

Washington State Ferries 2040 Long Range Plan

Technical Advisory Group

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Rick Singer, WSF Finance Director

January 18, 2018

Meeting objectives

- Meet the project team and review work plan
- Review ridership forecast data
- Learn about the WSF budget

Agenda

- Welcome and introductions
- Recap SWOT analysis
- Meet the project team and review work plan
- Ridership forecast data
- Provide overview of WSF budget
- Next steps

SWOT Analysis Recap

Beautiful On-time performance

Real-time data Simplify loading

Transit oriented development

Population trends **Dedicated staff**

Maintenance Convenient

Transit connections terminal

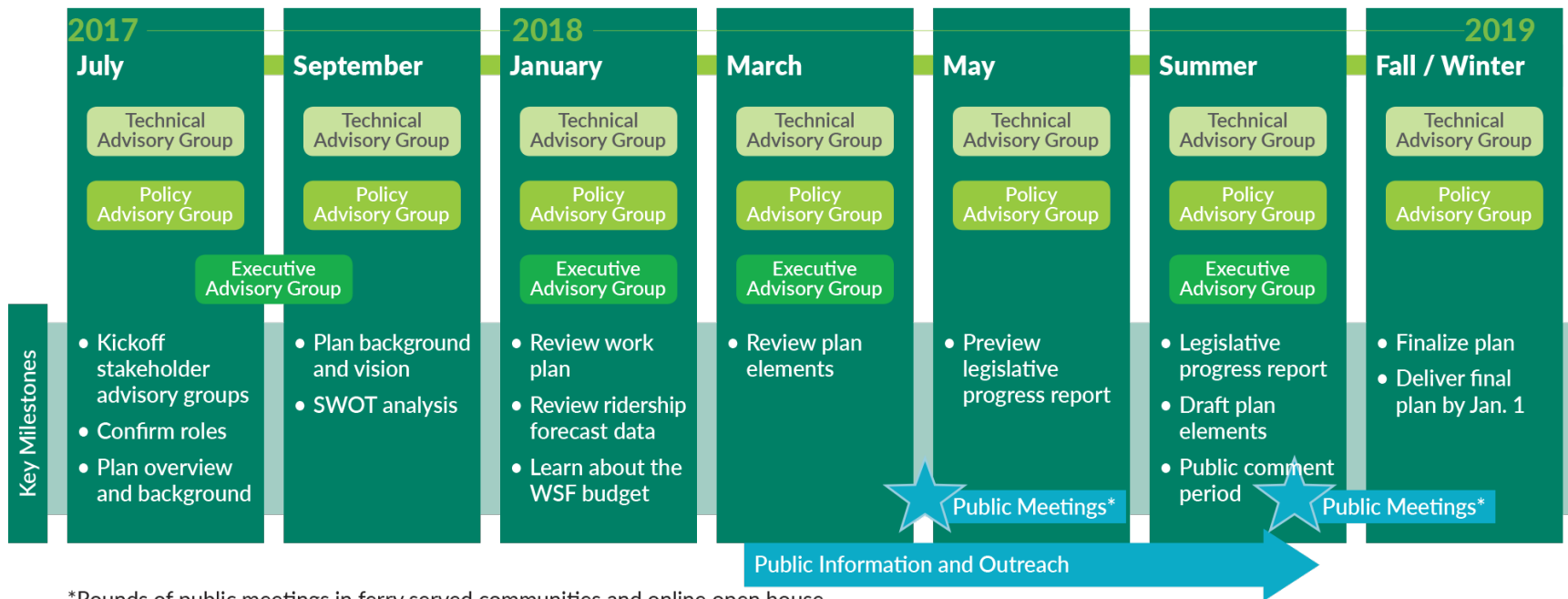
ORCA card payment locations

Replace aging ferries

Iconic
Parking

Funding

Long Range Plan Stakeholder and Community Outreach



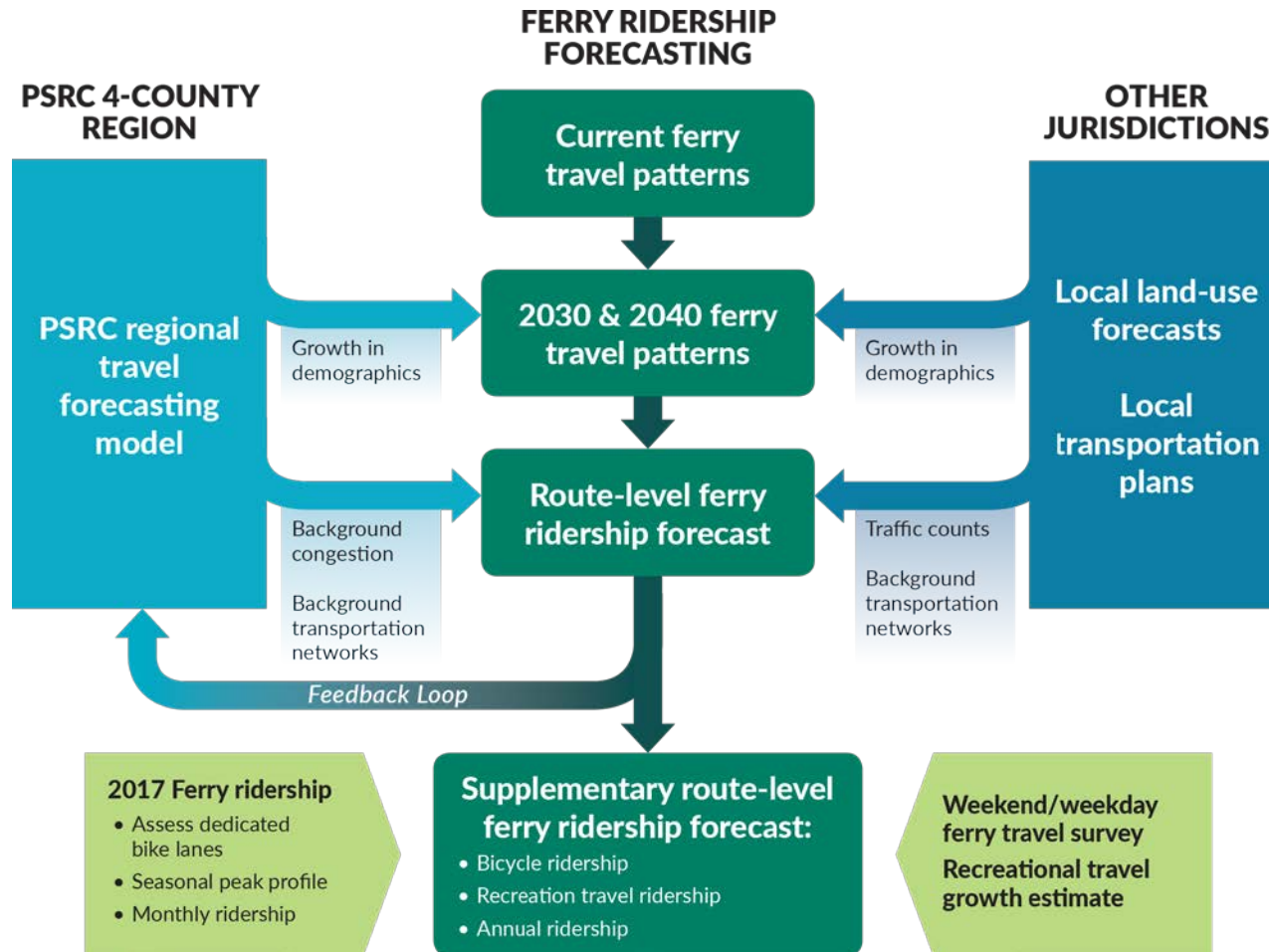
*Rounds of public meetings in ferry served communities and online open house.

Ridership Forecast

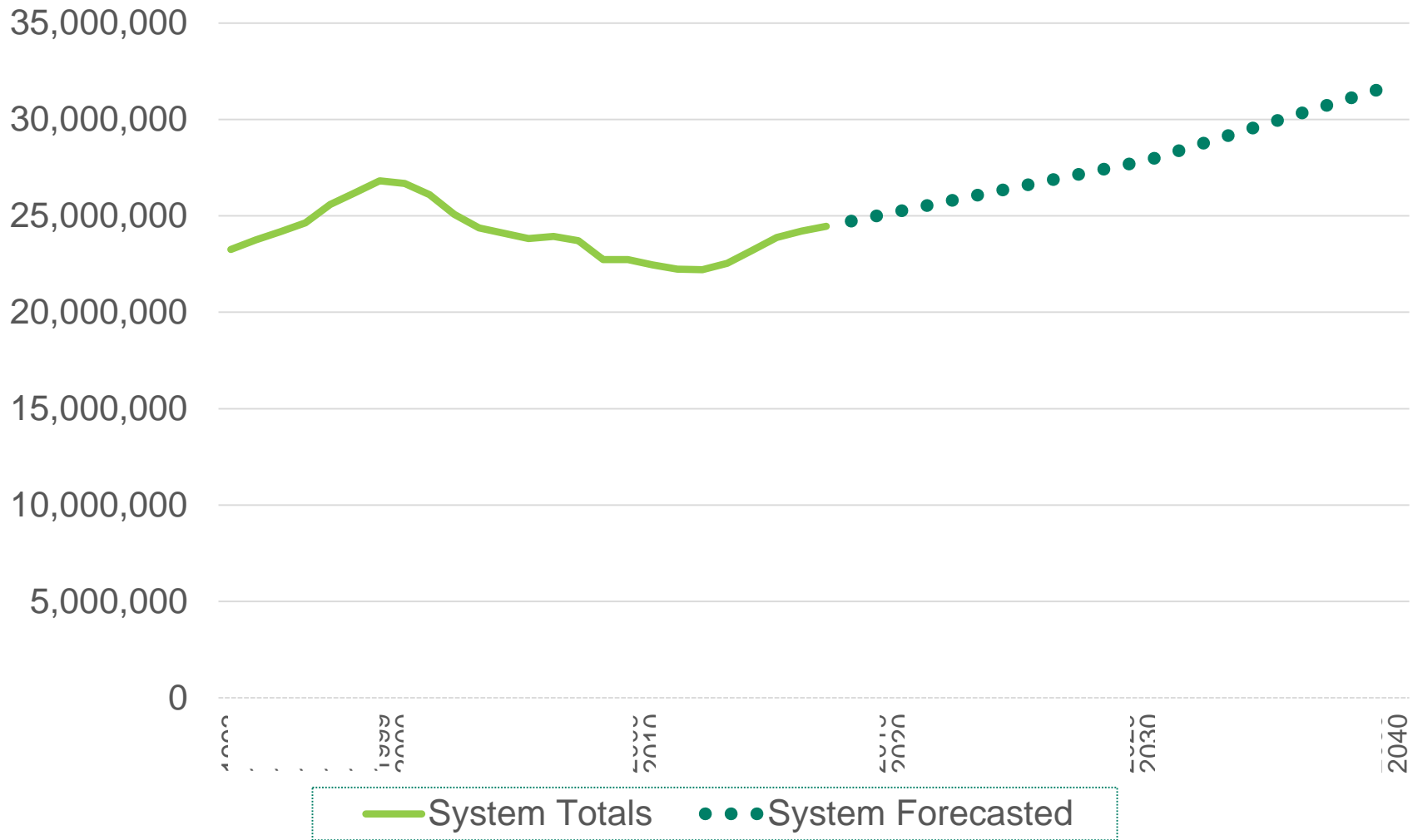
Key Findings

- Over 15 years, yearly ferry ridership growth varied between -4 and +2.9 percent
- Annual growth forecasts by 2040:
 - Population: 1 percent
 - Households: 1.2 percent
 - Employment: 1.3 percent
 - Ferry ridership: 1.2 percent
- Overall ferry ridership growth by 2040: 30 percent

Ridership Forecast Model



WSF Ridership History (1993-2017) and Preliminary Forecast (2018-2040)

