

Washington State Ferries 2040 Long Range Plan

Policy Advisory Group

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January 18, 2018

Meeting objectives

1. Meet the project team and review work plan
2. Review ridership forecast data
3. 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

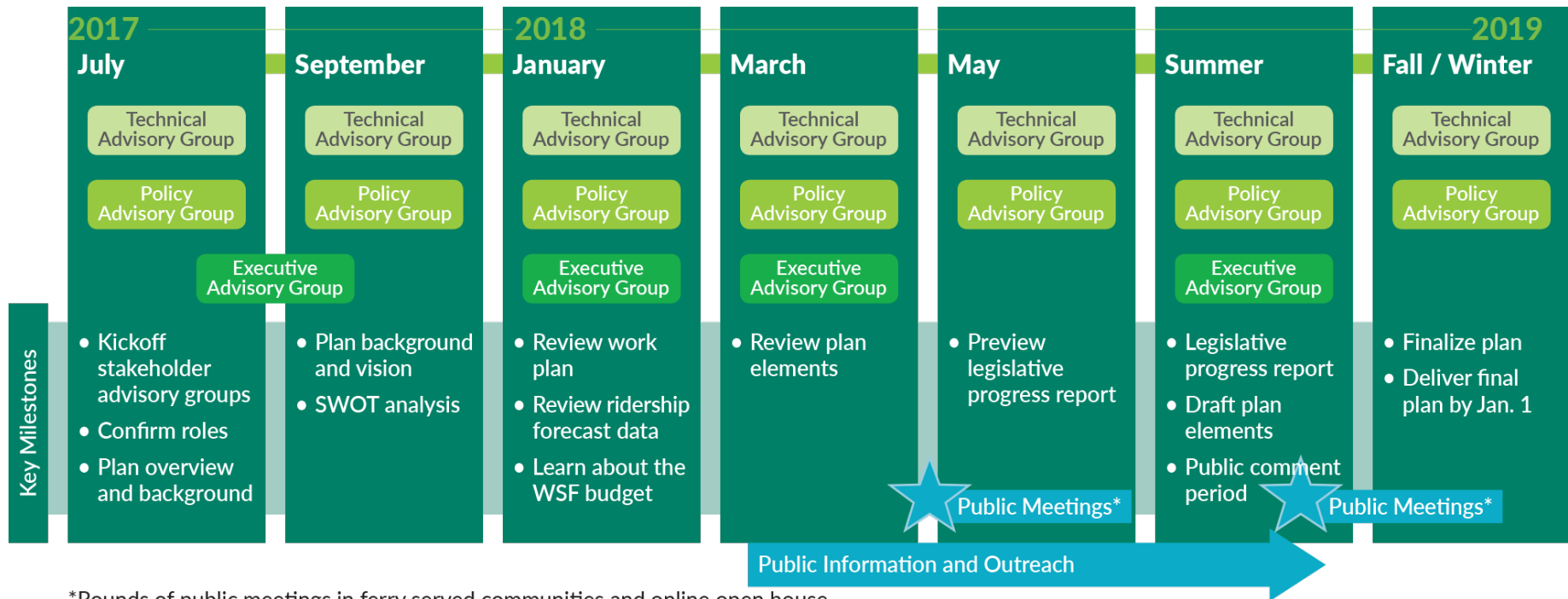
SWOT Analysis Recap



A word cloud of terms related to a SWOT analysis. The words are arranged in a dense, overlapping manner. The largest words are 'Picturesque', 'Reliability', 'Technology', and 'Replace aging ferries'. Other prominent words include 'Consistent leadership', 'Public private partnerships', 'Transit connections', 'Safety', 'Efficiency', 'Dedicated staff', 'Terminal locations', 'Promote pedestrian access', 'Fares', 'Aging workforce', 'Real-time info', 'Reservation system', and 'Funding'.

