meeting attendees to introduce themselves. Ray then said the meeting would include a review of the LART's proposed charter to ensure the roles and outcomes are clear, as well as a discussion about the ferry bill work plan and technical work elements. He also planned to address the proposed approach to stakeholder and public participation.

**Local Agency Review Team Charter**



Michael Hodgins, Berk & Associates, noted that WSF's intent is to meet eight times over the next year with the LART members, but as the project progresses there may be a need to schedule additional meetings. The purpose of convening the LART is to allow WSF the opportunity to engage with key local agency partners and work collaboratively with them through the long-range plan and ferry finance bill decision-making process. The group's responsibilities are to attend meetings and come prepared to discuss the topics at hand. LART members will receive materials in advance of the meeting for review and are also encouraged to share information within their respective agencies and communities. Rob Berman, KPFF, added that once the LART begins work they can revisit the charter to make sure it still consistent with their assignments.

The role of the LART is to provide a local jurisdiction staff perspective on WSF's work. Since the Transportation Commission and Joint Transportation Committee are also leading some tasks as part of the ferry finance bill work program, the work will eventually become integrated. The Legislature intended all entities to work together to find a solution to address funding gaps. The LART will have the opportunity to see what is happening with those other tasks, such as the Transportation Commission's market survey. LART input will be shared with the Legislature and addressed through the development of the Draft Plan. The scope of the issues at hand was a challenge, but the group would continue to discuss each part of the process and how it relates to the bigger picture.

Paul Neal, JTC, emphasized the importance of coordinating together. He indicated that part of the process is to identify how big of a gap WSF needs to fill to provide adequate ferry service. He added that there was a disconnect last year about how to size the service in response to future needs. It is important that the LART is plugged in the discussion as all three entities work on different pieces of the puzzle.

The group then discussed the best meeting times and locations and agreed to start future meetings at 1:00 p.m. at the Spike Eikum Room at Colman Dock, if available. Meeting on either Wednesdays or Thursdays worked well for most members.

### **Overall Review of WSF Ferry Bill Work Plan**

Ray Deardorf noted that the LART received the complete ferry finance bill as part of their meeting packets as well as a high level work plan that was developed for FAC review. Michael Hodgins added that they were still in the process of finalizing the work plan and there were opportunities for the LART to provide comment. In addition the work plan, he identified a graphic diagram that was developed for the public to illustrate the process.

Michael said that the ferry bill, or Engrossed Substitute House Bill (ESHB) 2358, directed that WSDOT/WSF revisit the 2006 Draft Long-Range Plan identifies how all entities should respond. In particular, the legislature asked for a new look at the plan's projected ridership demand and directed that WSF should study the management of demand through operating and pricing strategies in order to make the greatest use of current assets.

The major components of the ferry bill include updating the demand forecast and identifying how pricing strategies may interact with the demand profile. WSF will



review their process for conducting demand forecasts to ensure it is consistent with regional projections and more effective to model ferry demand. By the end of February, WSF will outline a new baseline forecasts and identify new operations strategies, as well as a shortlist of tools to manage demand. WSF will also consider demand on a route by route or travel shed basis rather than just applying the same strategies systemwide. In mid-February, WSF will then test specific scenarios against future demand, with the idea to build up from what is currently in place and gain understanding of how new service and additional investments change the outlook.

Michael continued by saying that vehicle level of service (LOS) is another element called out for WSF review. In the past, the Transportation Commission adopted a series of LOS standards and now the Legislature has turned that work over to WSF. WSF will now revisit vehicle LOS requirements and use it as a basis for understanding how well they are achieving a particular outcome. The goal is to achieve consensus in early 2008. The terminal design standards will then translate into the specific elements needed on the land side to support the system. The end of the process will result in recommendations for financing and funding mechanisms. The Transportation Commission is charged with looking at different funding options that will tie into the long-range plan. WSF will also provide input into the Transportation Commission's market research survey and connect it to their work. The plan will also incorporate any resulting findings from the JTC's study of public-private partnerships.

Ray said he recognized that the work program mapped out an ambitious schedule. Ideally, all entities would have a longer period to accomplish these tasks, but the Legislature was specific about receiving a final plan by December 2008. In order to allow enough time for public review, WSF must submit the draft long-range plan by September 2008. Since the Transportation Commission will not have completed their market survey prior to September, the results will later be folded into the final plan.

If an agency has comments or concerns in response to the plan, the public comment period for the draft plan is an appropriate time to submit input. In addition, WSF will have a series of discussions in March about individual components of the plan, such as the initial ridership and LOS standards. Then in June, WSF will discuss operating and pricing strategies before developing the bulk of the plan. Ray added that WSF staff will also make themselves available for council briefings.