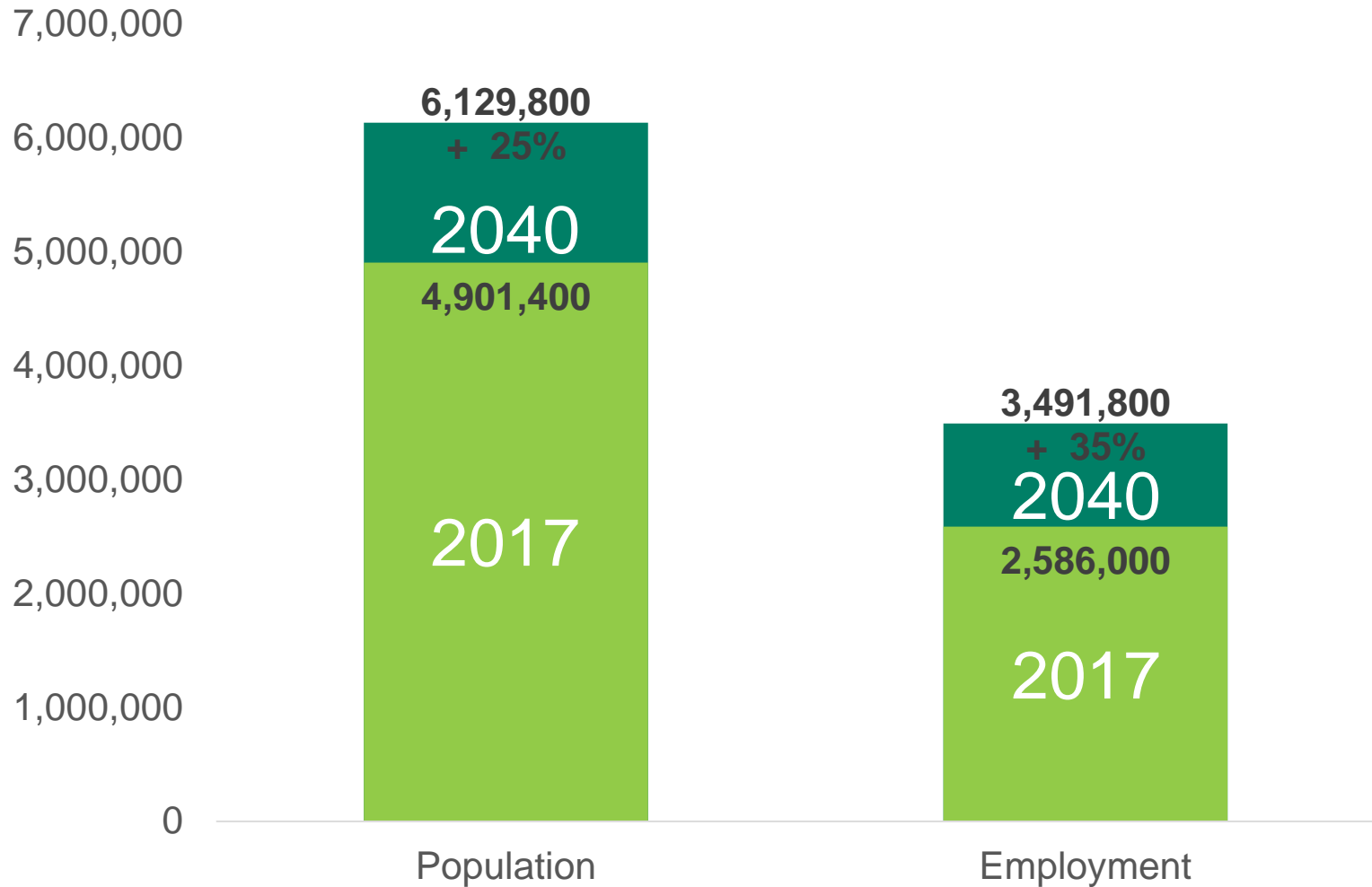


Sources: WSF Traffic History and WSF Baseline Ridership Forecasts

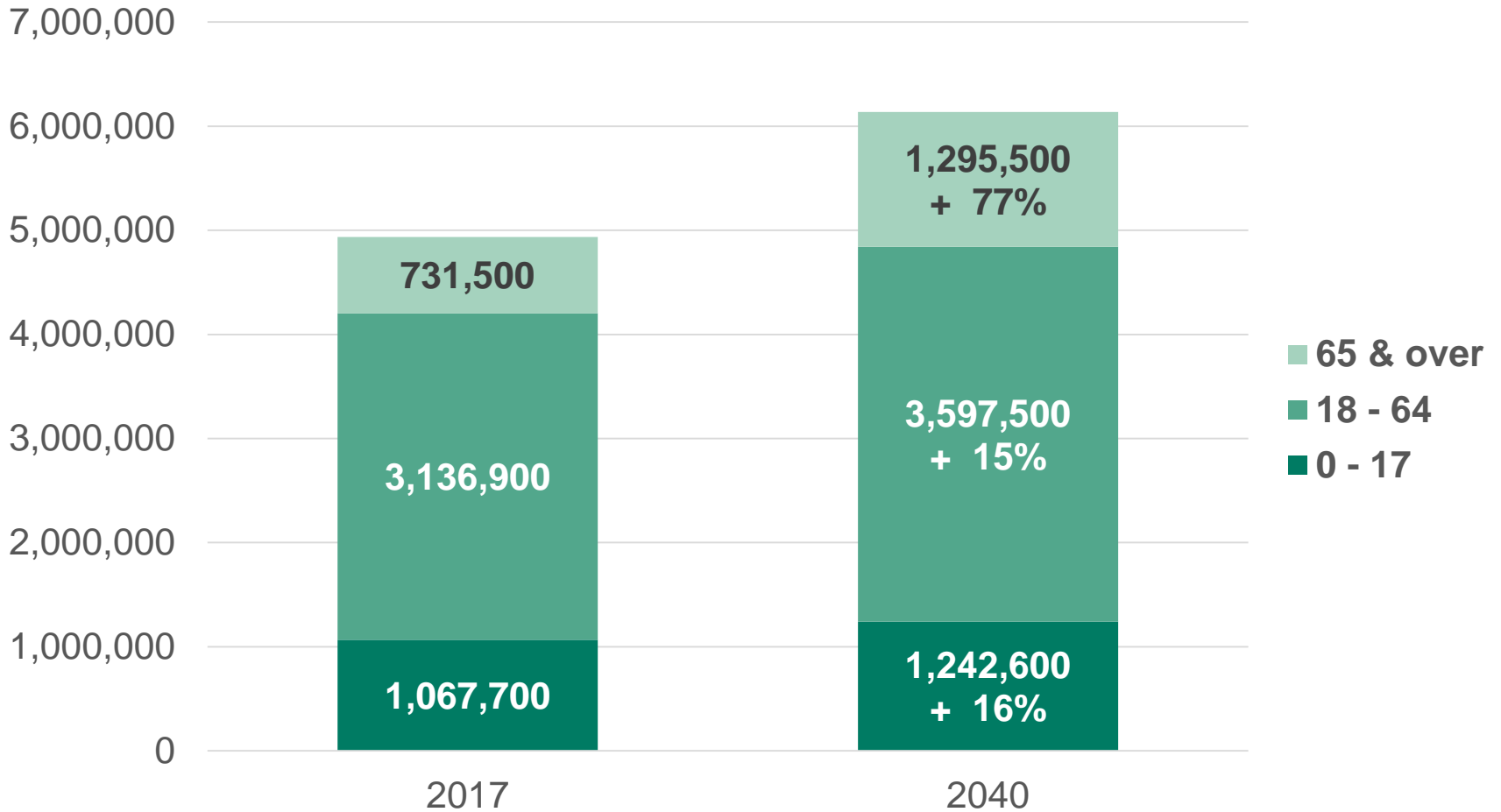
WSF Route Map



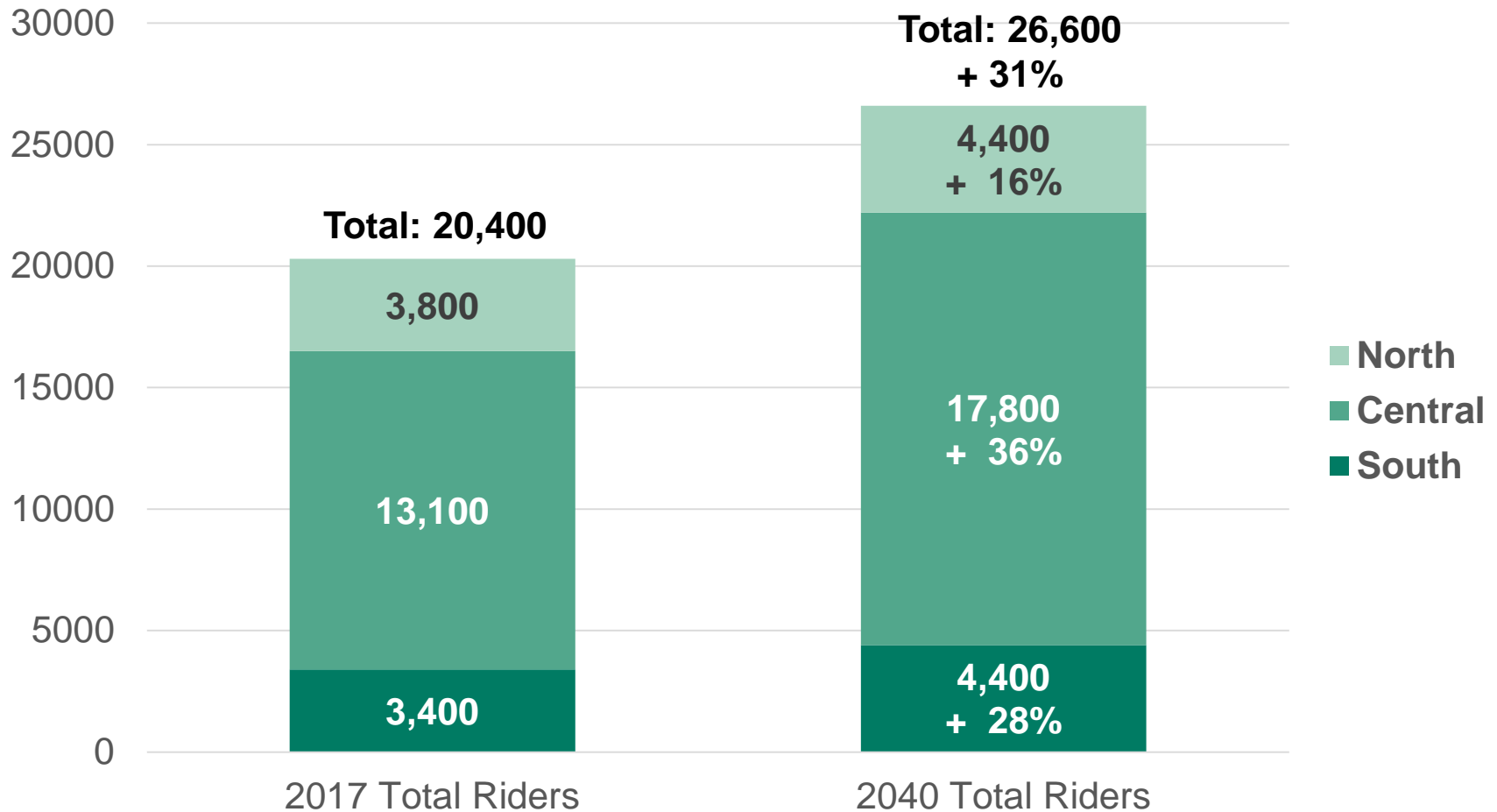
Population and Employment in the 12 County Area for 2017 and 2040



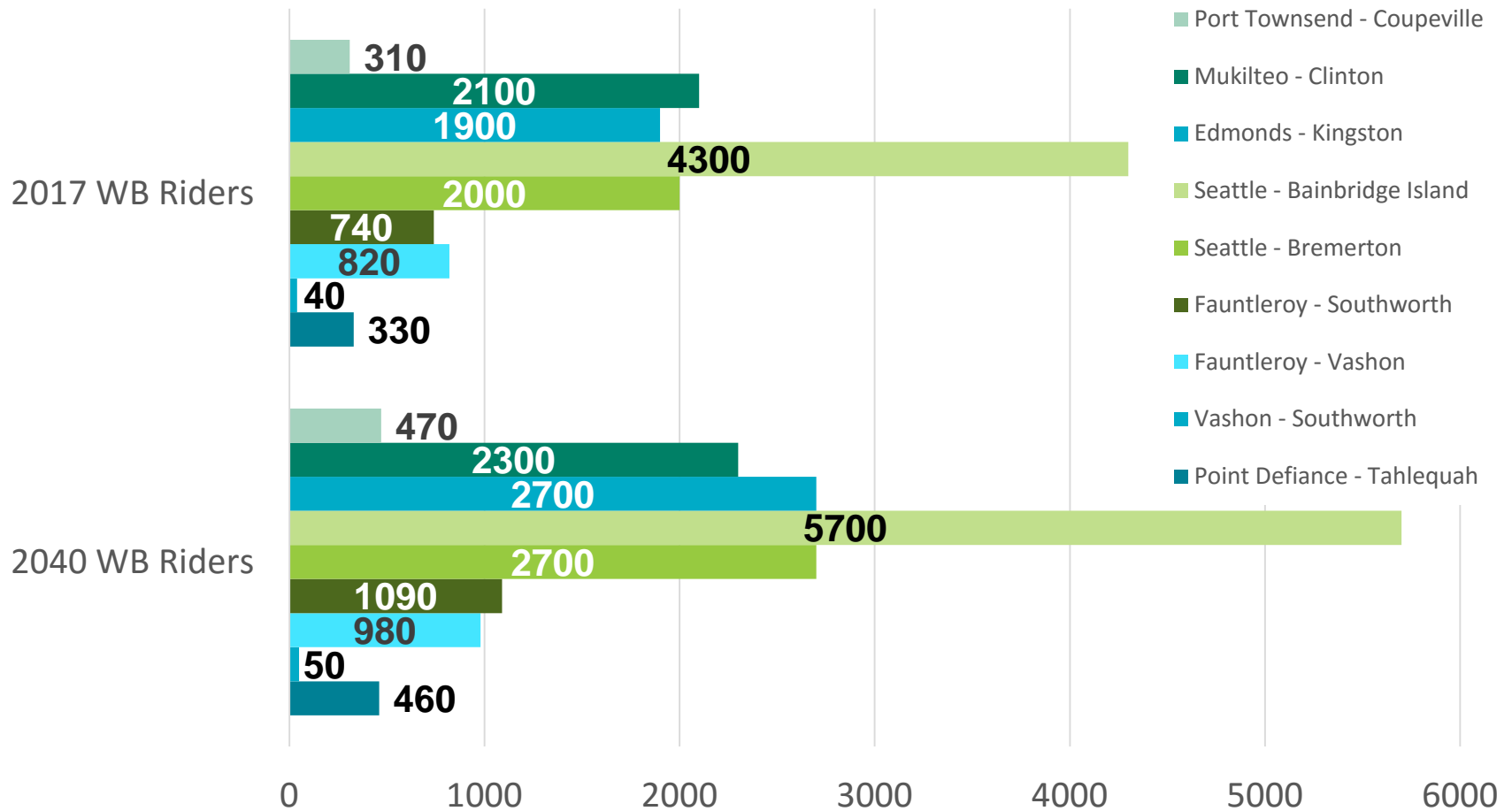
WSF Service Area 12-County Age Demographics



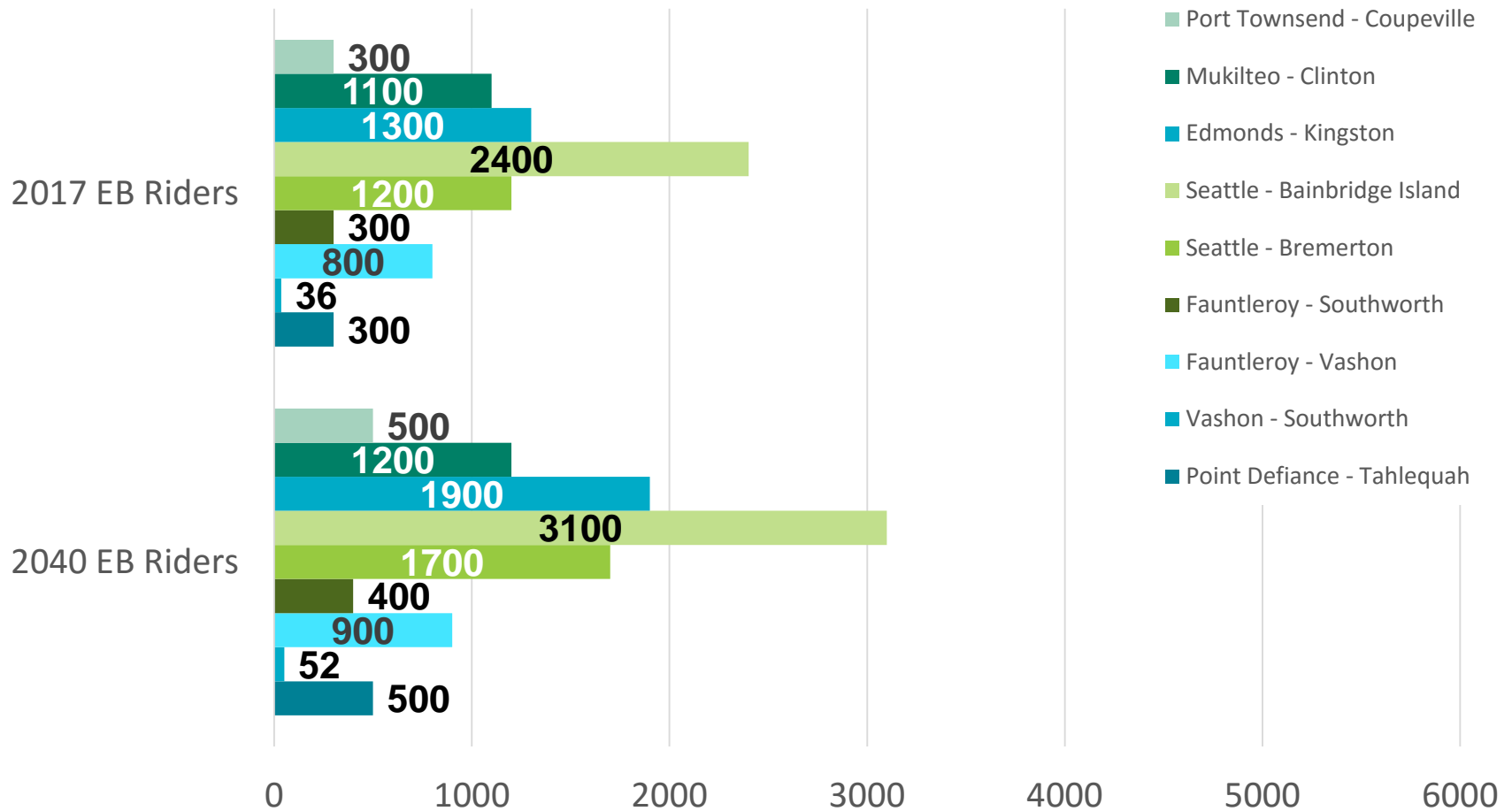
PM Peak Ridership - Eastbound and Westbound by Region



Total PM Peak Ridership 2017 and 2040 Westbound by Route

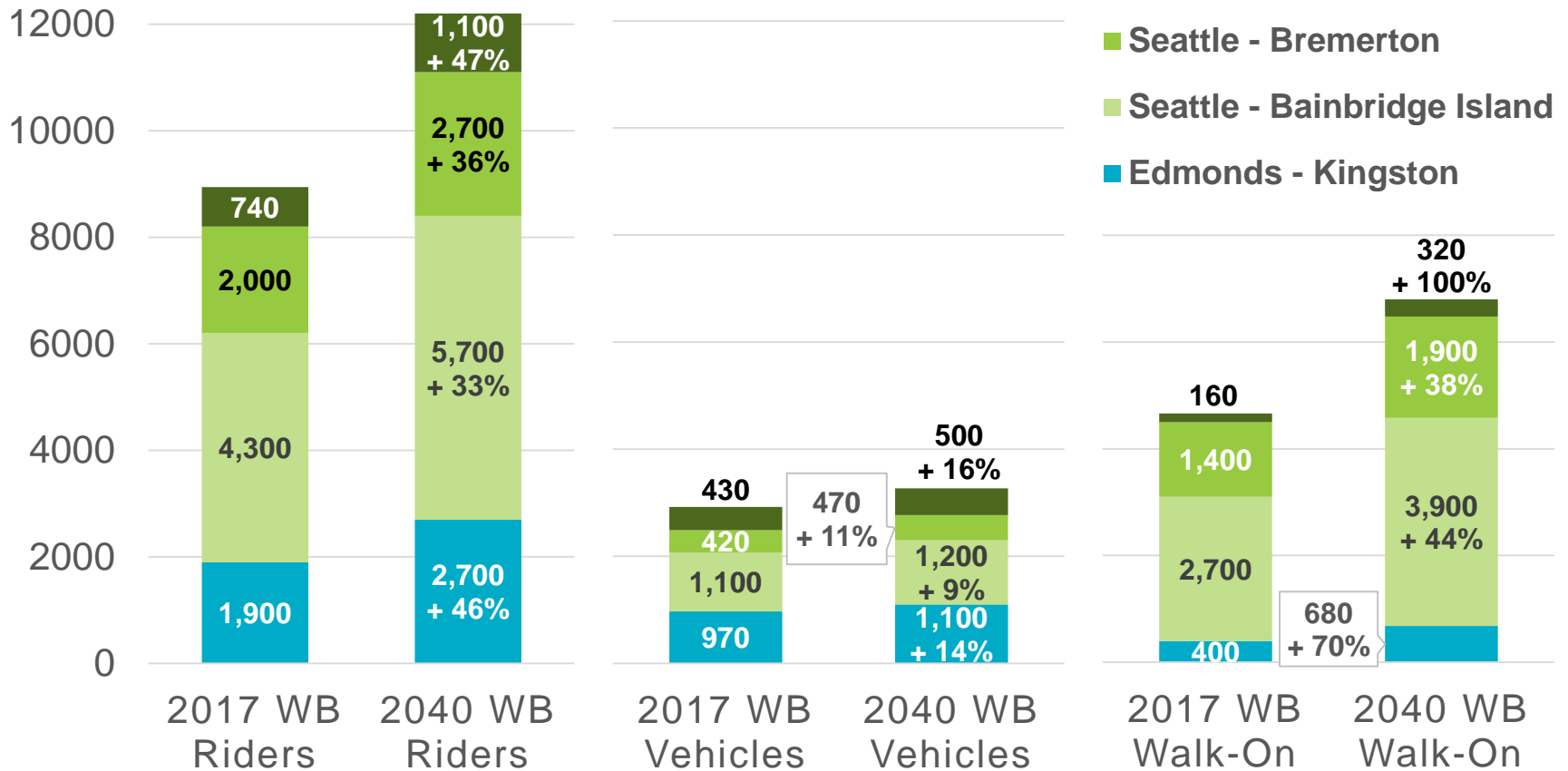


Total PM Peak Ridership 2017 and 2040 Eastbound by Route



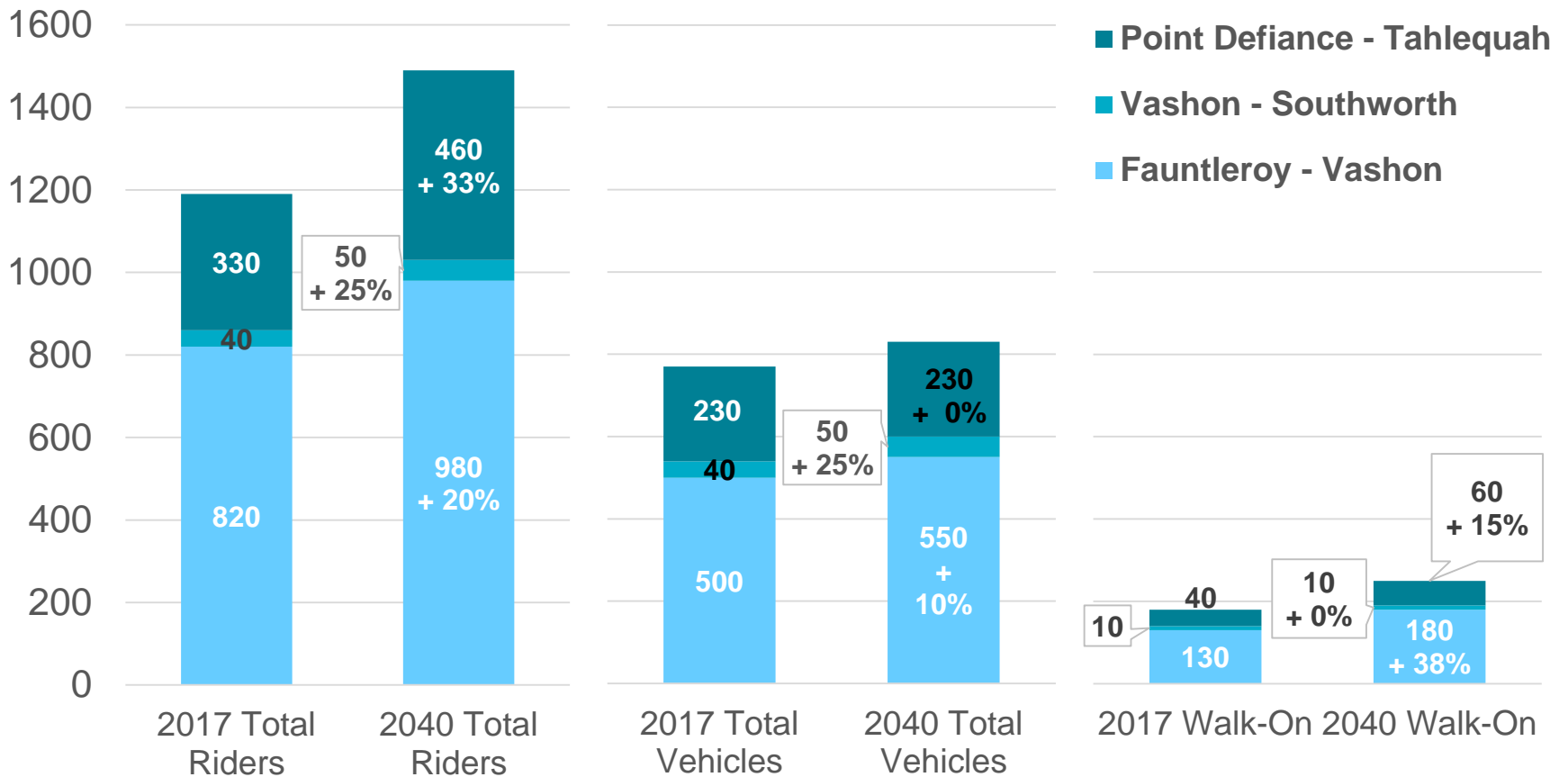
Key findings: Kitsap Westbound PM Travel

- 2040 population and employment increases 41% from 2017.
- Riders 65+ fastest growing demographic.
- West Seattle Light Rail by 2030.



