



MEETING SUMMARY
LOCAL AGENCY REVIEW TEAM MEETING #2
FERRY FINANCING LEGISLATION
2901 THIRD AVENUE, WSF
JANUARY 24, 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
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
	Phil Williams, City of Bremerton
X	Kelly Dickson, City of Bainbridge Island
X	Rick Sepler, City of Port Townsend
X	Pete Rose, 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
Rob Berman, KPFF
Kirsten Hauge, PRR

Meeting Overview

Ray Deardorf, WSF Planning Director, welcomed meeting attendees to the second meeting of the Local Agency Review Team (LART). Prior to reviewing the agenda, he asked meeting attendees to introduce themselves. Ray said the meeting would focus on the Transportation Commission's survey and a four-month look ahead at work plan elements. In addition, LART members would receive an update on technical work elements, with a significant focus on the level-of-service (LOS) framework.



Ray noted that the team took away two significant points from the last LART meeting. First, they gained useful information on the level that jurisdictions are using for their population and employment forecasts. The team is using this information to make sure assumptions are in sync. Also, they heard concerns about LOS thresholds and standards and in response plan to dedicate additional time to discuss the issue.

Before moving on to the first agenda item, Ray asked if there were comments or changes in response to the November 27 meeting summary. No changes were requested and the summary was approved.

WSTC Commissioned Survey

Michael Hodgins, Berk & Associates, reviewed the status of the Transportation Commission's market research survey. He expected the commission to release a report in the next week that would capture the results of focus group meetings conducted in late 2007. The next step is the commission's planned on-board survey in early February. The focus of the survey is to build on the information gathered from last year's survey and to start to explore the requirements outlined in the ferry bill with respect to operations and pricing strategies. Following the on-board survey, an on-line survey is planned for April/May 2008 where people will have the opportunity to select from different packages of pricing and operating strategies. The results will help inform how customers would respond to a variety of potential options.

Celine Gihring, WSF, added that her team would look at the draft survey questions from a modeling standpoint. She also planned to estimate the relationship between time of day and pricing in order to determine "what if" scenarios. Ray said the survey would continue to be repeated every couple of years and also that the second phase of the survey planned to target the recreational market over the summer and they would wrap the results of the summer survey into the long range plan by the end of the year.

LART members suggested the following in regard to the survey:

- Explore the impacts of removing the leased parking at the Mukilteo terminal
- Identify the amount of time people are willing to wait for the ferry and the wait time that would trigger passengers to change their route (i.e. traveling to Bainbridge Island via the Edmonds-Kingston route rather than Seattle-Bainbridge Island route)
- Determine information about the commuter's full trip
- Find out perceived barriers to shifting modes and commute schedules
- Differentiate between commuters and recreational passengers

Four-month Look Ahead

Michael Hodgins then distributed a schedule outlining WSF's tasks for the first quarter of 2008 in relation to the ferry bill. He pointed out that WSF is organizing a February meeting with the Ferry Advisory Committee (FAC) Executive Council and planned to attend public FAC meetings in March. As noted at the last LART meeting, WSF also distributed a letter to local jurisdictions, chambers of commerce, and businesses offering briefings. Upcoming briefings include a meeting with the Vashon-



Maury Island Community Council on February 18 and a briefing for Whidbey Island on April 23.

Michael then focused on ongoing WSF tasks. He said that development of operational and pricing strategies are on a parallel track. Currently they are in the process of finalizing a long list of strategies. At the end of January, the team plans to draft a white paper outlining the strategies and will look for feedback to ensure all ideas are captured. In mid-February, the team will transition into evaluating the strategies and narrowing them into a short list of practical and effective options, to be further refined into a set of concept packages in April/May. Michael said work on vehicle LOS is more front-loaded, with much of the identification and analysis of options occurring over the next six weeks. The intent is to discuss findings at the FAC meetings and gather feedback. Throughout the process, the team will develop the terminal design standards, but will know more later about any implications from the other findings. In regard to developing the terminal design standards, the LART recommended including consultants from related city projects to play a role and said that without their input WSF could miss out on important information. Rob Berman, KPFF, said he intended to reach out to specific resources, such as project consultants, to gather information.

Michael emphasized that the work is iterative, with the task elements informing and building upon each other. The elements will be fluid, with the final elements detailed in the plan itself. Much of WSF's work will define the need and create a baseline. As the strategies and demand information come together, then WSF's work will focus on what the future system should look like to meet demand. WSF must also follow the set of requirements outlined in the ferry bill in relation to the future system. In the end, the long range plan will become the home for all the different work elements. LART members stated that it is critical to ensure that public input will influence and inform the evaluation process. Ray noted that they may decide to accelerate elements of the operating and pricing strategies into the March FAC meetings in order to gather timely public input.

Progress Update on Technical Work Elements

Next, the team provided an update on specific WSF tasks. Celine Gihring said they were charged to develop new, more realistic ridership forecasts. So far, they gathered a group from the Puget Sound Regional Council (PSRC), the Legislature, and WSDOT and agreed on a conceptual framework. They will use the framework to test scenarios and policies for maximizing the ferry system. The group also resolved issues of reconciling ferry demand with the revenue model. Ray clarified a question about the revenue model by stating it is the model WSF uses on a quarterly basis that takes regional economic data and translates it into WSF specific information. It is easily updatable but is insensitive to growth trends and declines on specific routes. It is a tool that is used for the budgeting process.

Celine said the next step is to develop complementary models, such as a supplemental weekday model for the p.m. peak. The Legislature also expressed interest in seeing how recreational trips could enhance the revenue stream. Currently, this is an aspect of travel that they do not have a good handle on. The group will rely on the commission's survey results to conduct data analysis related to this issue and intend to meet in May to develop a conceptual framework.