Ray noted that not shown on the work program are a series of arrows that tie all the efforts together. Each effort is at once fed by and feeds other parallel efforts. Last year, phase one of the Ferry Finance Study posed questions about different foundational components. The questions raised by the study resulted in the need to revisit a number of issues that affect the long-range plan. As a consequence, a lot of the terminal work is put on hold until the 2009 legislative session.

The group discussed the options and need for funding. The Transportation Commission study aims to find options for funding WSF's operating and capital costs. The former plan had some gas tax freeing fares to go toward WSF's capital budget shortfall, but the Legislature directed that this money cannot transfer unless a special component of the fare is especially designated for this purpose. WSF also



intends to cast as wide a net as possible in identifying different demand management strategies. WSF will set up a process by which to look at a lot of different choices.

LART members also said that one of the challenges WSF will face is dealing with tourist traffic and making sure the ferry is user friendly. In addition, most of the WSF's revenue comes from drive-on passengers. If more passengers are encouraged to walk-on it would create a hole in WSF's revenue stream. It was noted that the Legislature is mandating that WSF come up with a class of users and then alternate possibilities for different subgroups or customer bases.

### **Progress Update on Technical Work Elements**

Ray Deardorf then introduced the next agenda item and distributed copies of a presentation to the JTC about the ridership forecasting work plan. Ray noted that WSF previously developed ridership forecasts by using a forecast model based on the Puget Sound Regional Council (PSRC) model. The PSRC model accounts for the area within the four county PSRC region. To augment data in outer areas and generate ferry trips, WSF used a simpler model based on growth rates from the Office of Financial Management (OFM) that traditionally used the middle range. One of the findings was that the PSRC model overestimated cross-sound ferry trips and that it was difficult for a model at that scale to be accurate. Therefore, Celine Gihring's team, along with Sound Transit modelers, came up with an alternate method. The alternate method still uses the PSRC employment and household forecast by applying it to WSF's own model. In this way, it gets around the issue of the PRSC model's forecasted trips.

Ray said that the results of the recent Origin and Destination (O&D) survey are also factored into the forecasts. The team's methodology has been thoroughly vetted by a diverse group of modelers. Celine Gihring, WSF, noted that the main purpose of the new methodology was to address the criticism that the previous ridership forecasts were too high. Modeling is never perfect, but the team feels like they have arrived at the most logical way to forecast future ridership.

Members then provided the following information about what level of OFM and employment forecasts were being used by different jurisdictions.

*Level of OFM Household and Employment Forecasts*

|                  | Low | Low-Medium | Medium | Medium-High | High |
|------------------|-----|------------|--------|-------------|------|
| Island County    |     |            |        | X           |      |
| Jefferson County |     | X          |        |             |      |
| Friday Harbor    |     |            | X      |             |      |

The LART also noted that other factors drive growth besides employment. A lot of growth also happens as a result of "baby boomers" moving to the area and some



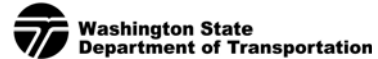
demand is difficult to capture. In some ways, using population growth was not the right model because it didn't necessarily translate to ridership. In the San Juans, the workforce is going away since many people aren't commuting by ferry to work. In addition ridership decreases when rates increase, especially in regard to tourist ridership. They wanted to ensure that the impact of the new Tacoma Narrows Bridge in relation to WSF ridership was also being considered. Another consideration was climate change and the ways people may change their travel patterns in order to cut down greenhouse gas emissions.

WSF will continue to address questions about methodology as part of the process and identify how modeling is handling the split. The group of modelers is also on the same page regarding the econometric model. The next hurdle is to validate the base year model. The LART will be briefed on that matter at the end of February.

Next, Ray called the group's attention to the O&D survey results. He indicated that the results are organized by service area and show how the character of demand is changing over time. He highlighted that the percentage of people that use the ferry to get to work is declining slightly. In addition, people are traveling less per week on average. The O&D results will also feed into WSF's forecasts. In order to get a balanced result, WSF selects either May or October and then conducts the survey during the mid-week commute. WSF did conduct a survey during the peak period on some routes in 1999. Typically, WSF has sized the system based on the median month in acknowledgement that it isn't possible to build to the peak of the peak, but with the intent to support the mid-week commute.