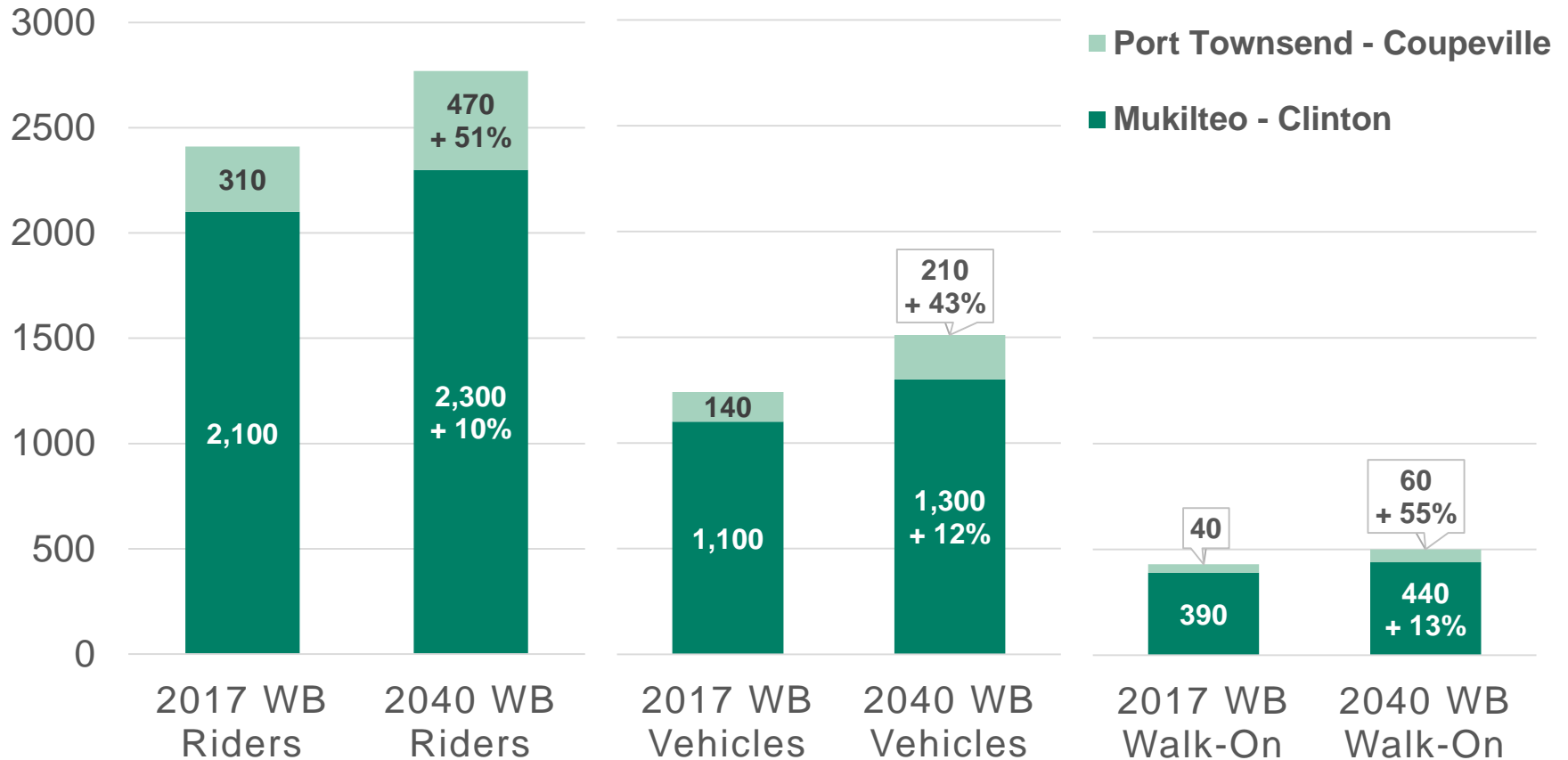
Key Findings: Vashon Island PM Travel

- Vashon Island 2040 population increases 18% from 2017.
- Employment increases 7% from 2017.
- Landside road changes impact travel.



Key Findings: Whidbey Westbound PM Travel

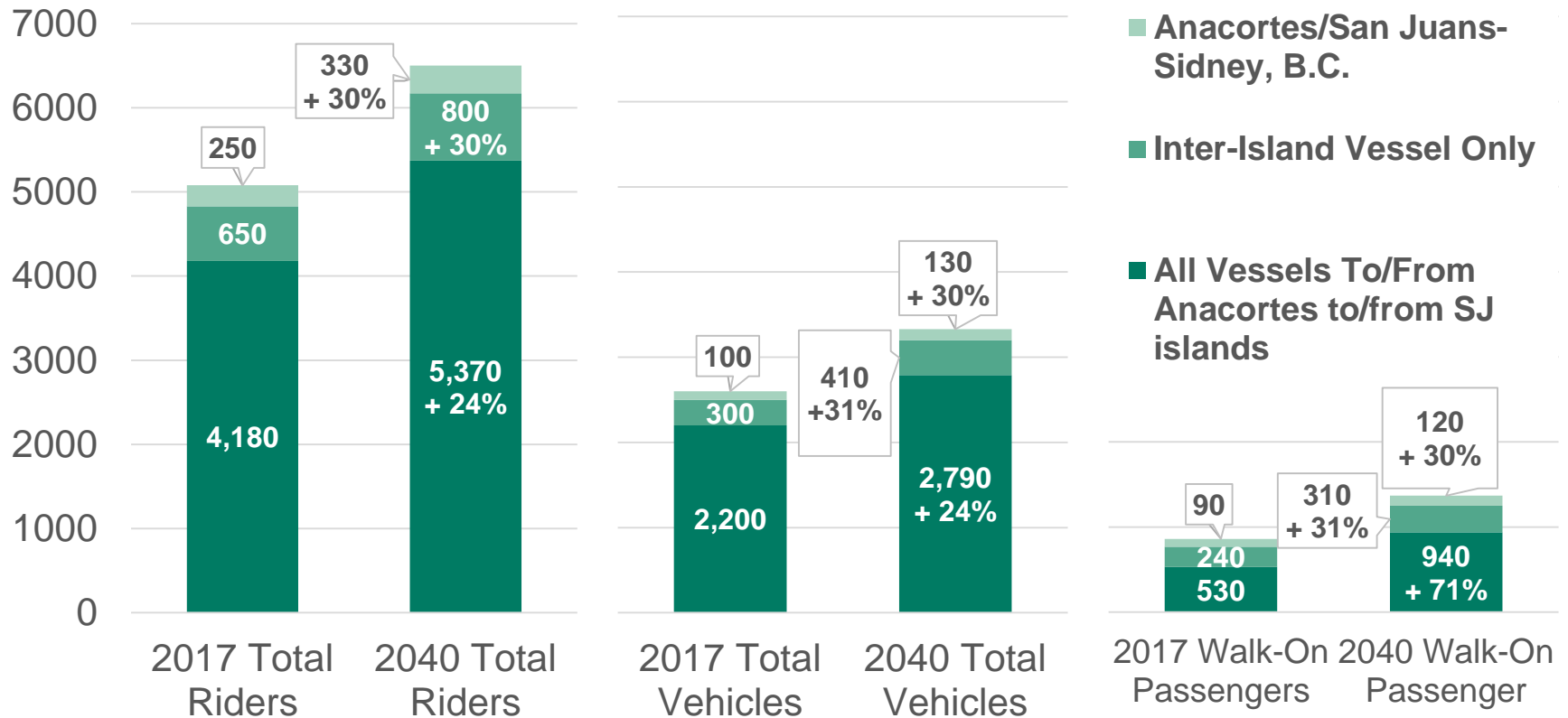
- Island County 2040 population increases 10% from 2017.
- Employment increases 9% from 2017.
- Population 65+ fastest growing demographic.



Key Findings: San Juan Islands

Daily both Westbound and Eastbound

- 2040 population increases 18% from 2017.
- Employment increases 31% from 2017.



Next Steps

- Next steps include analyzing:
 - Pedestrian and bicycle forecast data
 - Recreational traffic
 - Total annual forecast

WSF Financial Overview

- Budget overview
- Background and challenges
- Revenue sources
- Expenses
- 2040 Long Range Plan

2017-19 Budget

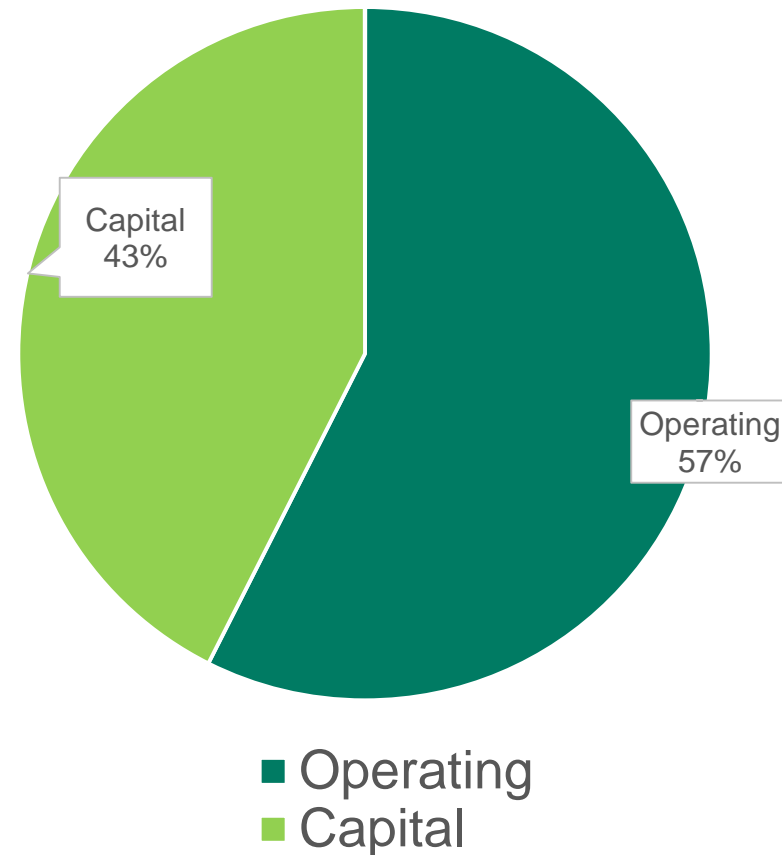
Operating \$505.2 million

Capital \$374.2 million

Total \$879.4. million*

Planned cash transfer of \$71 million to ferries from other transportation accounts during 2017-2019 biennium

*As passed in the 2017 regular legislative session



Challenges and Constraints

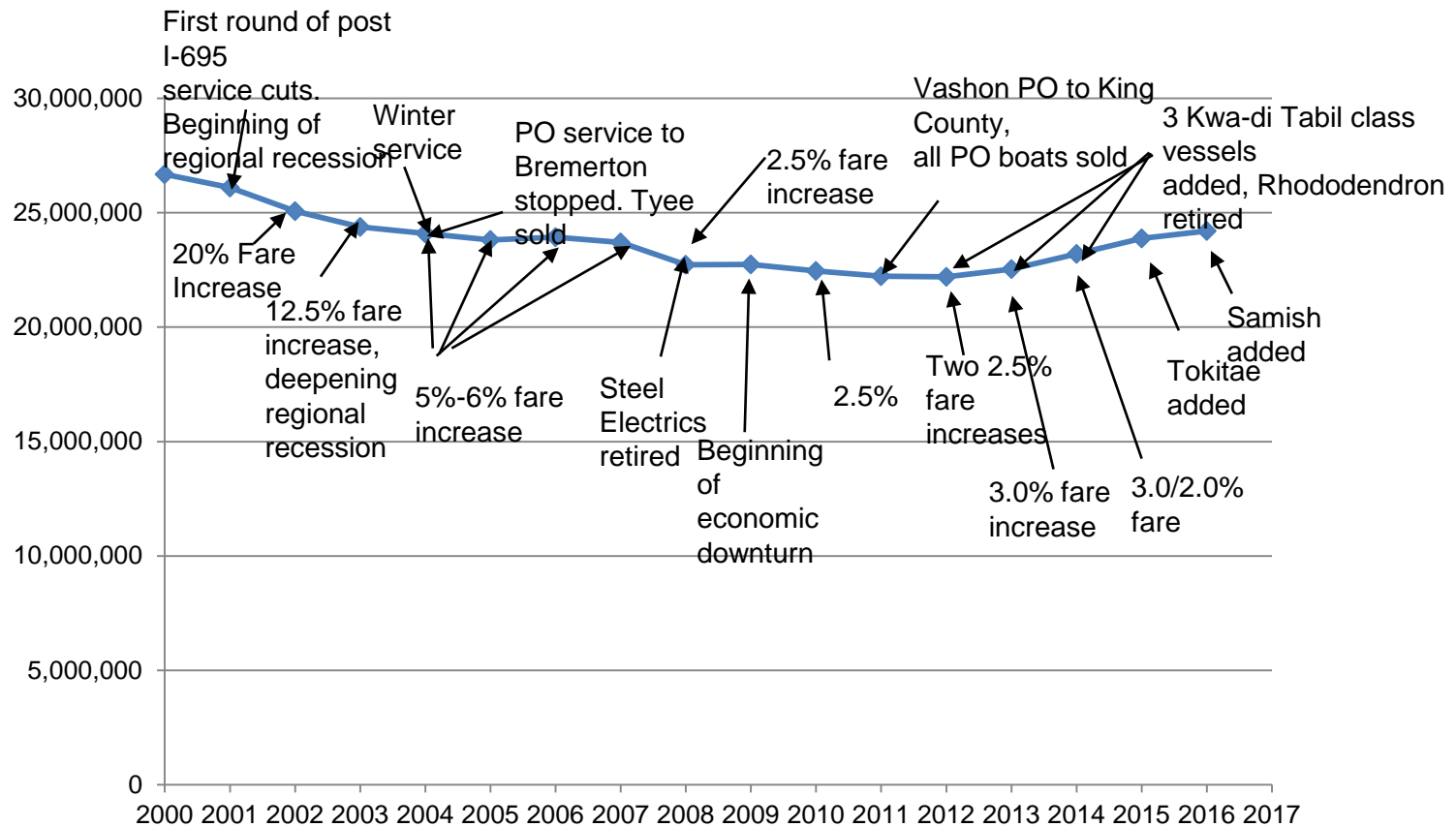
- Ferry funding dependent on transfers from other accounts
- Aging ferries, terminals, and IT infrastructure
- Volatile fuel costs
- Deferred maintenance



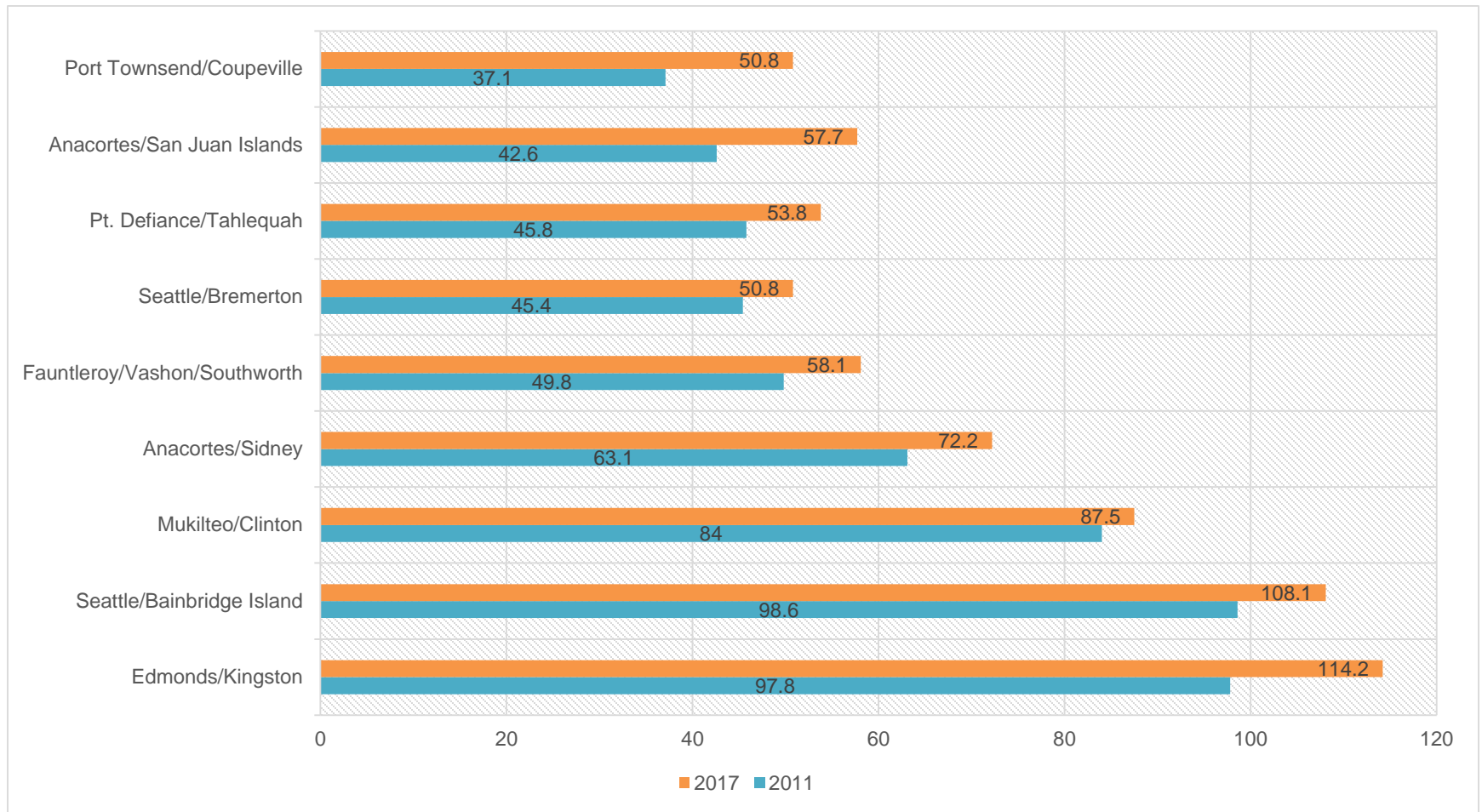
Where does our revenue come from?