Picturesque Consistent leadership
Public private partnerships **Reliability**
Technology Fares Transit connections
Promote pedestrian access
Replace aging ferries
Aging workforce Terminal locations
Safety Efficiency Dedicated staff Real-time info
Reservation system Funding

Long Range Plan Schedule



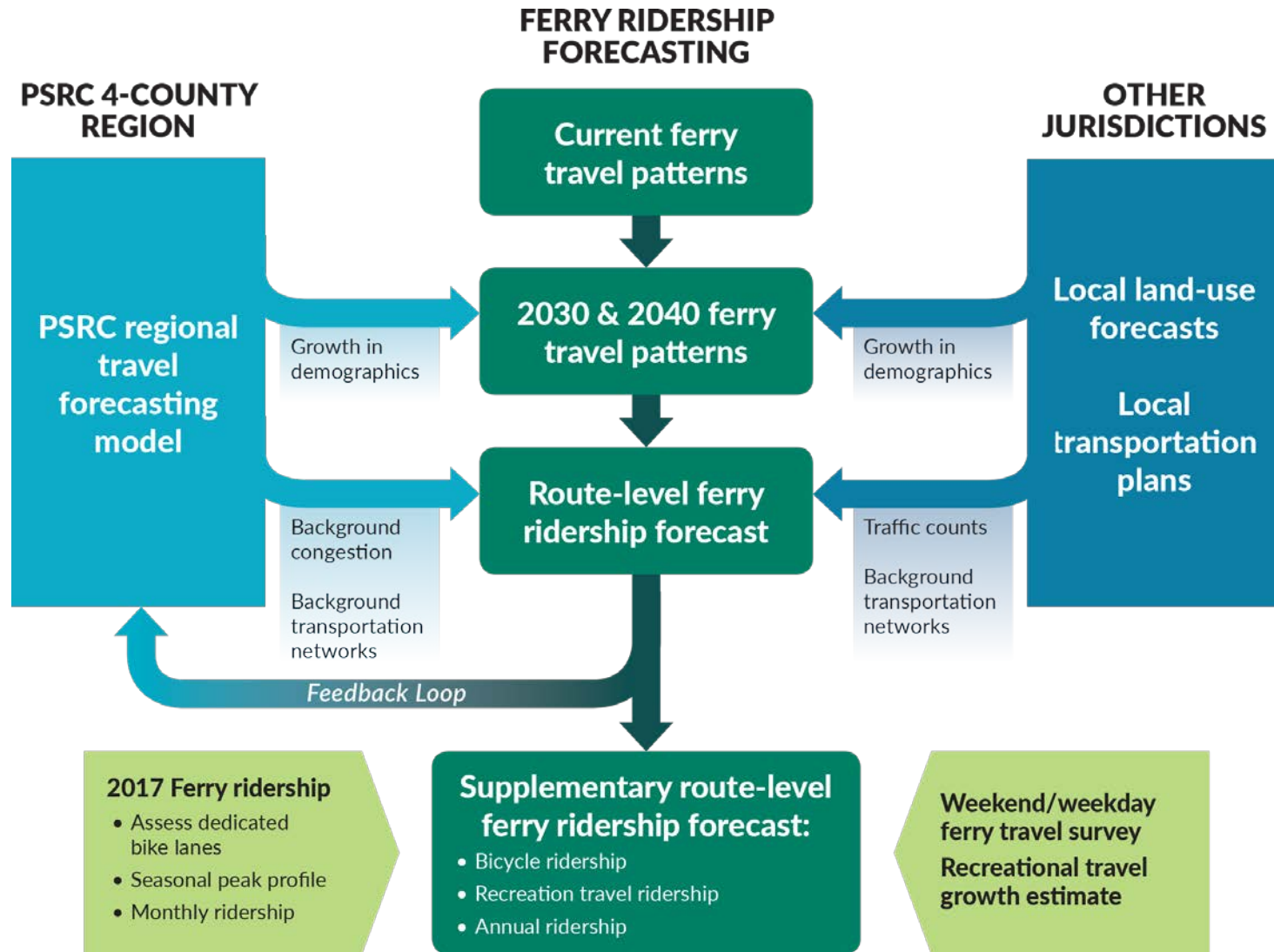
*Rounds of public meetings in ferry served communities and online open house.