In terms of operating strategies, Ray said WSF currently employs standards that have been in place since 1994. The standards had to be understandable, measurable and predictable. WSF came up with a weekday p.m. peak for a median month and from that developed the standard for the westbound peak direction. For general purpose vehicles, WSF looked at setting a standard in terms of how long a passenger must wait before loading onto the boat. WSF previously measured actual boat waits, but stopped about three or four years ago, except for the Mukilteo-Clinton route, since it is a route of statewide significance and subject to concurrency. At Mukilteo-Clinton, the standard was a one boat wait, but Island County asked WSF and the Transportation Commission to change it to a two boat wait. Most routes have a one boat wait standard, except for Bainbridge Island-Seattle and Mukilteo-Clinton. Bainbridge Island has a two boat wait standard in order to equalize the overall crossing and wait time between Bainbridge Island and Bremerton. In the San Juans, WSF uses a different methodology rather than boat wait standards. WSF's criteria are to have less than 20 percent of boats overload in March and less than 25 percent in August. For all routes, WSF finds that the standards are still being met, although the San Juan route is right on the borderline in the summer months.

Ray said that now WSF is charged to revisit these boat wait standards. As a matter of consideration, the standards have woven their way into various transportation plans. The Peninsula Regional Transportation Planning Organization (RTPO) incorporated them as well as Island County. Ray posed that it is critical to consider if WSF is using the right methodology and if so, is it the right standard. Michael Hodgins added that the Ferry Finance legislation asked to revisit WSF using the boat wait standard as a primary means of determining future investment choices. WSF is



now possibly headed toward a couple different performance measures. Measures may look at how to evaluate the success of strategies like transportation demand management. The group suggested using the term performance standards rather than LOS, since LOS is viewed as a requirement rather than a guideline. In addition, a boat wait standard may no longer be relevant if WSF implements a reservation system. Ferry-served communities also want traffic queues measured as part of the standard. Perhaps WSF could look at the upland issue separately and create a separate standard for boats. In addition, the public may not necessarily understand the level of methodology for measuring standards so it will be important to communicate it in a simple and meaningful way, such as in terms of travel time.

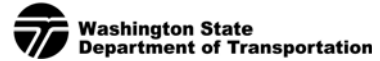
Rob Berman then reviewed the preliminary list of operating strategies. He noted that many of the strategies are already called out in the ferry bill. The legislation directs WSF to use adaptive management strategies to best use current assets. The four key criteria listed in the legislation include: demand, customer service, revenue generation and impact on users, capacity and communities. Michael Hodgins distributed a handout that expanded upon the legislation to show WSF's current working list of strategies. He asked the LART to let staff know if they believe anything is missing from the list. One suggestion was that WSF should consider strategies for both the boat and fuel types and evaluate replacements or substitutes that are more sustainable. WSF could also look at the quality of service on the boat such as food and wireless service.

At the January meeting, the LART will talk through all the strategies and go through a level one screening. By then the Transportation Commission will also have the focus group reports.

### **Approach to Stakeholder and Public Participation**

Next, Ray Deardorf reviewed the outreach schedule. He noted that a few LART members had affiliations with the public Ferry Advisory Committees (FACs). Mike Sudduth used to chair the FAC Executive Council, and Ian Munce and Rick Sepler also serve on FACs. WSF will meet with the FAC Executive Council each month to provide an update on the ferry financing legislation. The public FAC meetings, which are held approximately quarterly, will also have updates. Specifically the March meetings will focus on LOS and June meetings will review pricing and operating strategies. In October, WSF will host public meetings to coincide with the release of the revised long range plan. The group raised concerns about the tight timeframe and how to arrive at recommendations without leaving out local participation. One suggestion was to include those previously involved in Community Advisory Groups (CAGs), such as the Seattle Ferry Terminal CAG, in order to engage people outside of the FACs. The LART also requested regular public comment summaries for review.

Michael Hodgins said WSF sent out a letter in September to local jurisdictions, chamber of commerce, and businesses informing them of the ferry financing legislation and participation opportunities. In that letter, WSF offered to provide a briefing on the work. In the near term, WSF is scheduled to meet with the San Juan County Council on December 4 and the Seattle Chamber of Commerce on December 20.



Ray Deardorf thanked the LART for their comments and said the next LART meeting is scheduled for **January 24, 2008 at 1:00**. He anticipated holding the meeting at the Spike Eikum Room, but planned to follow up with members to confirm the meeting location. Ray then adjourned the first meeting of the LART.

#### Meeting Handouts

- LART Charter
- Tentative Meeting Schedule
- Ferry Finance Legislation Work Program
- Ridership Modeling/Forecasting Work Plan Status Update
- 2006 Origin/Destination Onboard Survey Summary Report
- Preliminary List of Operational Strategies
- Vehicle Level-of-Service