- Fares: 76 percent farebox recovery
- State revenues (gas taxes, bonds, fees, transfers)
- Federal funds
- Other (Local, Advertising, Concessions, etc.)

Ridership History—2000-2016



Farebox Recovery



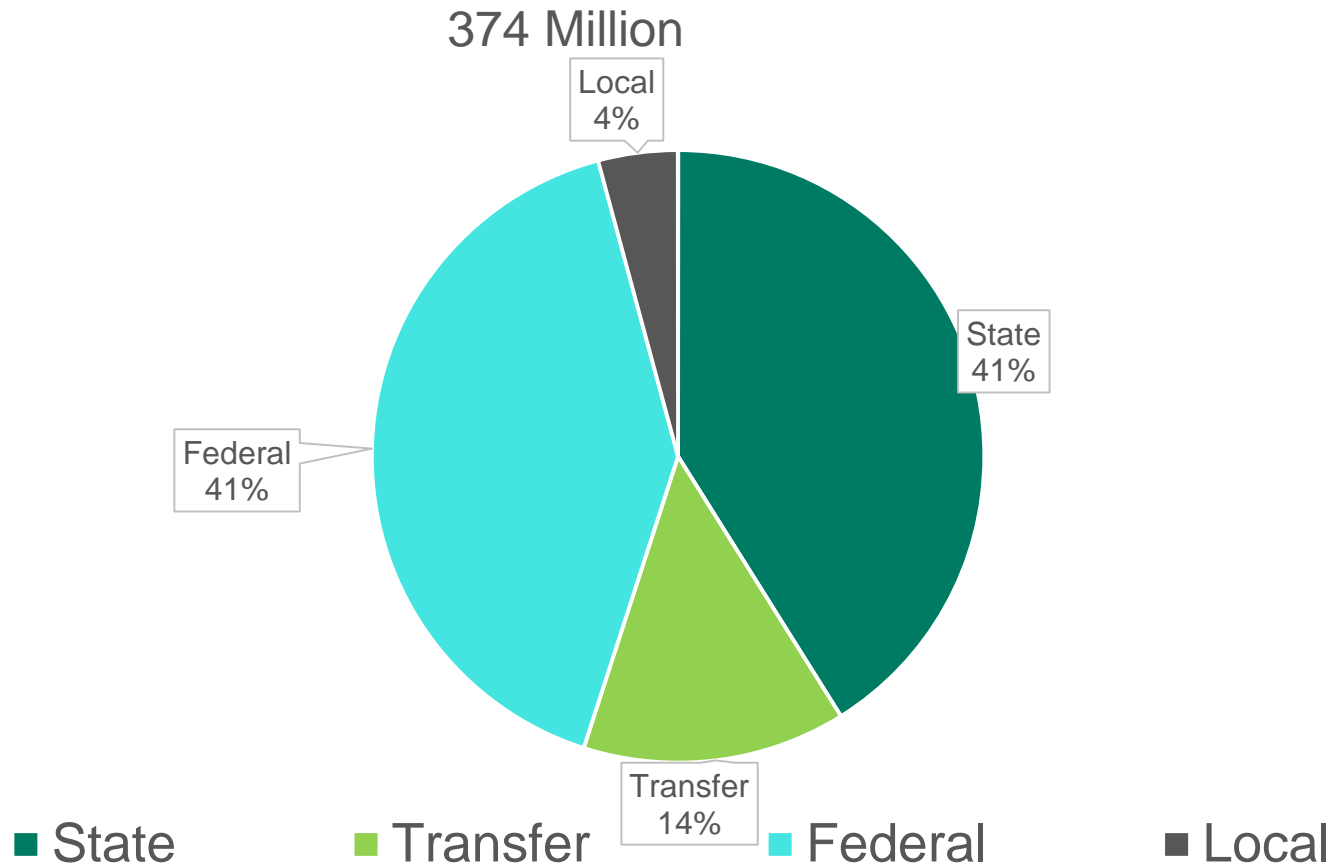
Ferries Funding

Federal Funding

- WSF receives federal funds primarily from three agencies:
 - Federal Highway Administration (FHWA)
 - Federal Transit Administration (FTA)
 - Federal Emergency Management agency (FEMA)
- Two types of federal funding:
 - “Formula” (earned shares based on regional ridership formulas)
 - FHWA Ferry Boat Program \$16 mil/yr
 - FTA Formula Programs \$13 mil/yr
 - Grants: national and regional competitions
- Federal Funds in 2017-19 Capital Budget
 - FHWA Highway Grants \$58 mil
 - FHWA Ferry Boat Grants \$42 mil
 - FTA Formula Grants \$40 mil
 - Competitive Grants \$12 mil
 - Total \$153 mil
- Federal Funds in 2017-19 Operating Budget
 - FTA Formula Program \$ 9 mil

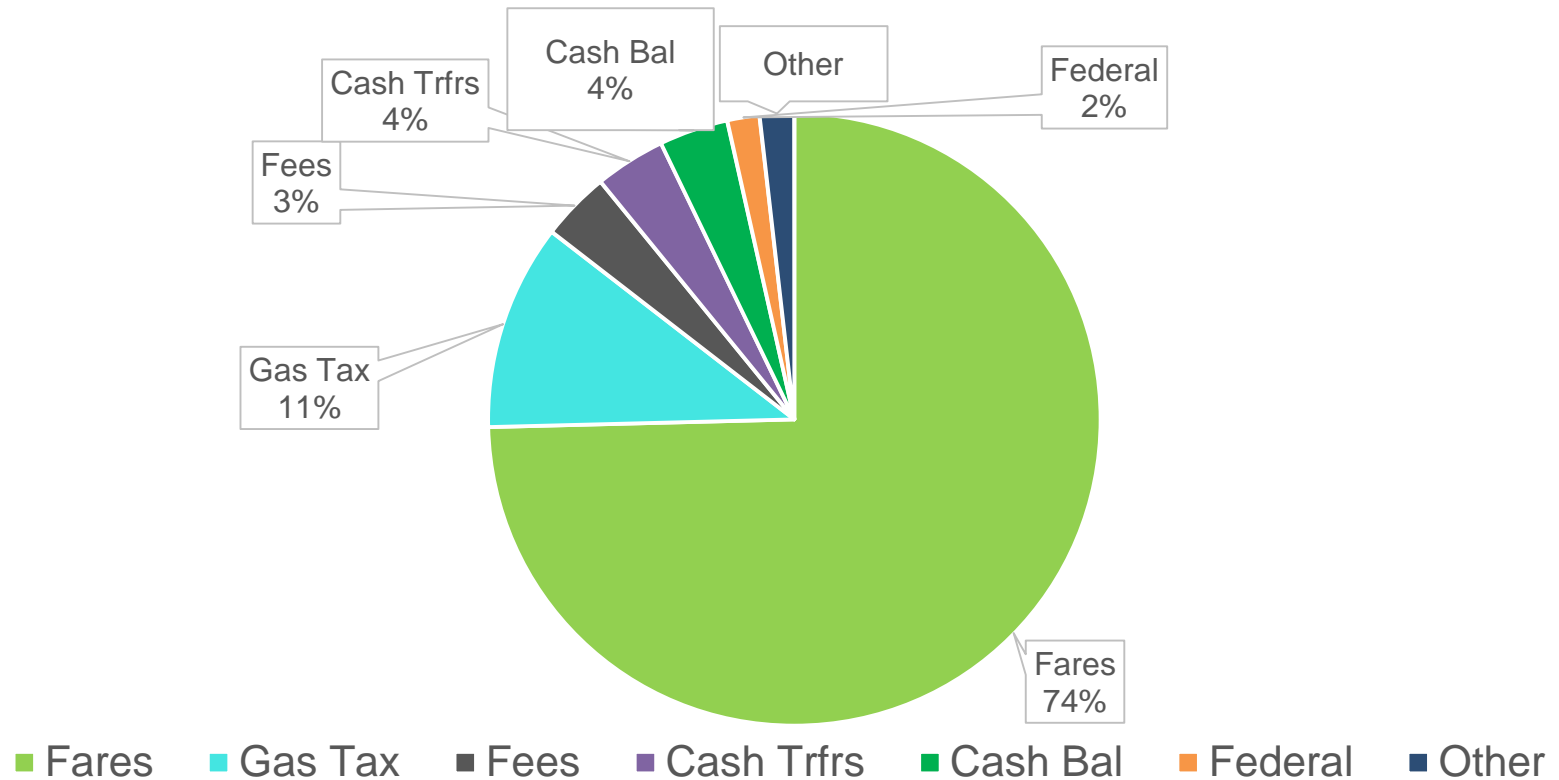
WSF Capital Revenue Sources

FY17-19 Revenue



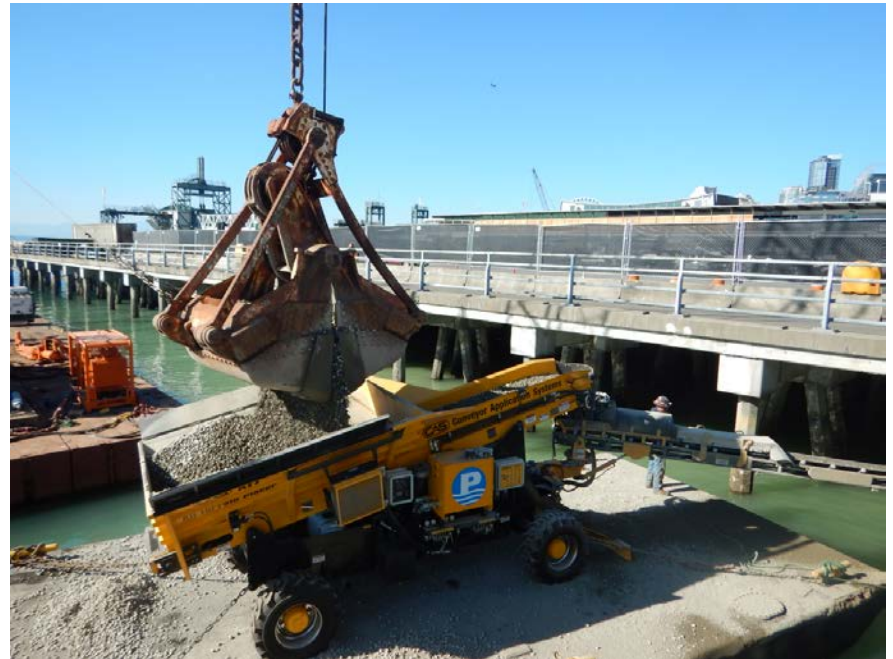
WSF Revenue for Operations

FY17-19 Revenue
Total \$505 mil



What are our expenses?

- State Treasury Accounts
- WSDOT Programs and Budgets
- WSF Operating Program
- WSF Capital Program

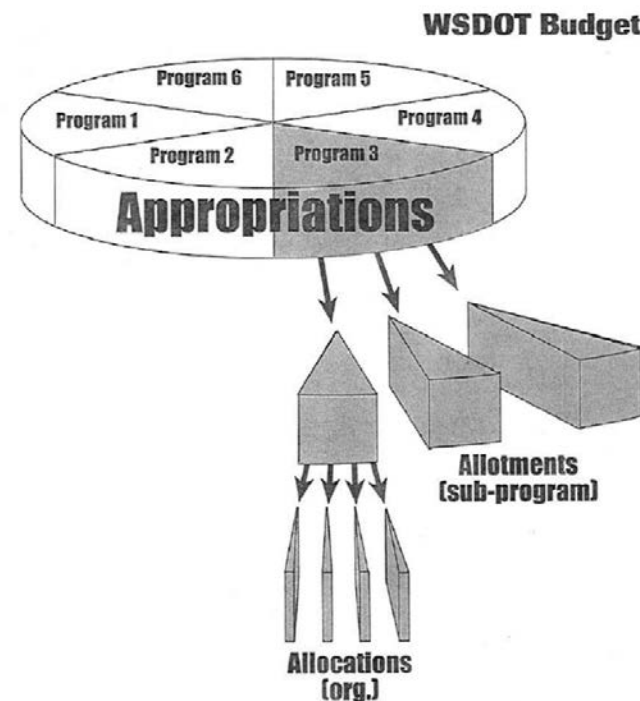


Treasury Accounts Supporting Ferries Programs

- The Legislature funds programs by appropriating funds from state treasury accounts
- Ferries Treasury Accounts
 - Puget Sound Ferry Operations Account
 - Puget Sound Capital Construction Account
 - Capital Vessel Replacement Account
- Non-Ferries Accounts Supporting Ferries Programs Either by Expenditure Appropriations or Revenue Transfers to Ferries Accounts
 - Connecting Washington Account
 - Highway Safety Account
 - Motor Vehicle Account
 - Multimodal Transportation Account
 - Transportation Partnership Account
 - 2003 Transportation (Nickel) Account

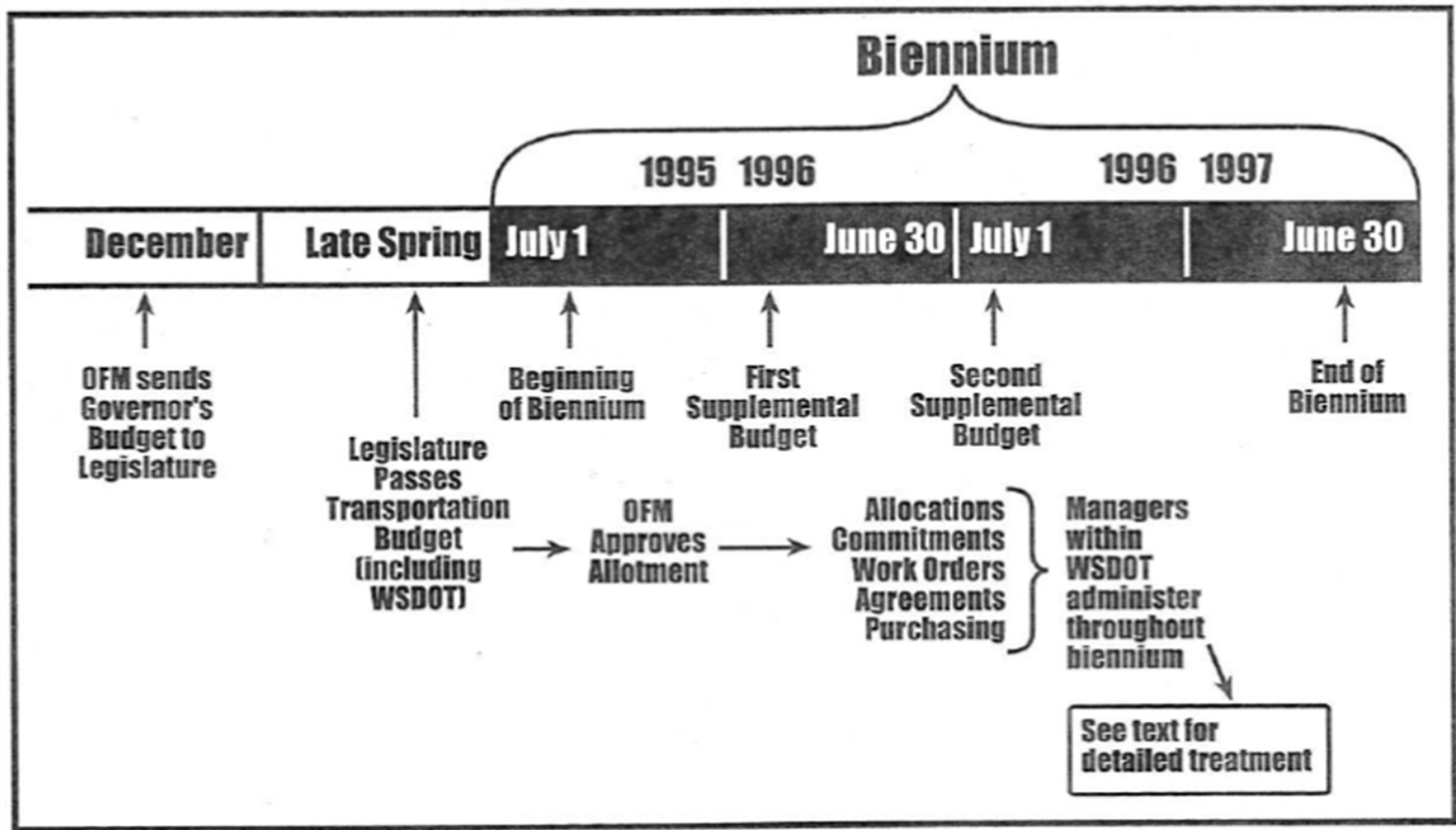
Programs, Budgets and Spending Authority

- The Legislature creates agency Programs
- A Program is a legal entity that is subject to various laws;
- WSDOT submits Program budget requests to obtain legal authority to spend funds.
- State government uses three types of spending authority:
 - The Legislature **appropriates** the **Program** (biennial lump sum spending authority and line item projects);
 - The Governor (OFM) **allots** the sub-program (biennial, fiscal year and monthly spending authority); and
 - WSDOT **allocates** (biennial, fiscal year and monthly spending authority)
 - Detailed, organizational operating budgets, and
 - Capital project list and project budgets.