Ridership Forecast

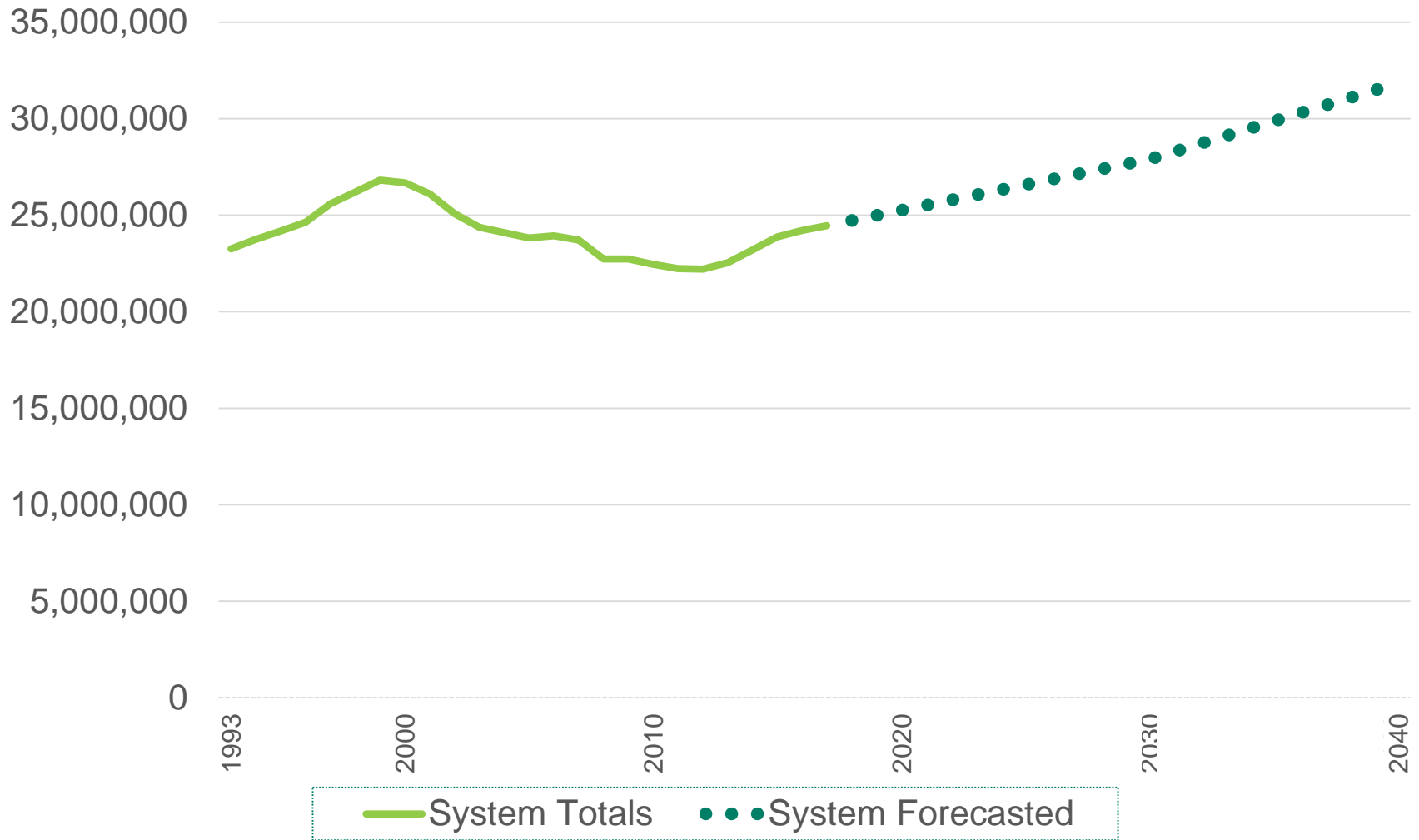
Key Findings

- 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)