Celine notified the LART of another issue that recently emerged. As LART members were aware, the Legislature directed WSF to get out of the passenger-only ferry business. Other jurisdictions are taking on this issue, but the question is to what extent WSF should include this factor into the model. Steven Kiehl, PSRC, added that they are considering 12 out of 31 routes and four of the routes are already considered in the PSRC Destination 2030 plan. To ensure consistency, it would make sense to include these four routes as a baseline. A mid-year study will help them come up with an evaluation framework. LART members confirmed that it makes sense to include a passenger-only component into the WSF model, especially given capacity constraints. Ray informed members that he agreed that they should consider passenger-only, but it was a matter of whether or not to assume a certain level of passenger-only in their baseline estimates.

A LART member asked whether it was possible to look back to learn what worked and what didn't work as a way to better inform the model. Celine said that they took a new approach this time. In the past, they used PSRC's regional cross-sound demand model, but it was not calibrated correctly for technical reasons. After the Legislature's request that WSF take another look at ridership forecasts, the group has used Sound Transit's approach which is based on households, employment and demographic growth. This method is endorsed by the federal government. The group of modelers working with Celine will meet next in February to review some validation results and revised future forecasts.

Following the discussion of ridership forecasting, Rob Berman produced a preliminary discussion draft of operational strategies. His team is looking to identify options that shift demand or modes, in addition to incorporating the required items from the ferry bill as well as other ideas or outside examples. In February, they will look at the applicability and potential of all options, but right now they are trying to cast the net far and wide to ensure they responsibly document the full range of options. Rob said he would like to hear the LART's initial thoughts.

Meeting participants then discussed the objectives and evaluation framework for the operational strategies. LART members felt that they wanted to have the opportunity to articulate their priorities. They emphasized the importance of balancing user and community impacts with WSF's need to maximize existing resources and manage demand. In addition, the system should provide equity and fairness for all. The value of tourism should also be treated and prioritized accordingly. The team noted that WSF heard that there was not enough discussion of landside impacts in the long range plan. It is now part of WSF's work plan to look at that connection and it is a useful conversation to have with the LART to determine the issues that WSF must consider. LART members determined that they will begin to identify some of the issues and criteria through email communication.

Next, Rob distributed a discussion draft of pricing strategies. For this work element, WSF is combining their efforts with the Transportation Commission and have developed a preliminary list of concepts. There is some overlap between the pricing and operational strategies given the operational implications of the pricing constructs. Rob noted that the reservation system is the area of most interest. The emphasis is on mode shifts that work for the system. However, it is also important to look at strategies to improve vehicle throughput, which may include pricing vehicles



differently and making choices that allow them to have mobility. It also raises some interesting questions about how to share demand more evenly across travel sheds.

The LART requested that the pricing strategies indicate appropriate cross references to the Transportation Commission's finance piece. There was also some discussion about the meaning of the reference to local contributions. Michael Hodgins said that they would need to provide the needs broken out in terms of funding decisions, and that transit is funded at a local level, so this is where local contributions may come into play. Some LART members brought up that it may be an appropriate time to come together as a group and look at asking for a toll or surcharge for local communities to help finance other operations.

Rob said the model to size the terminals would be developed after pricing strategies come to fruition. Terminal design standards will take a back seat until the other pieces are in place. Although all terminal designs will incorporate multi-modal connections, the specifics aren't known yet. Ideally, it will include a look at the routes as a whole, but it may prove difficult. Rob said that John White, WSF, is also concurrently leading an asset management study that will conclude after the 2009 legislative session.

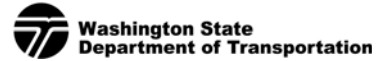
LOS Framework

Michael provided a handout that outlined a draft framework for revising LOS standards. He reviewed the current application of LOS standards and said that theoretically as demand grows, boat waits start to get worse, and once it reaches a certain point it would trigger direct action to remedy the boat waits. However, WSF is now directed to make a big change by managing demand rather than just accommodating it. The new LOS concept includes two sets of measures. The first is a principle system sizing measure and the second is a measure of service effectiveness and system utilization. Michael said the next steps include identifying priorities and then determining the types of explicit measures. Clearly, there is also a need to ask about other reasonable objectives. In addition, the team must consider a structure that will allow analysis of a more nuanced situation with complex constraints, such as the situation at Fauntleroy where it is not possible to expand the terminal.

Michael said if LART members had ideas for standards or measures of impact to please share them with the team. For instance, Michael asked whether looking at capacity is reasonable and noted that the standard needed to go beyond boat wait. He added that at the last meeting there was some concern about needing to route LOS through each jurisdiction's comprehensive plan. He asked the LART whether it would make sense to have LOS integrated with these plans. Michael said that he would appreciate feedback on the framework and how it plays into local planning efforts. Next steps include filling out the concepts with actual measures

LART members shared the following considerations and comments:

- Instead of boat wait, measure LOS by whether the system can accommodate demand within a four-hour peak
- Address freight movement on the routes
- Consider the interplay between routes
- Look at the split between vehicles and pedestrians
- Consider the affects of pricing over time



Ray then thanked the LART for their comments and asked them to send the team their thoughts on the evaluation criteria by February 8 and to submit any comments on the LOS framework by February 12. Ray reminded the group that the next LART meeting is scheduled for March 20. The meeting was then adjourned.

Meeting Handouts

- LART Meeting #1 Summary
- 4-Month Look Ahead (First Quarter '08)
- Operational Strategies: Preliminary Long List of Options
- Pricing Strategies: Preliminary Long List of Options
- Framework for Revising LOS Standards