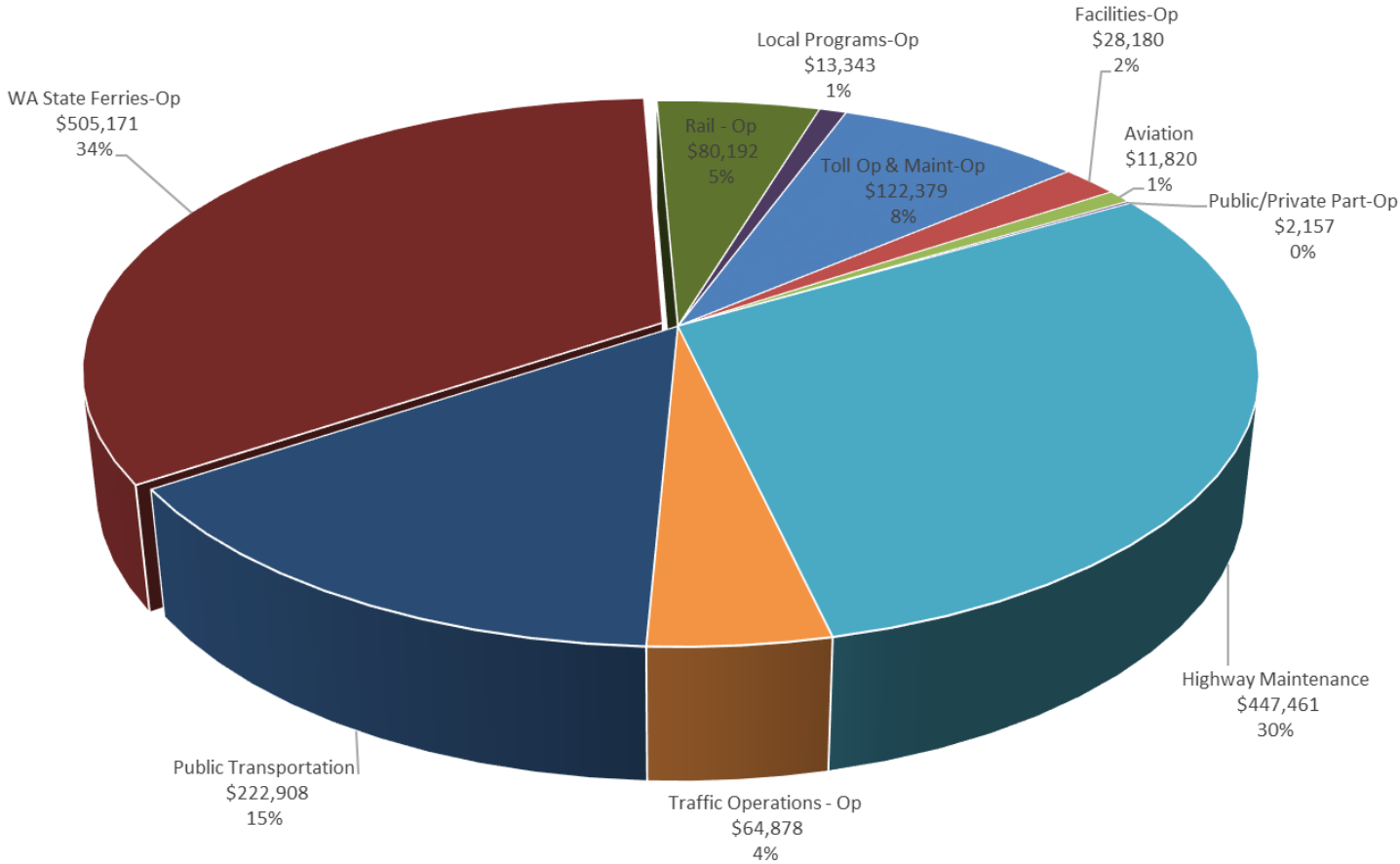
Ferries Programs and Budgets

State Budget Cycle



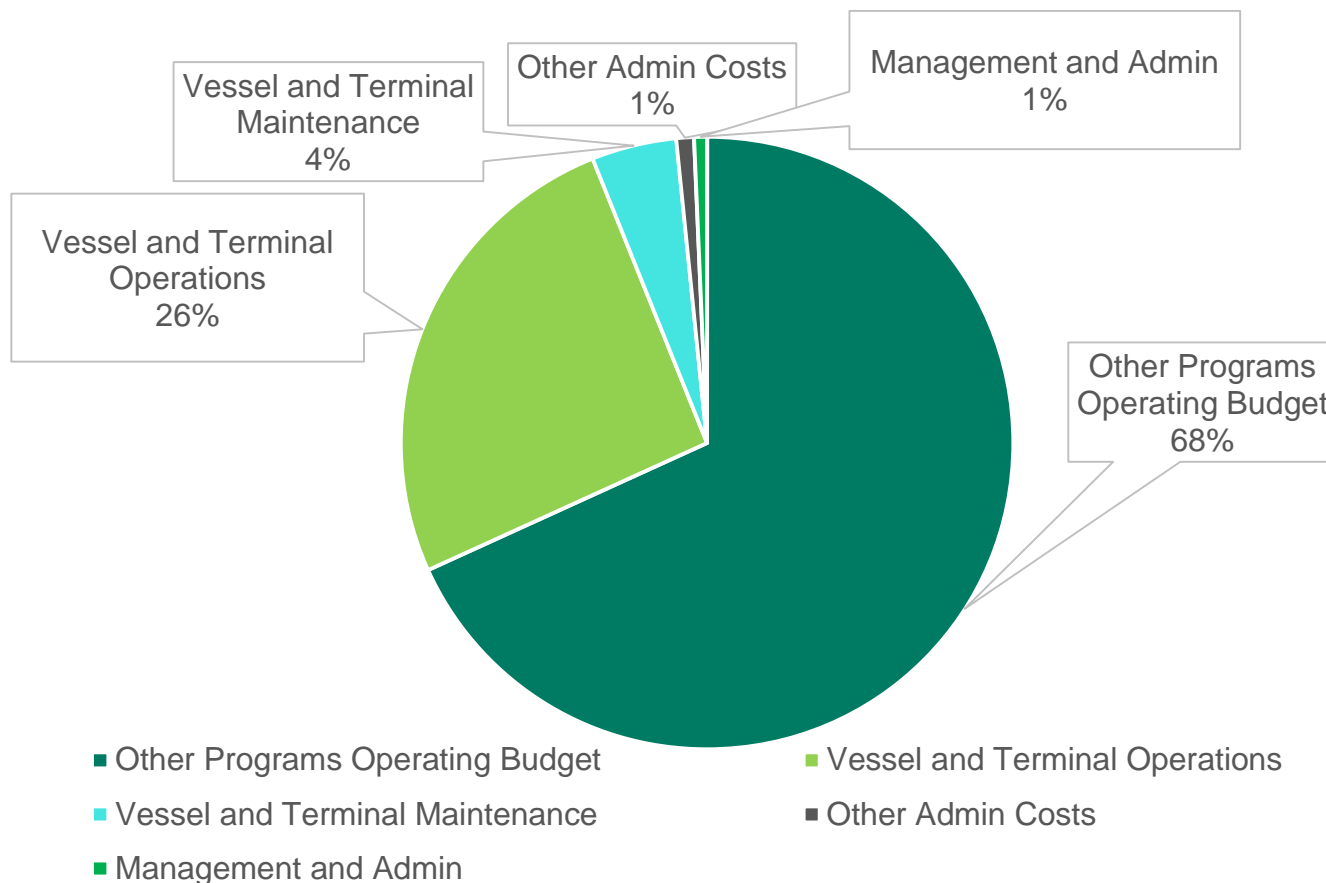
WSF Program X Operating Budget

WSF Operating Budget and Other Transportation Operating Programs Total 2017-19 Operating Budget \$1.5 Billion



Operating Budget (2017-2019)

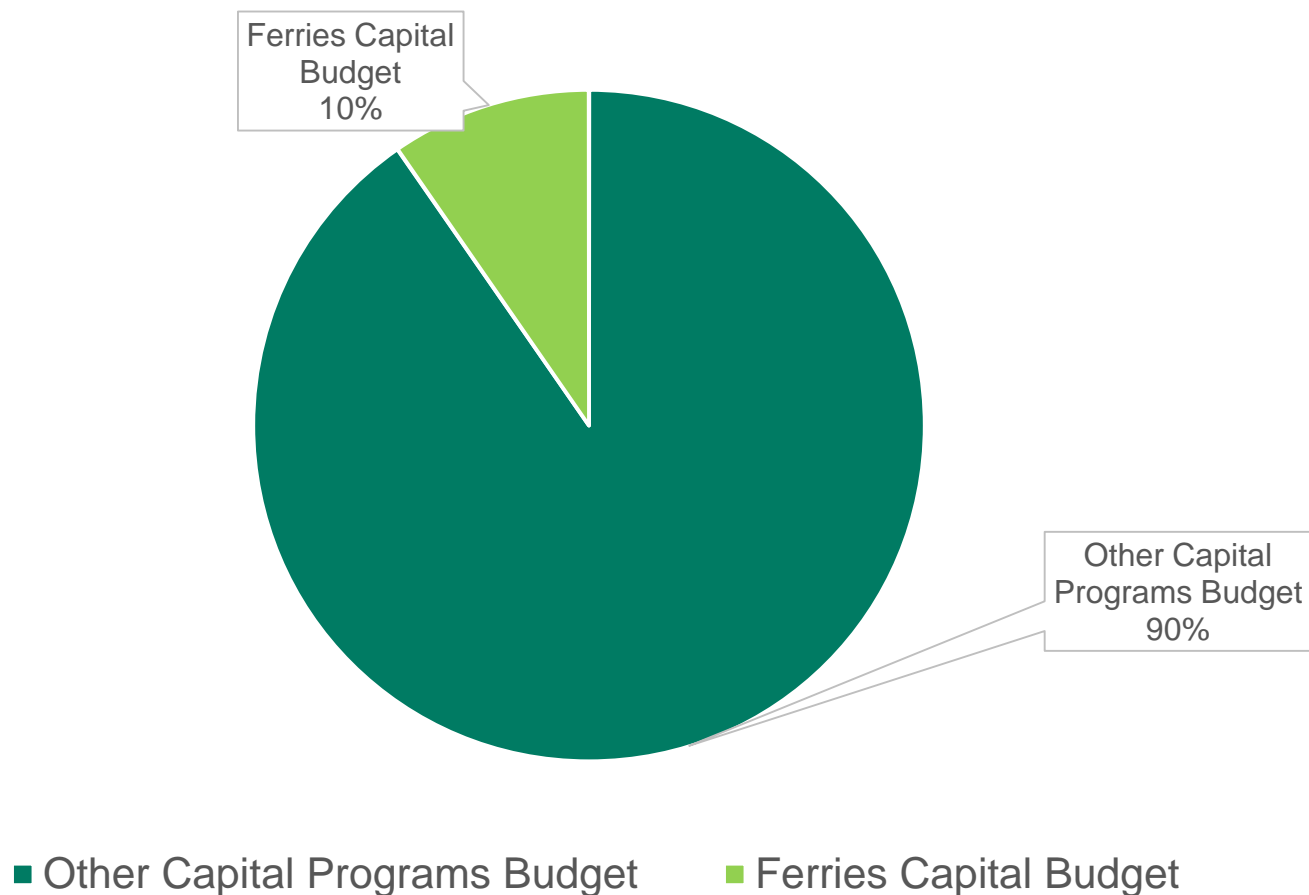
WSF Operating Budget and Other Transportation Operating Programs Governor's 2017-19 Budget Proposal Total Operating Budget \$1.5 Billion



Capital Budget (2017-2019)

WSF Capital Budget Compared to Other Capital Program Budgets 2017-19 Biennium

Total Capital Budget \$3.9 Billion

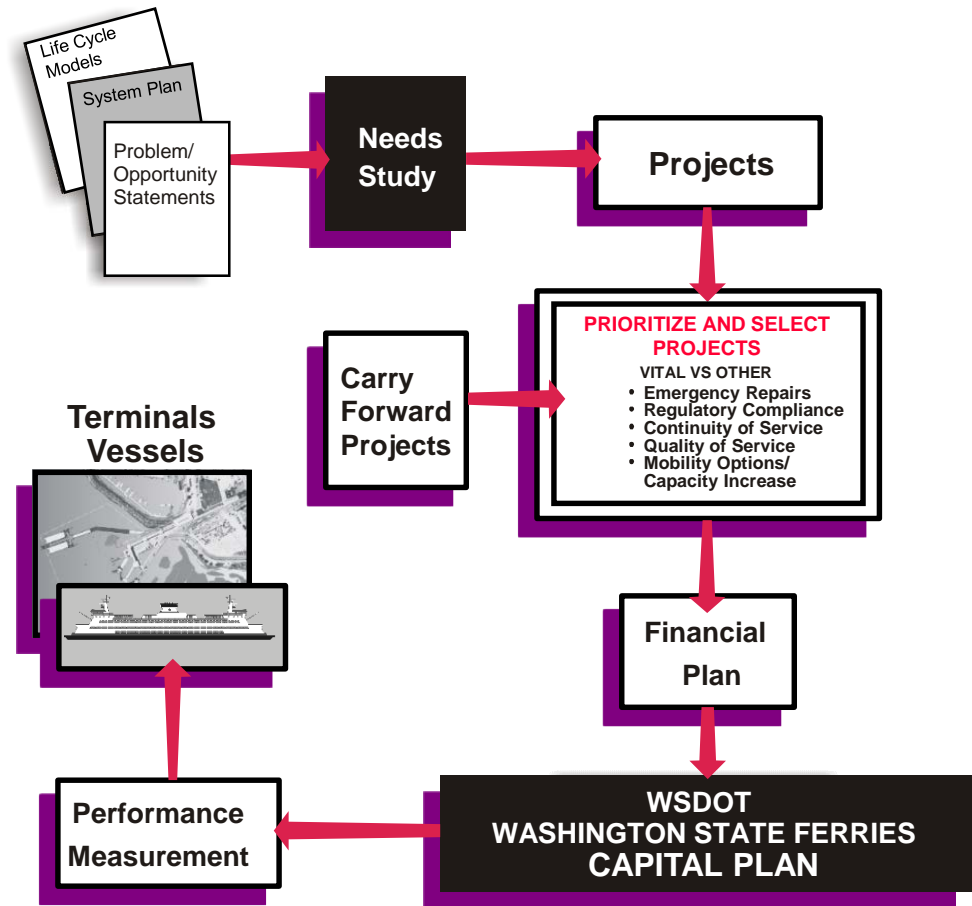


Ferries Programs and Budgets

Capital Investment Process

7-Step Investment Process

- 1 Gather needs Information
- 2 Prepare needs study
- 3 Define solutions (projects)
- 4 Select projects
- 5 Identify funding
- 6 Prepare capital plans, obtain approval of projects and spending authority
- 7 Measure fiscal and work performance



2040 Long Range Plan

The Ferries Long-Range Plan will include

- Current ridership demand forecast
- Vehicle level of service standards
- Operation strategies
- Terminal and vessel design standards
- Terminal and vessel preservation plans
- System-wide vessel rebuild and replacement plan
- Vessel deployment plan