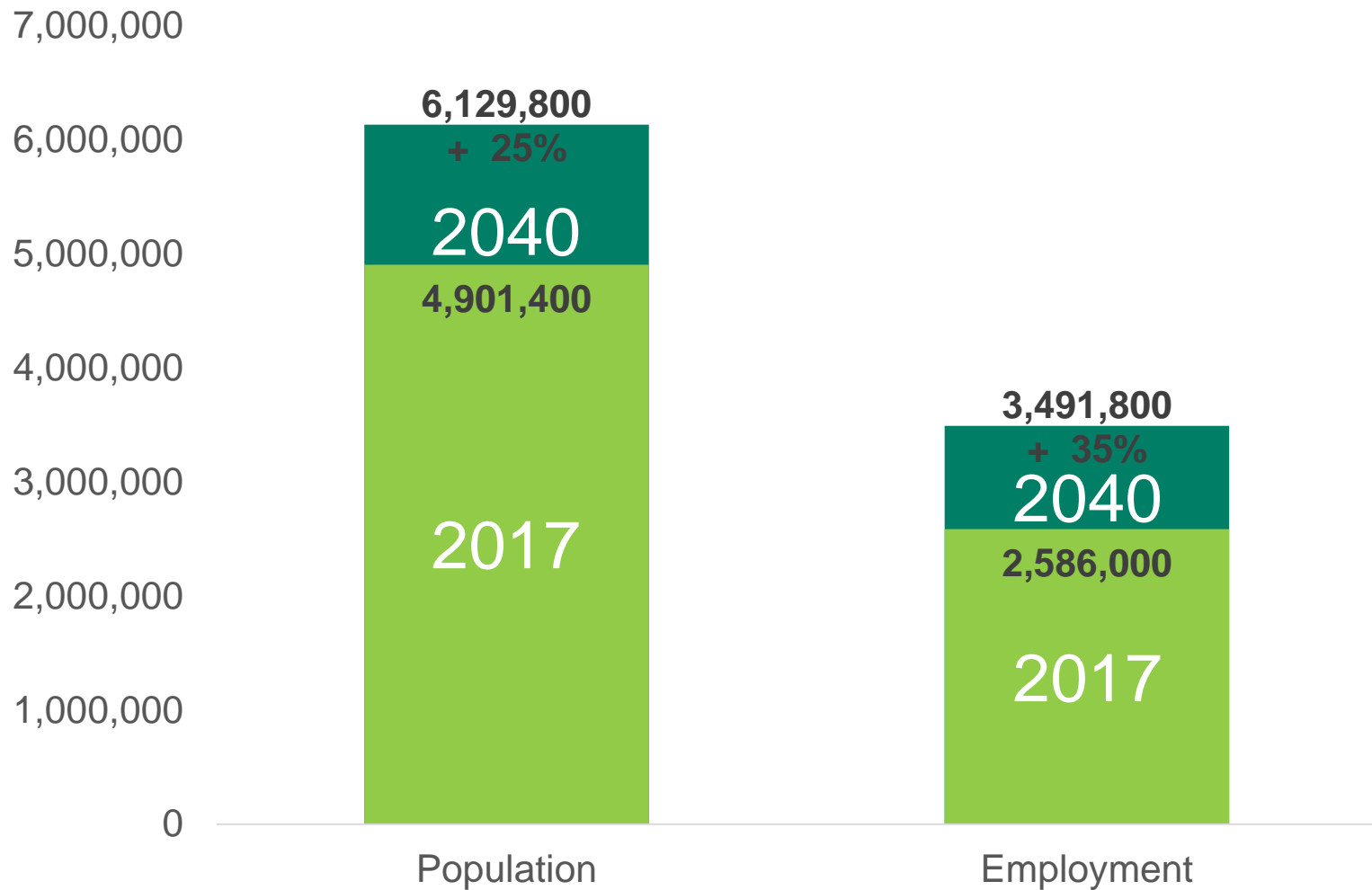


Sources: WSF Traffic History and WSF Baseline Ridership Forecasts

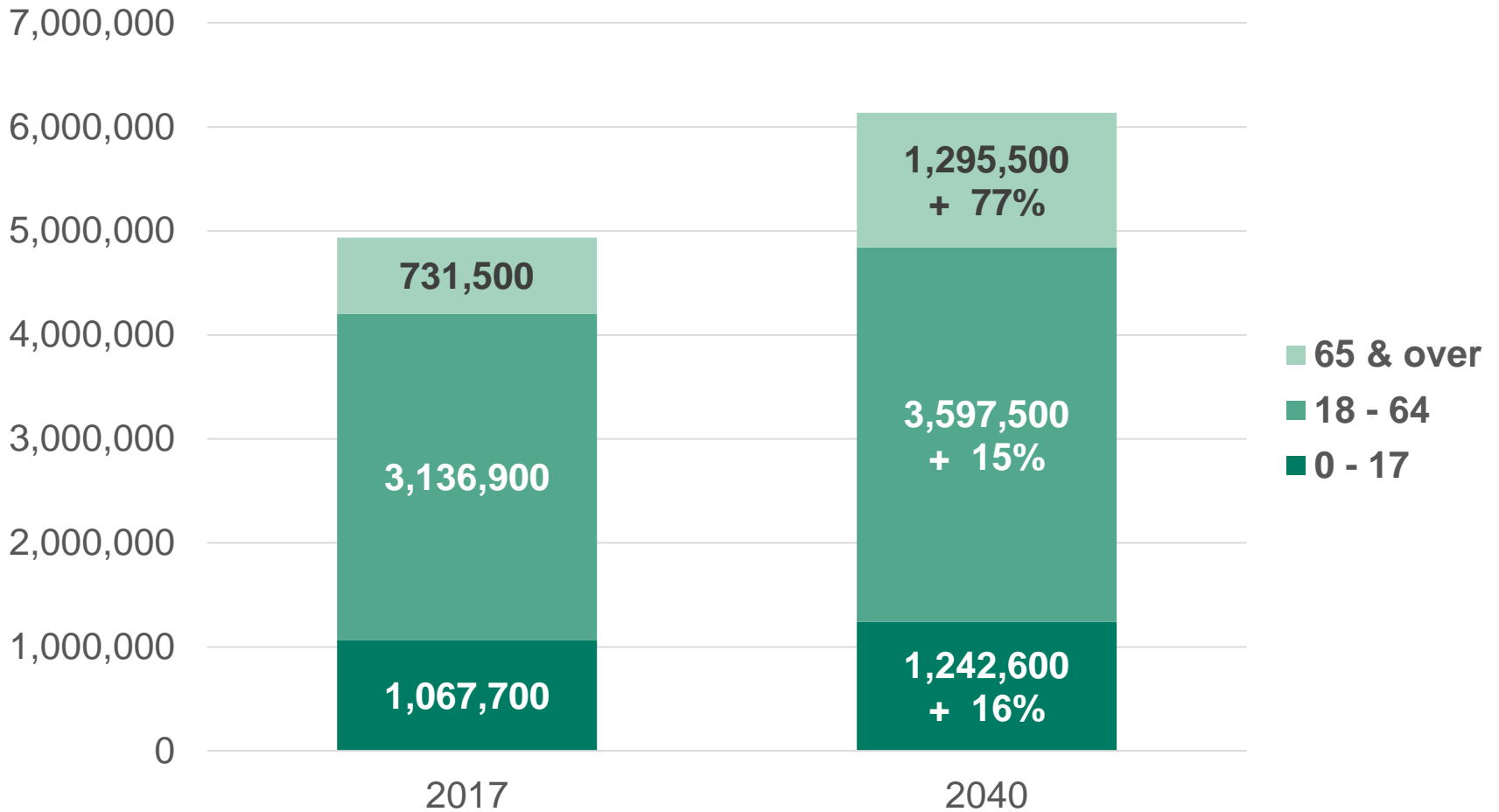
WSF Route Map