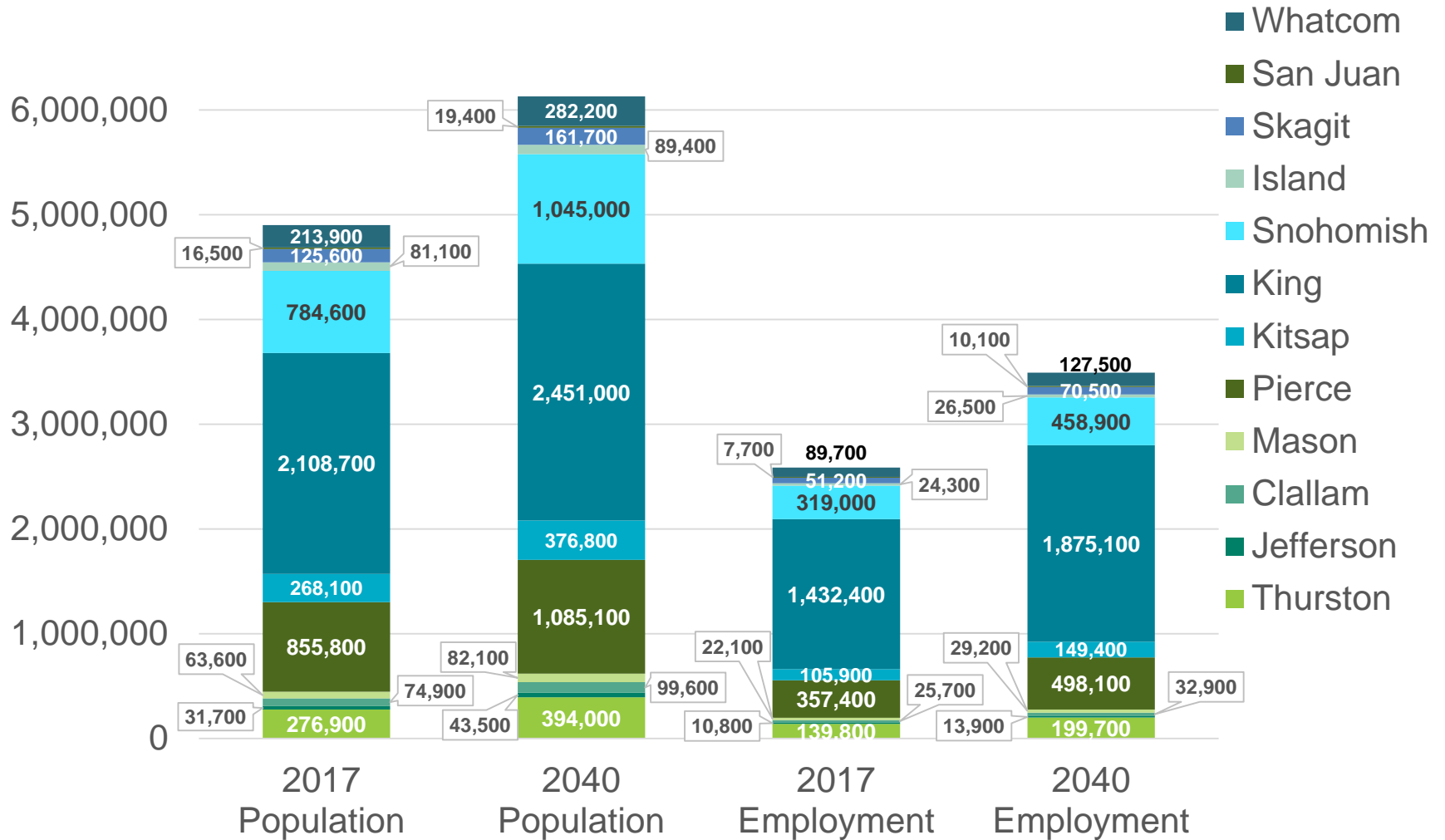


Look ahead

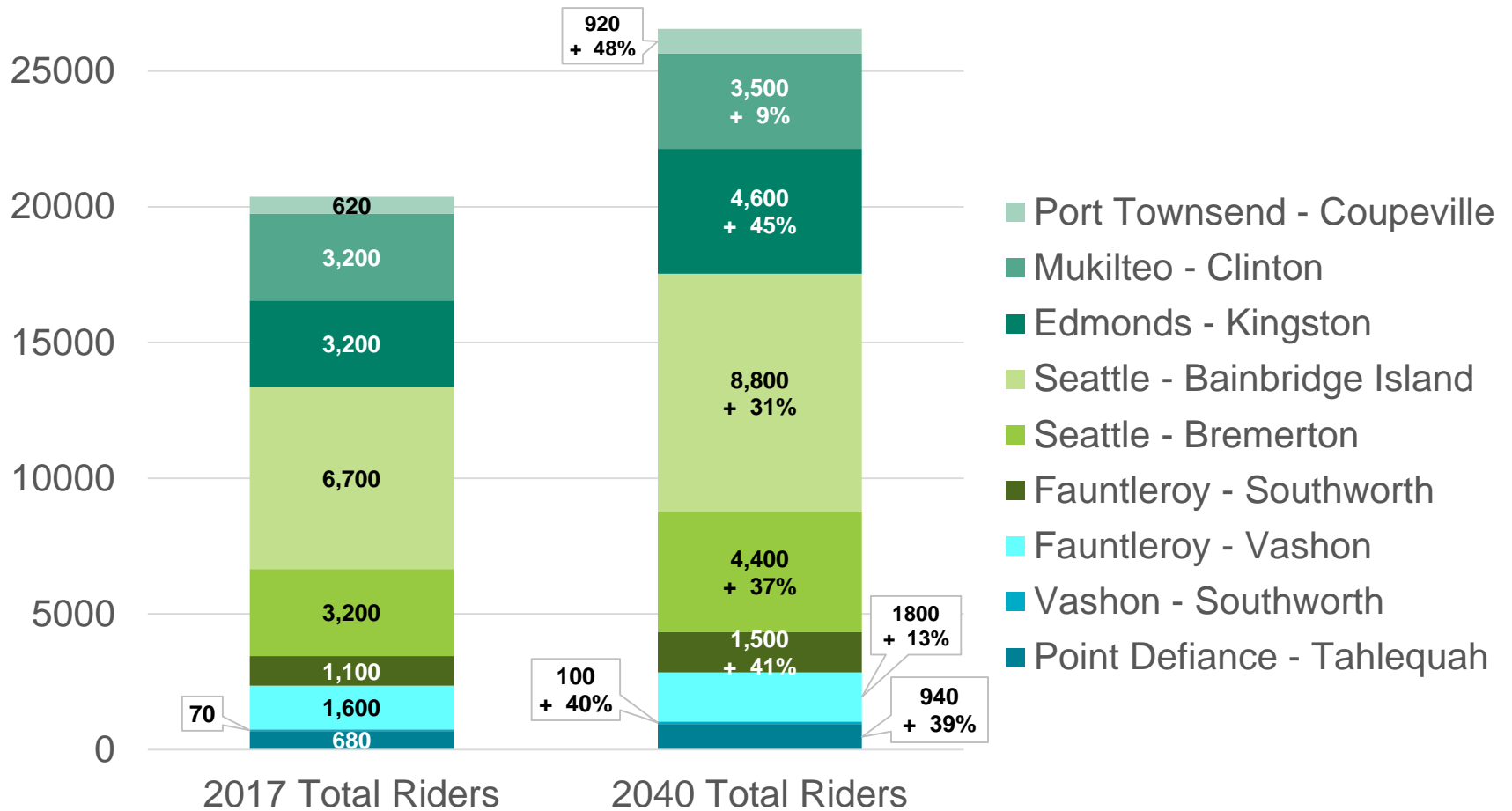
- Review plan elements and ridership forecasts
- Preview public meeting materials
- Next TAG meeting: March 15

Supplemental Ridership Forecast Data

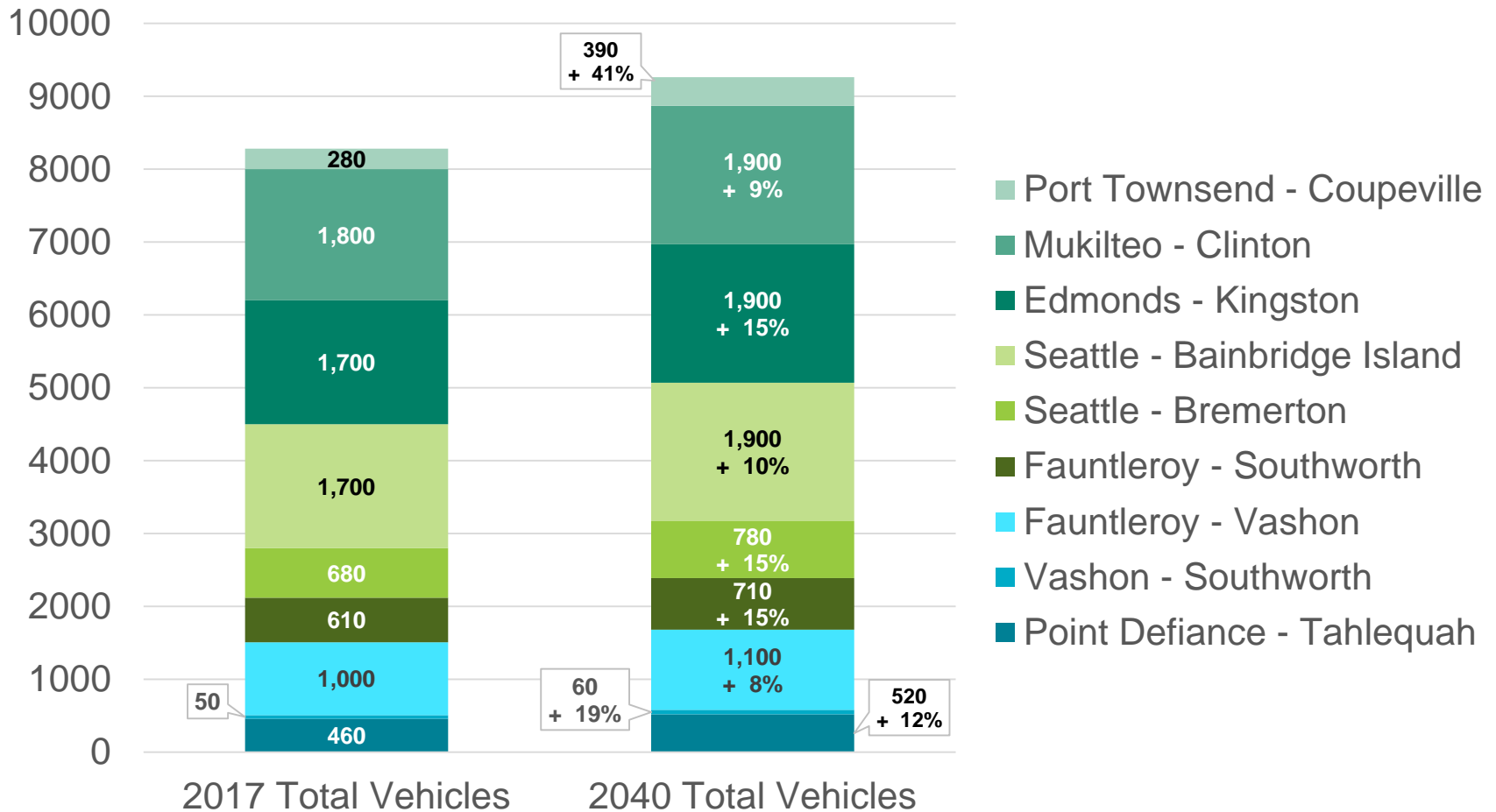
WSF Service Area Population and Employment - North to South



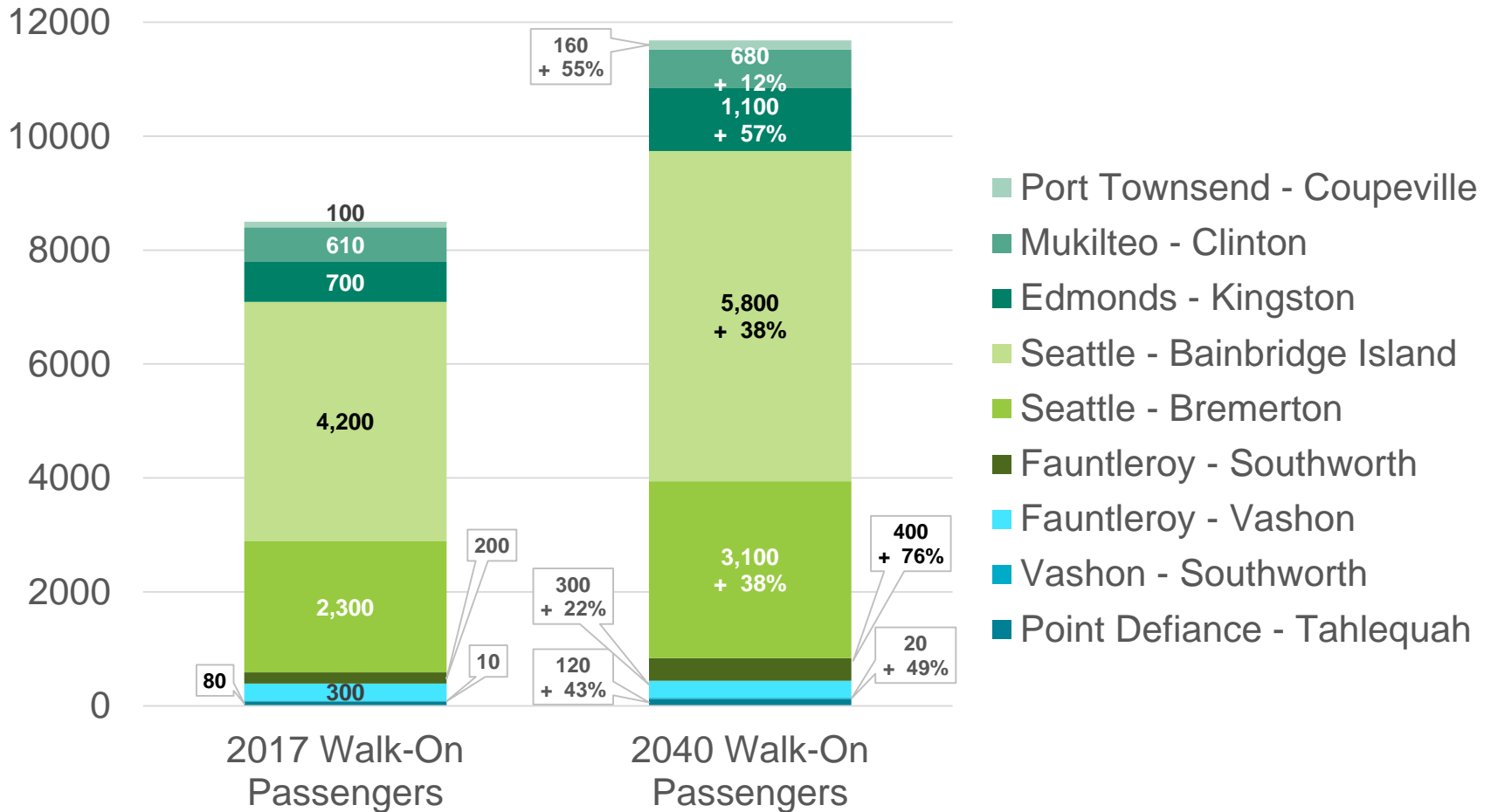
Total PM Peak Ridership Eastbound and Westbound by Route



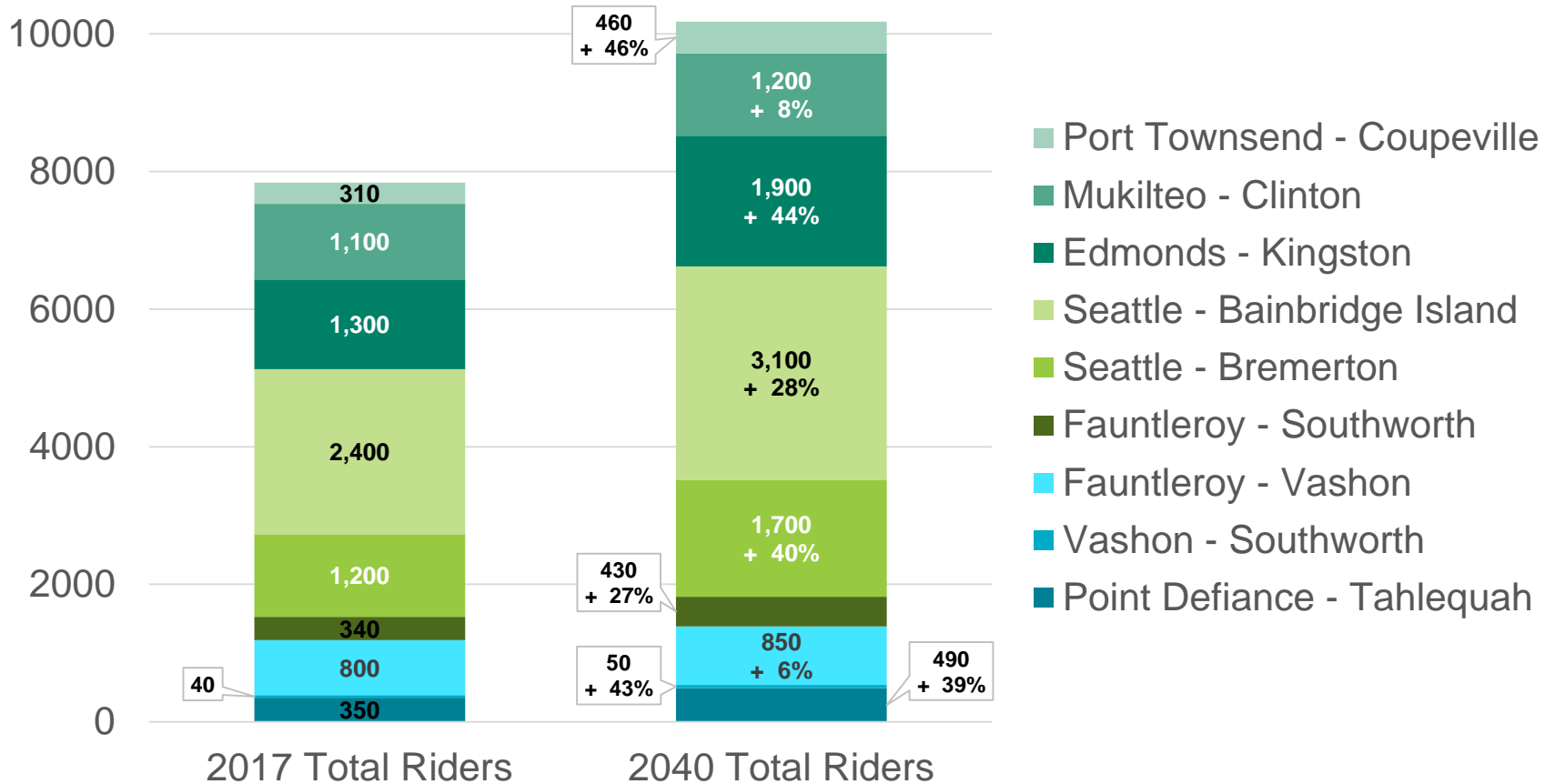
Total PM Peak Vehicles Eastbound and Westbound by Route



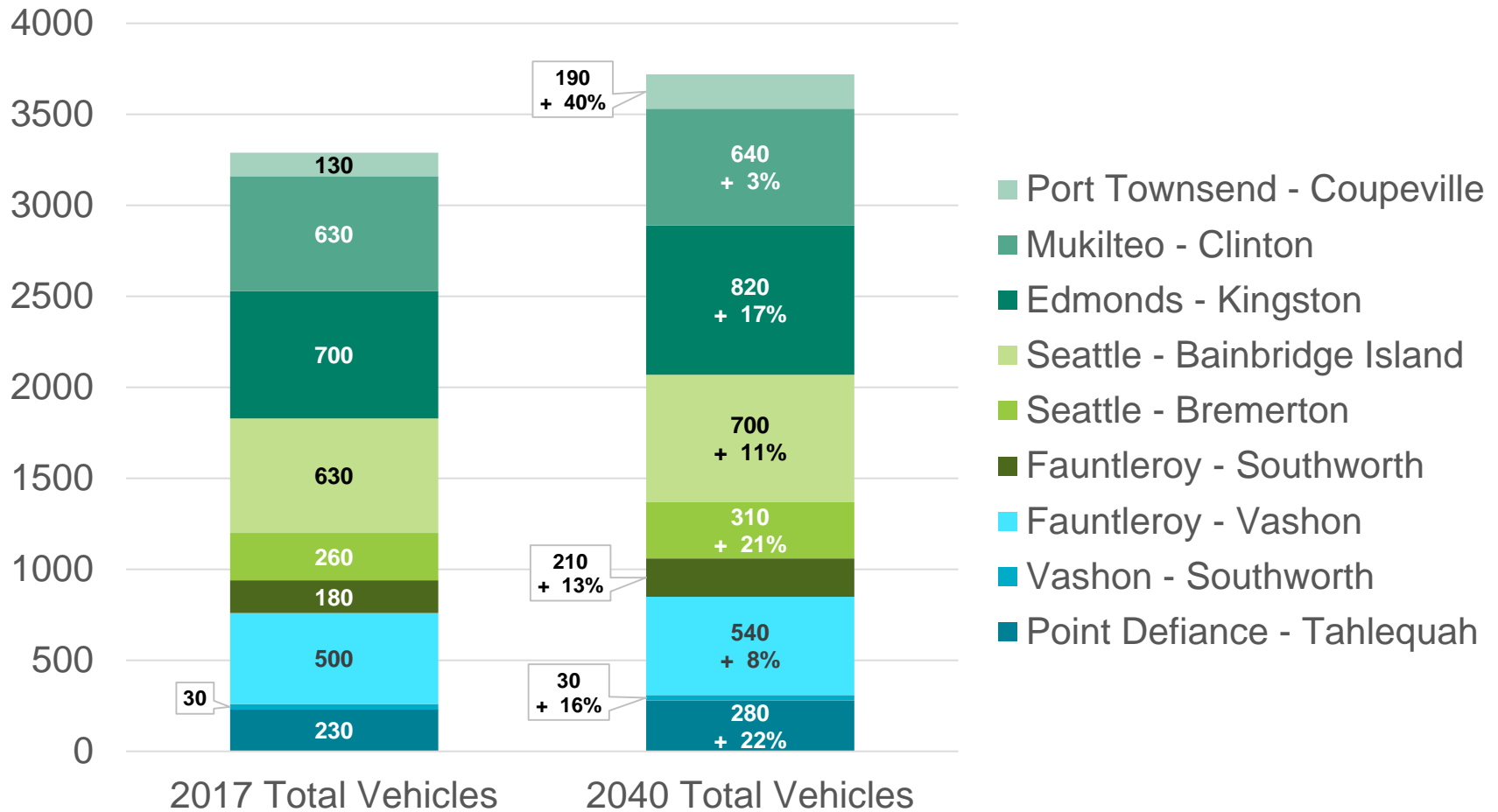
Total PM Peak Walk-On Passengers Eastbound and Westbound



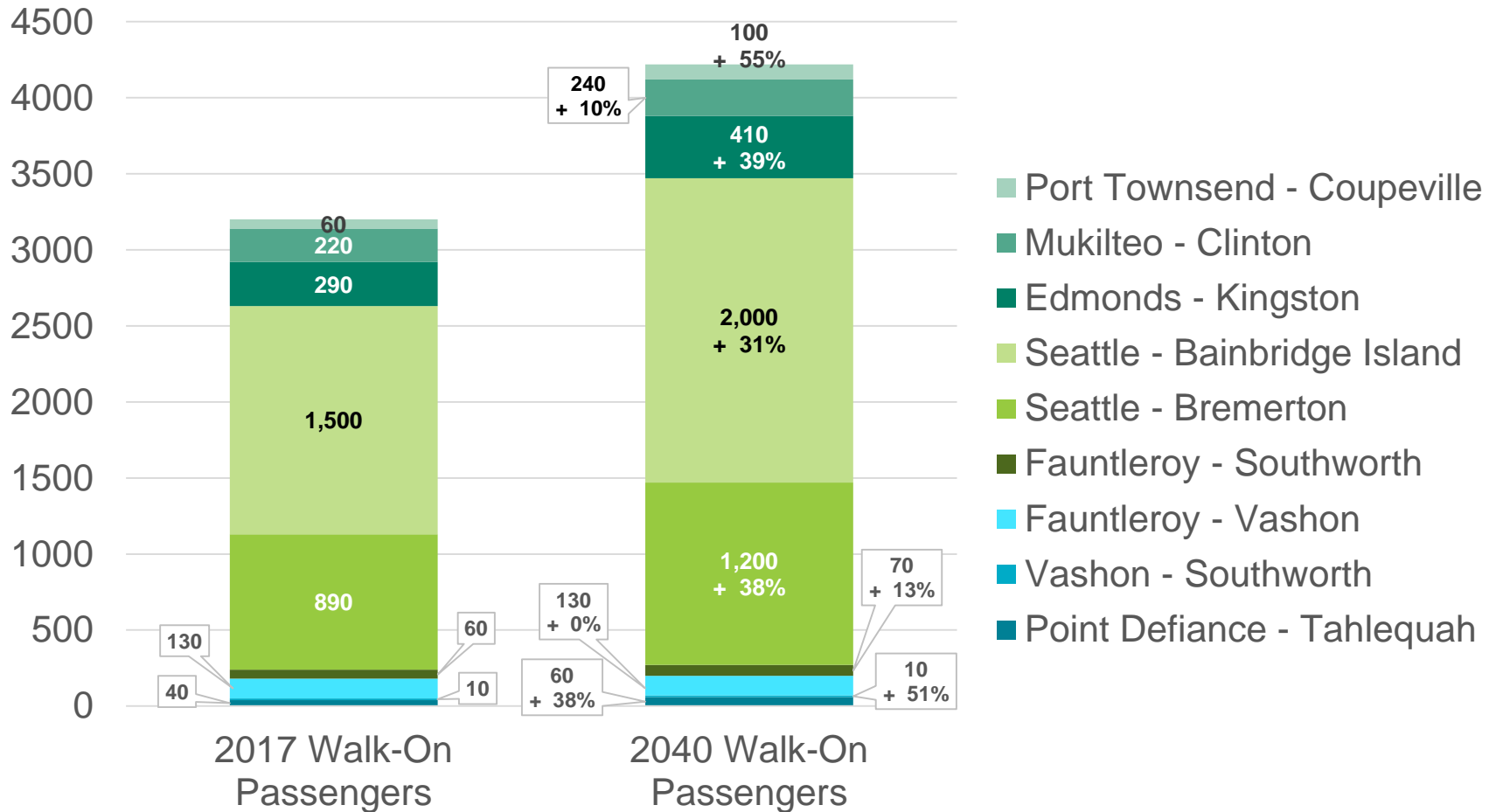
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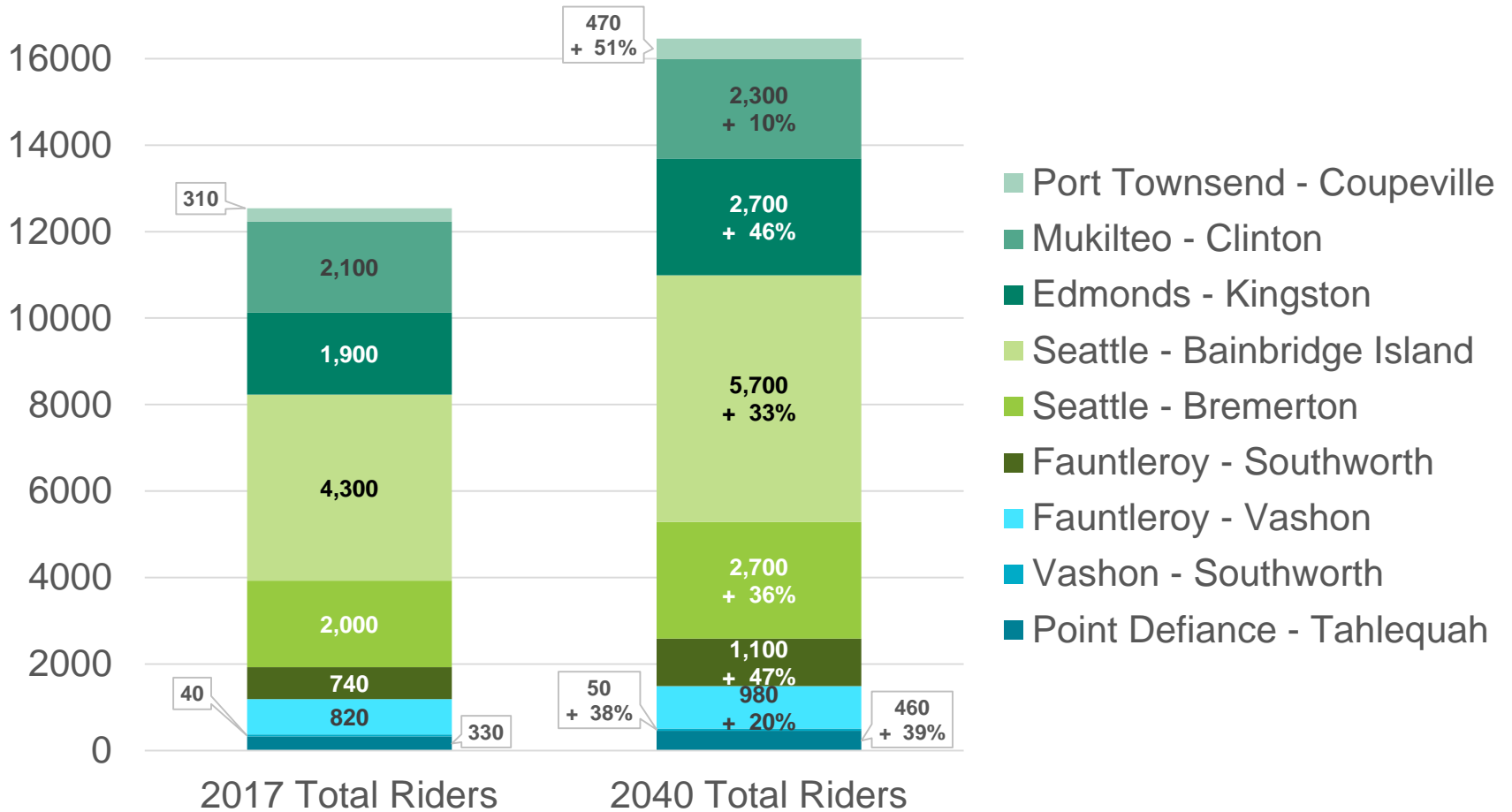
Total PM Peak Vehicles Eastbound



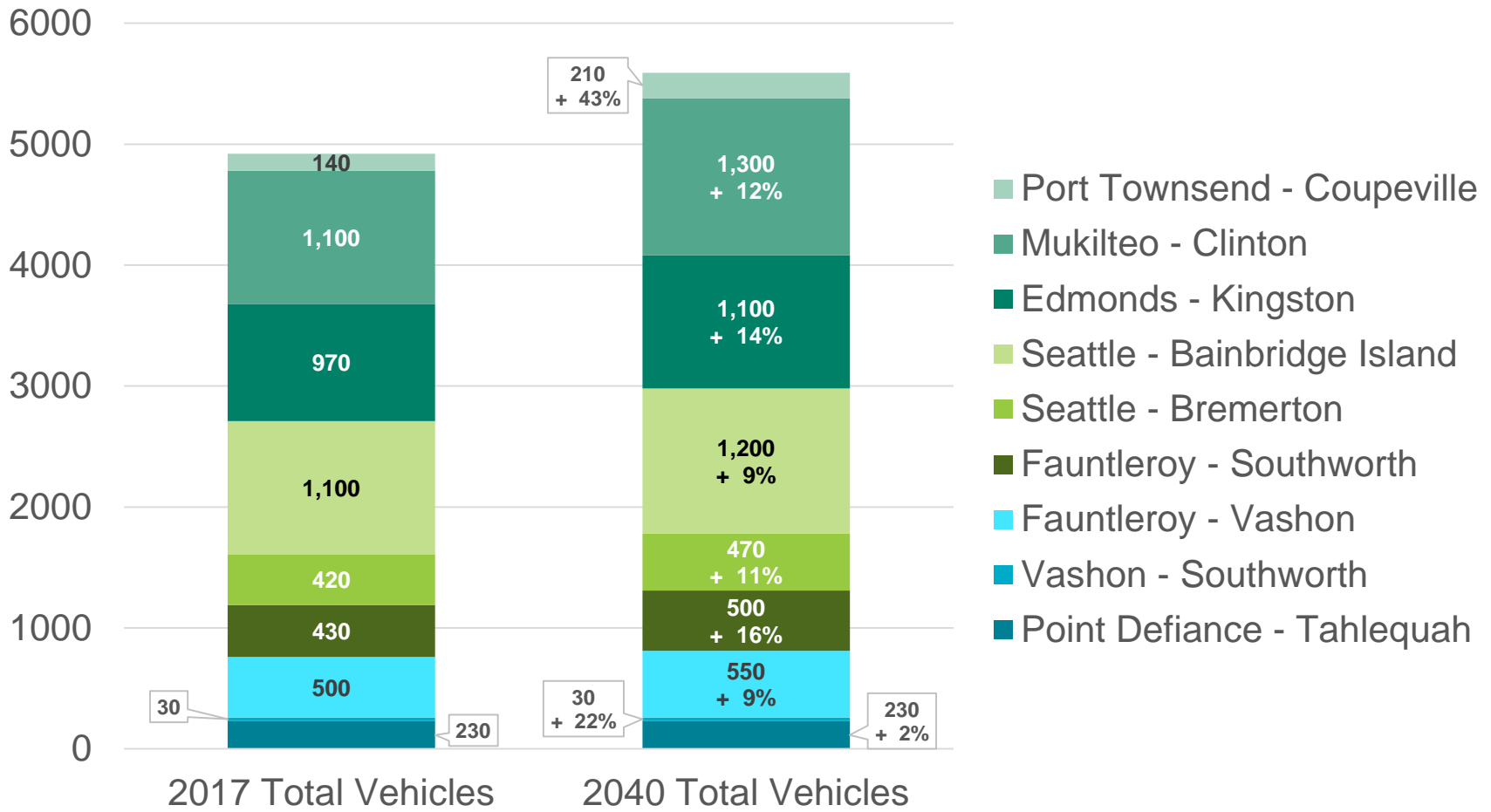
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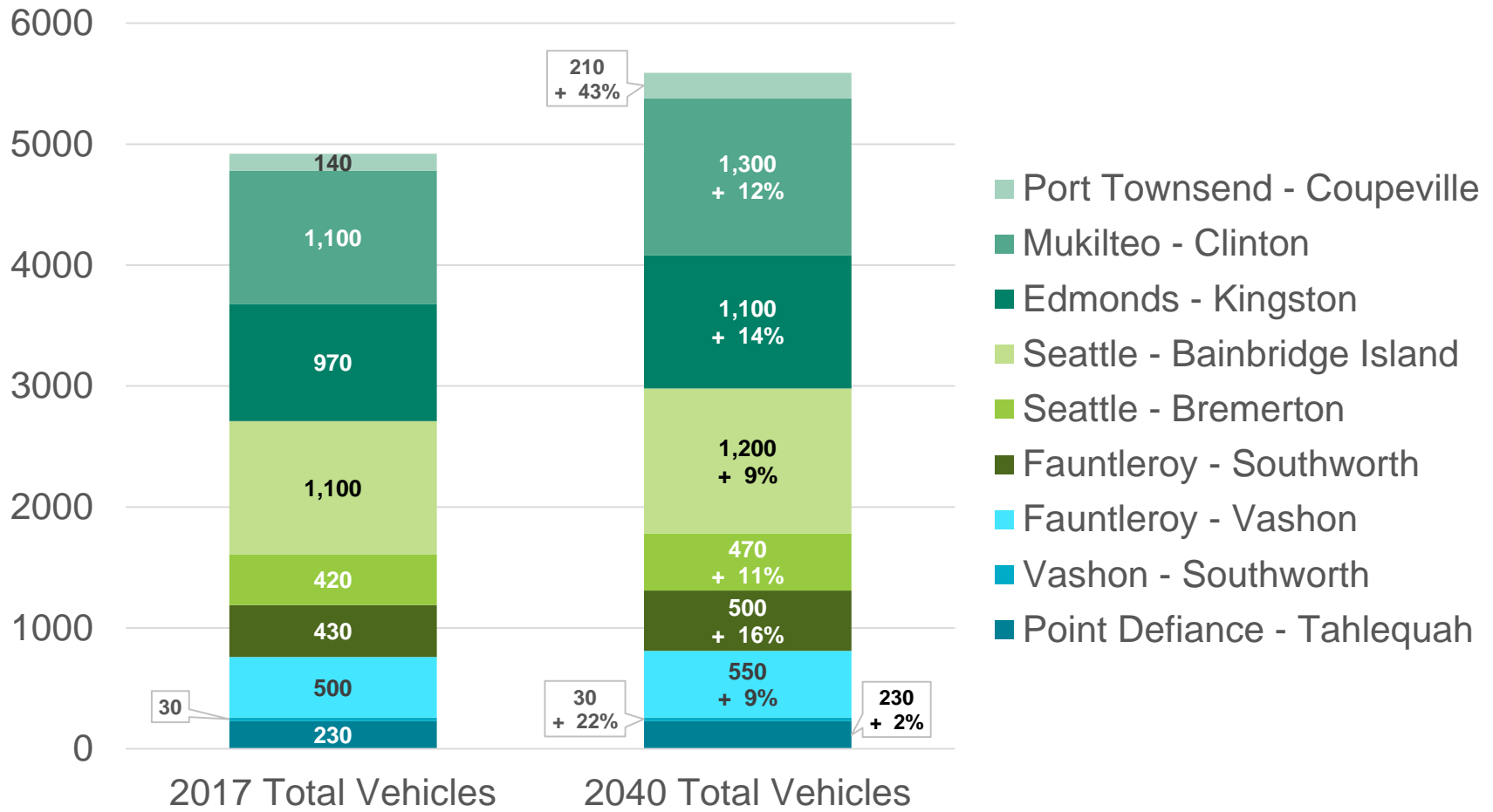
Total PM Peak Ridership Westbound