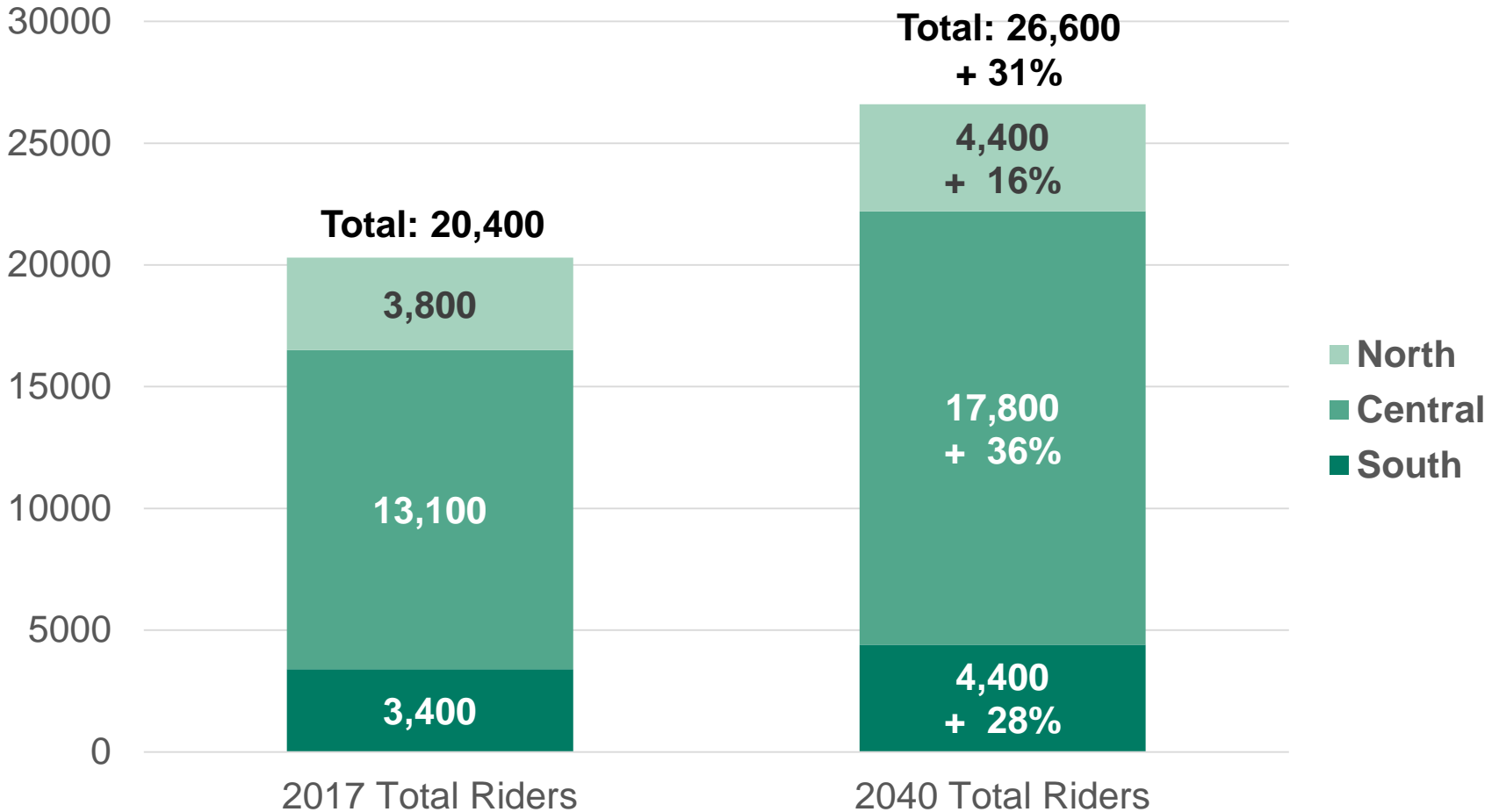
Population and Employment in the 12 County Area for 2017 and 2040



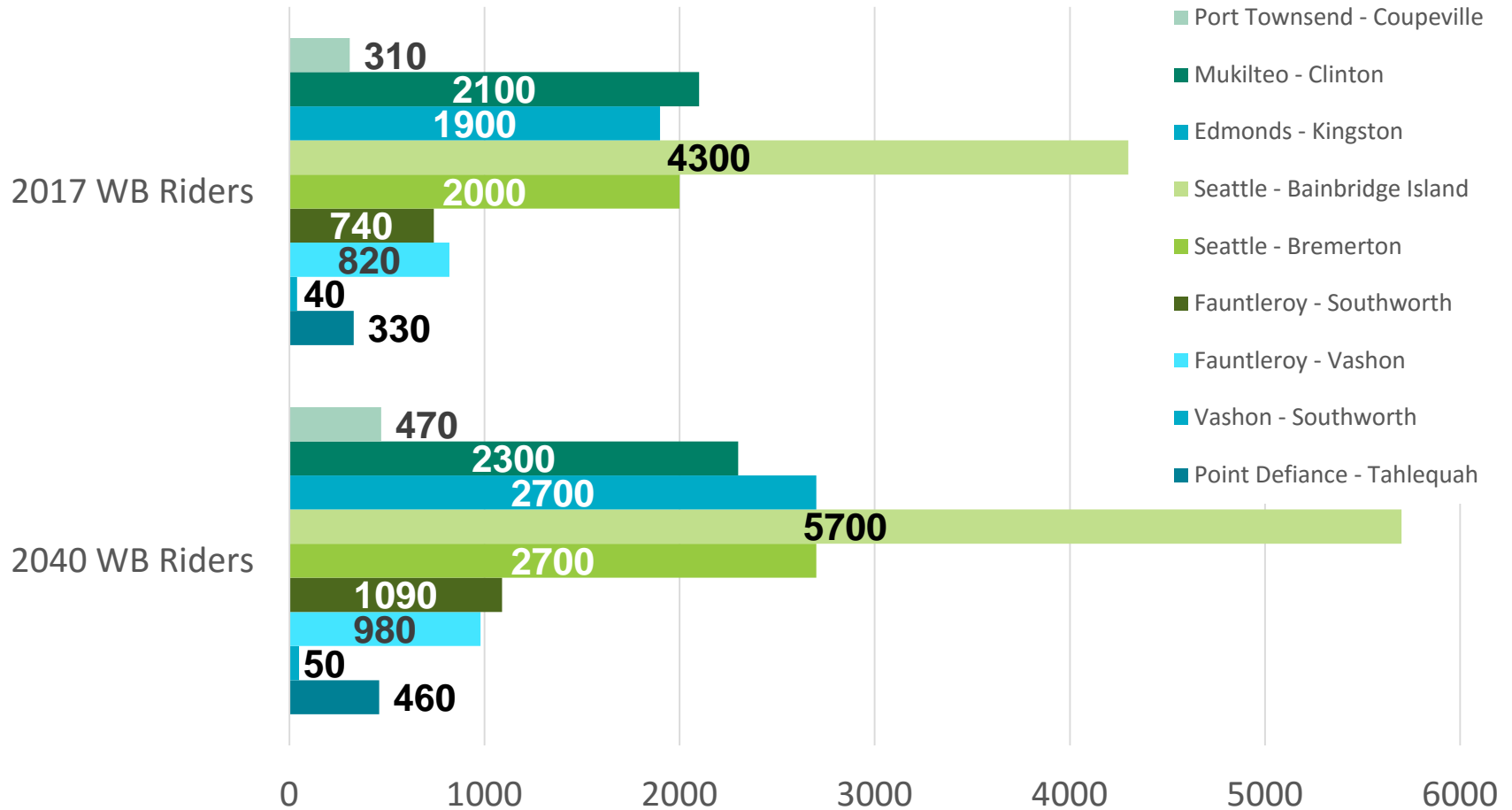
WSF Service Area 12-County Age Demographics