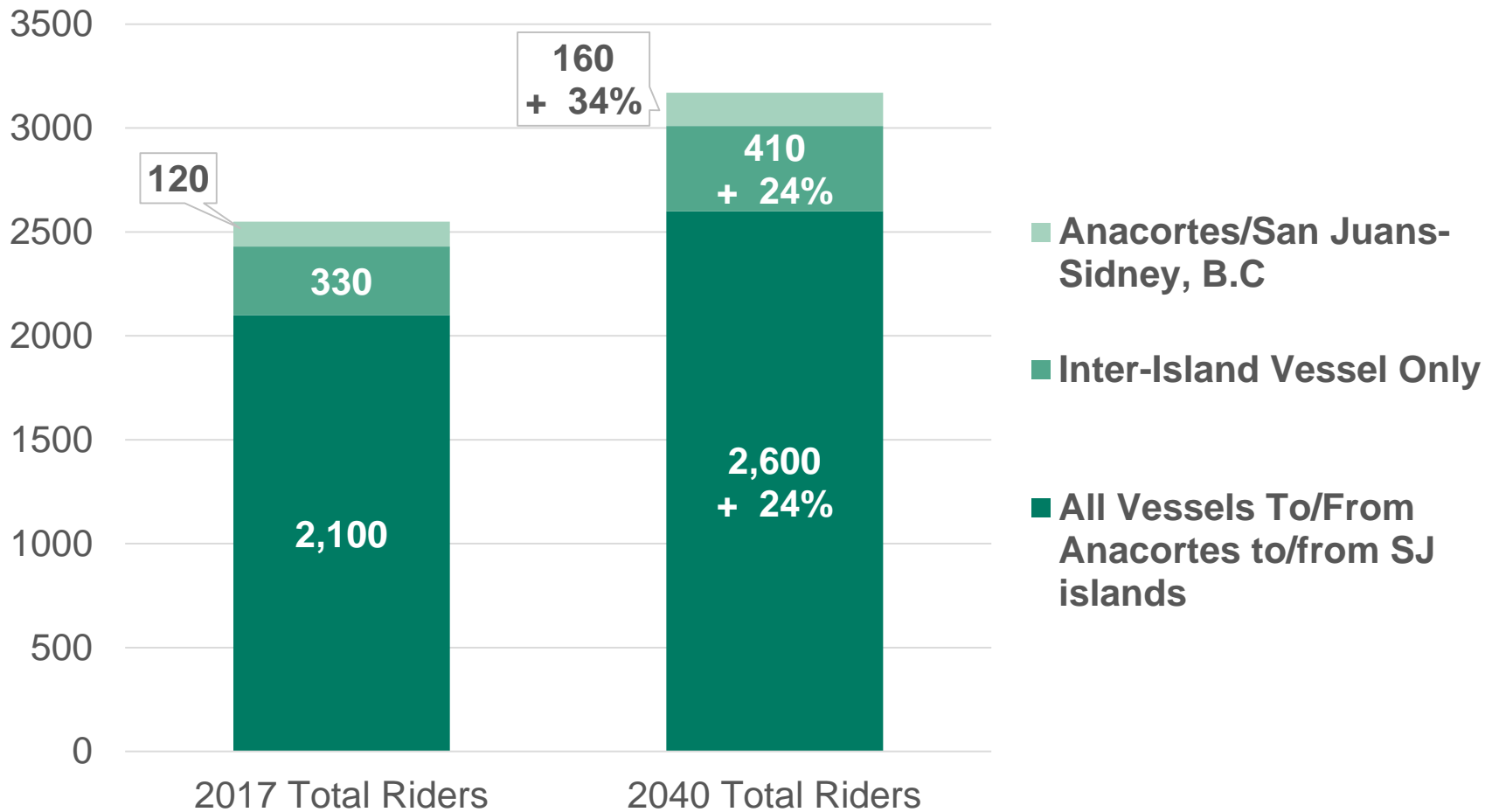
Total PM Peak Vehicles Westbound



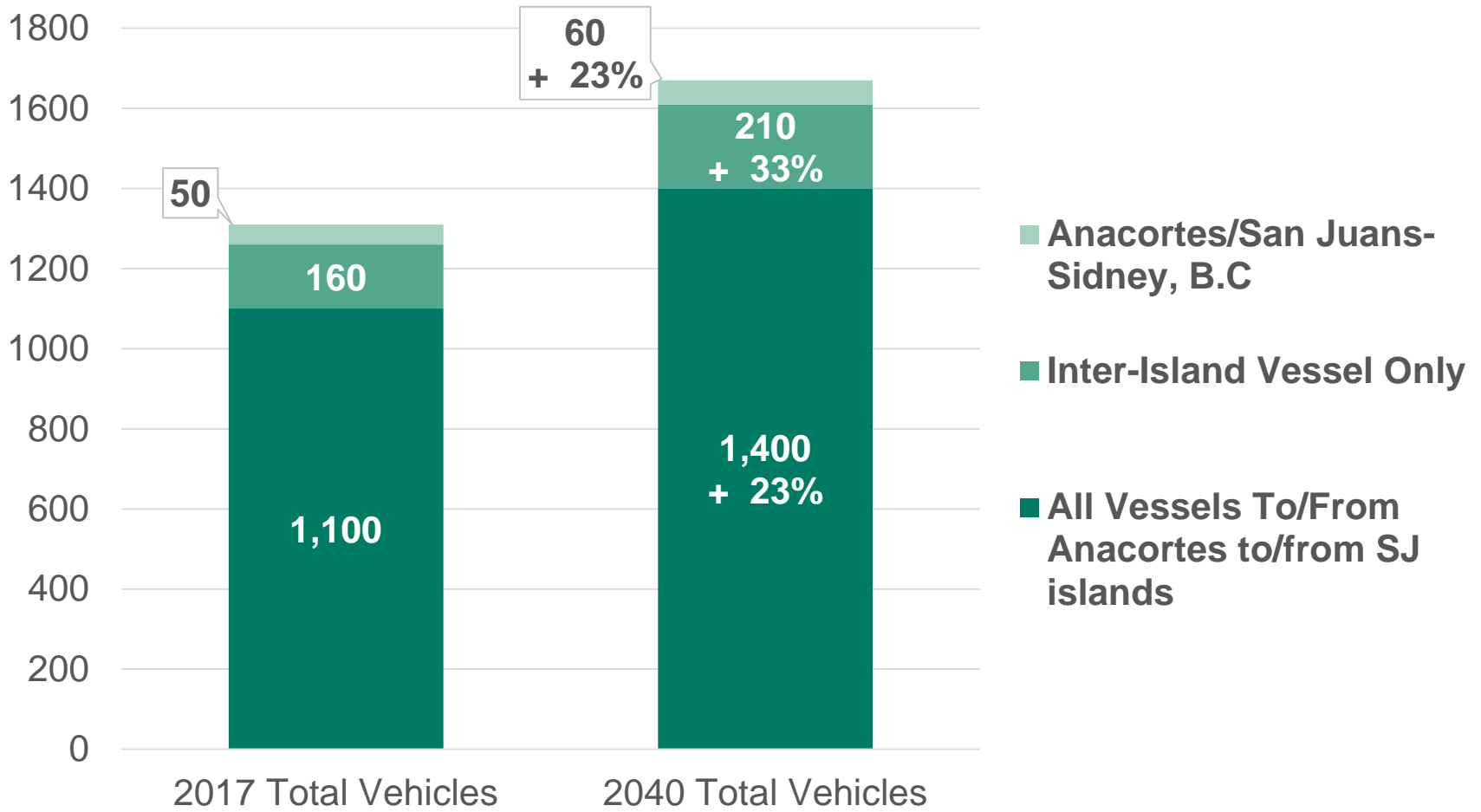
Total PM Peak Walk-On Passengers Westbound



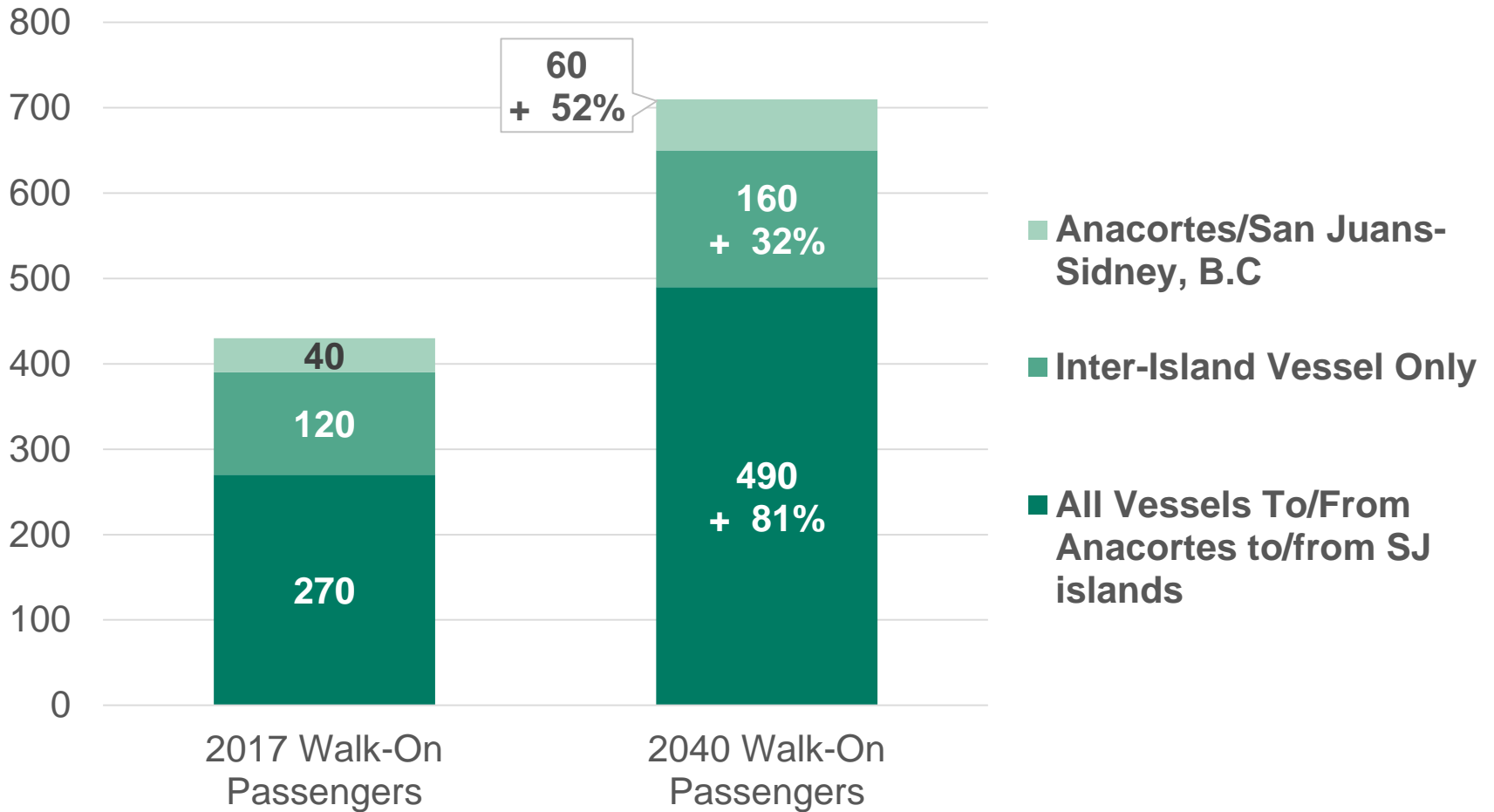
San Juan Ridership Westbound



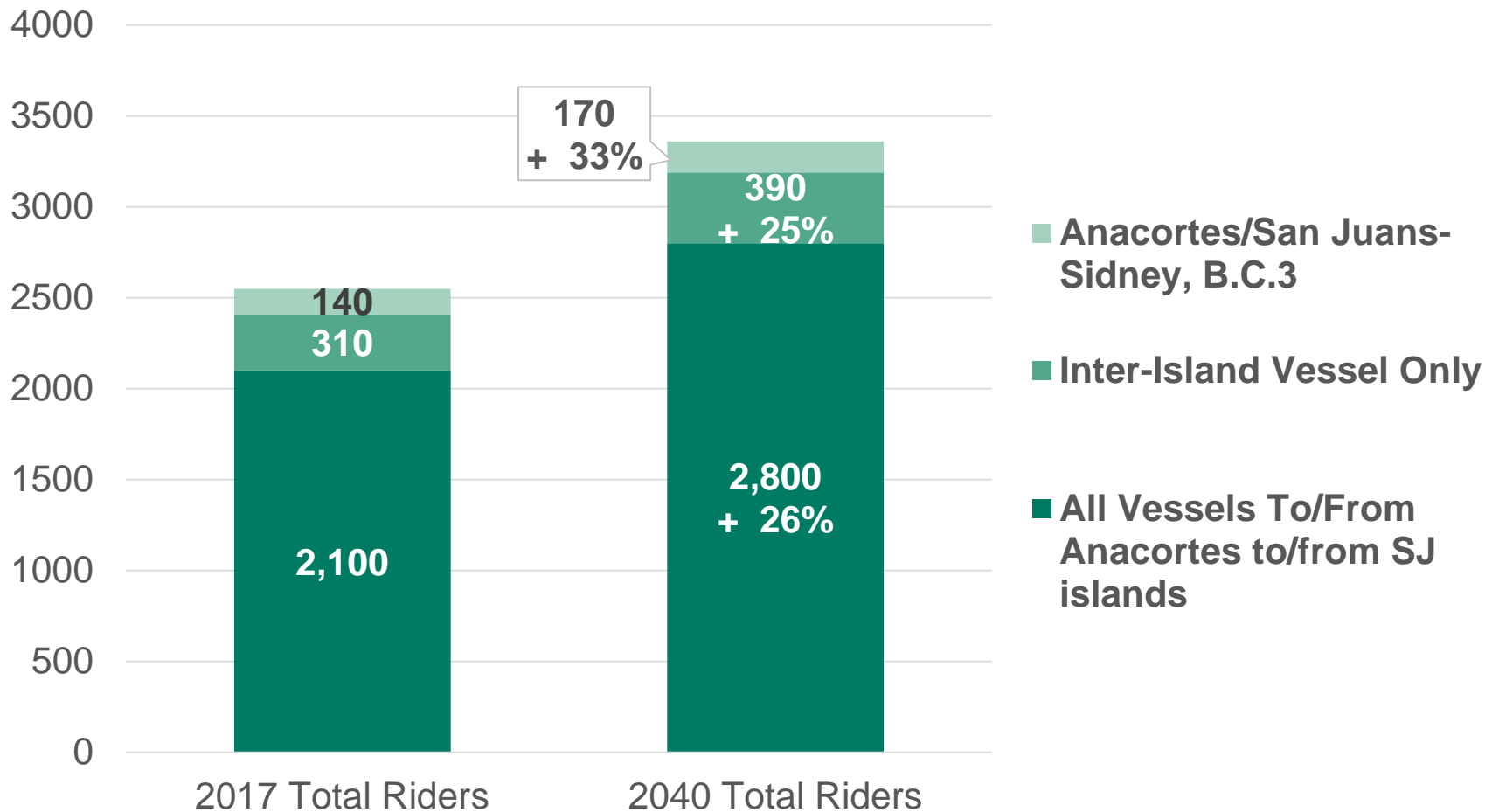
San Juan Route Vehicles Westbound



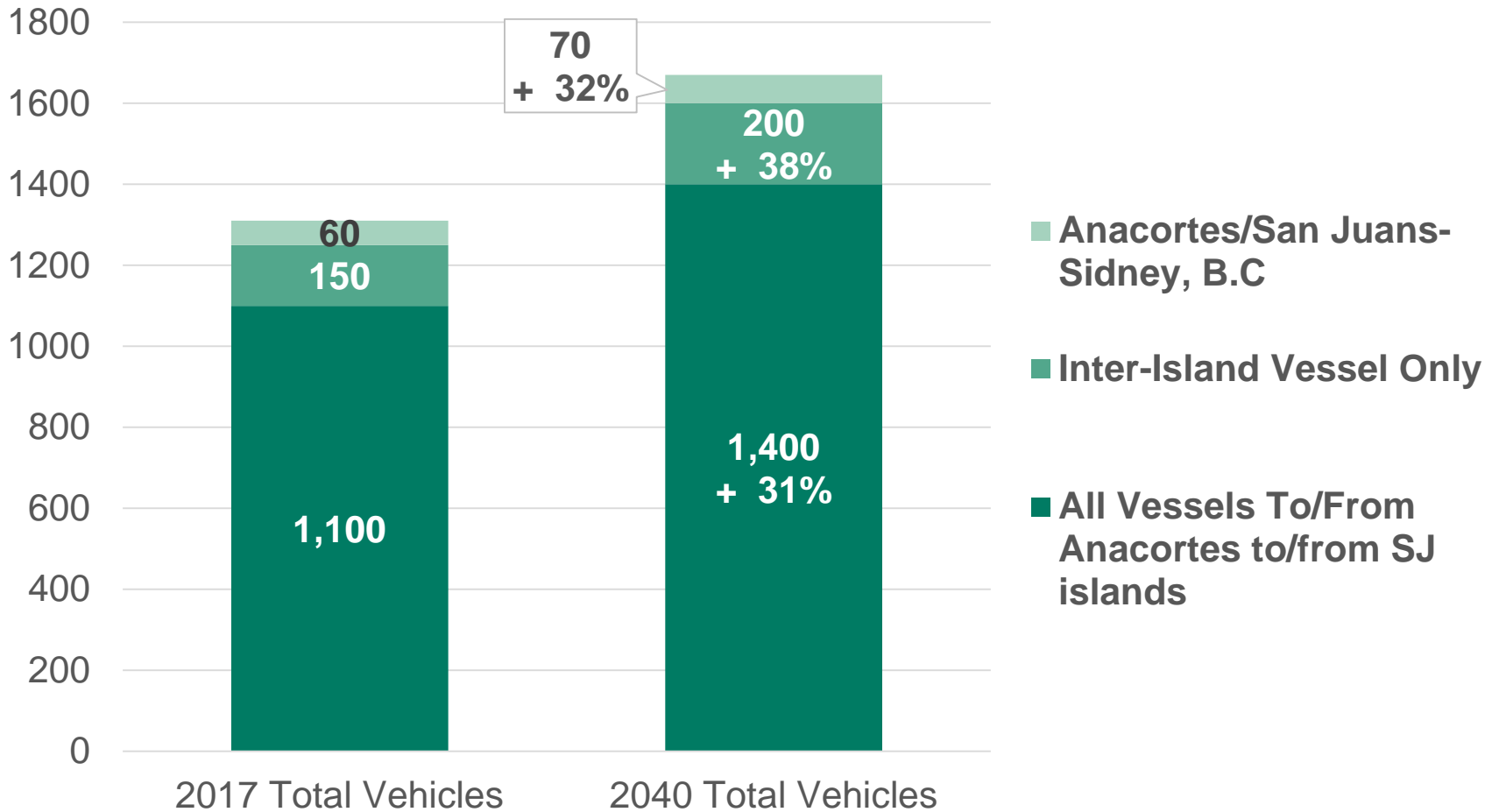
San Juan Walk-On Passengers Westbound



San Juan Ridership Eastbound



San Juan Vehicles Eastbound



San Juan Walk-On Passengers Eastbound