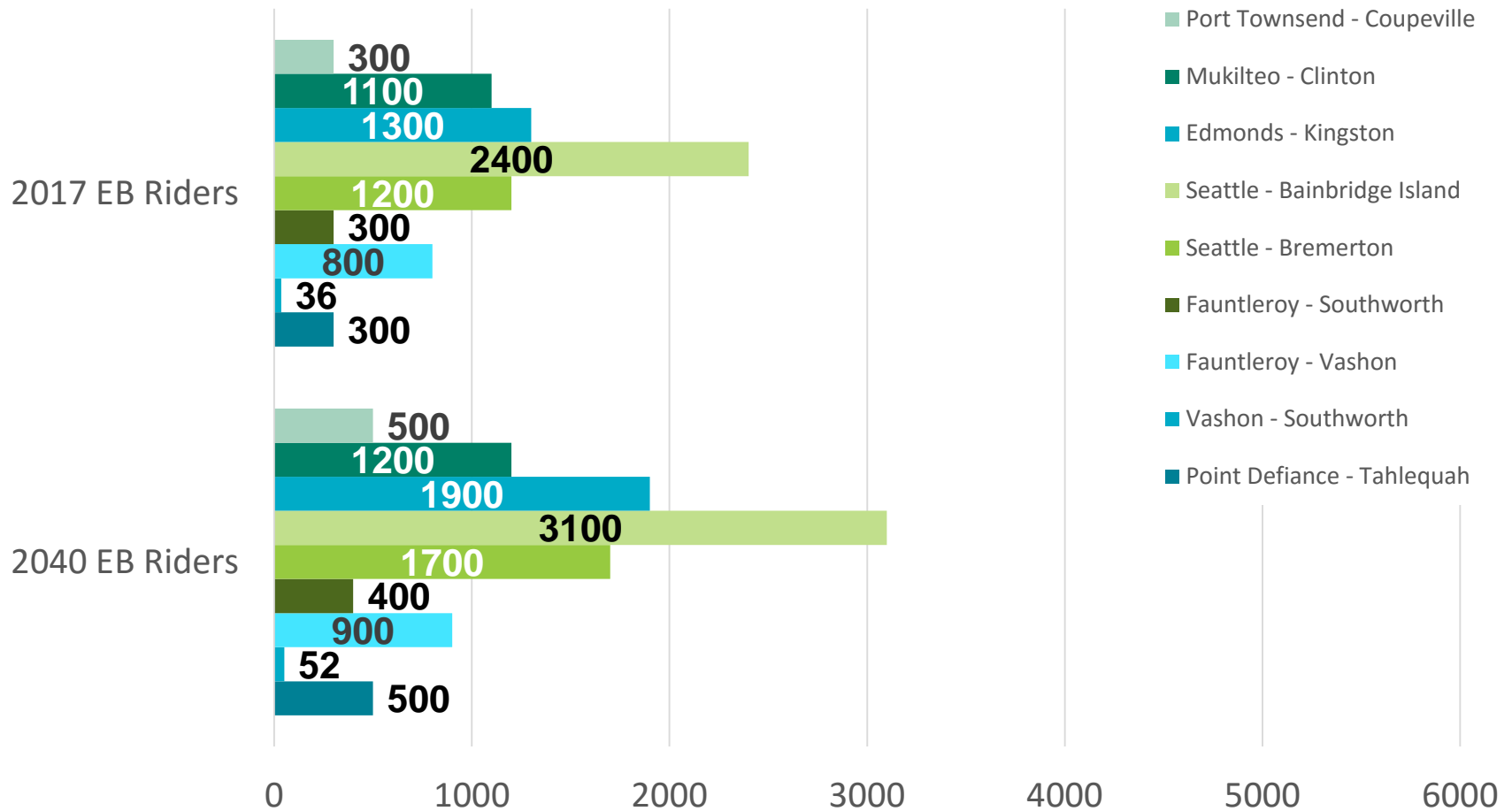
PM Peak Ridership - Eastbound and Westbound by Region



Total PM Peak Ridership 2017 and 2040 Westbound by Route

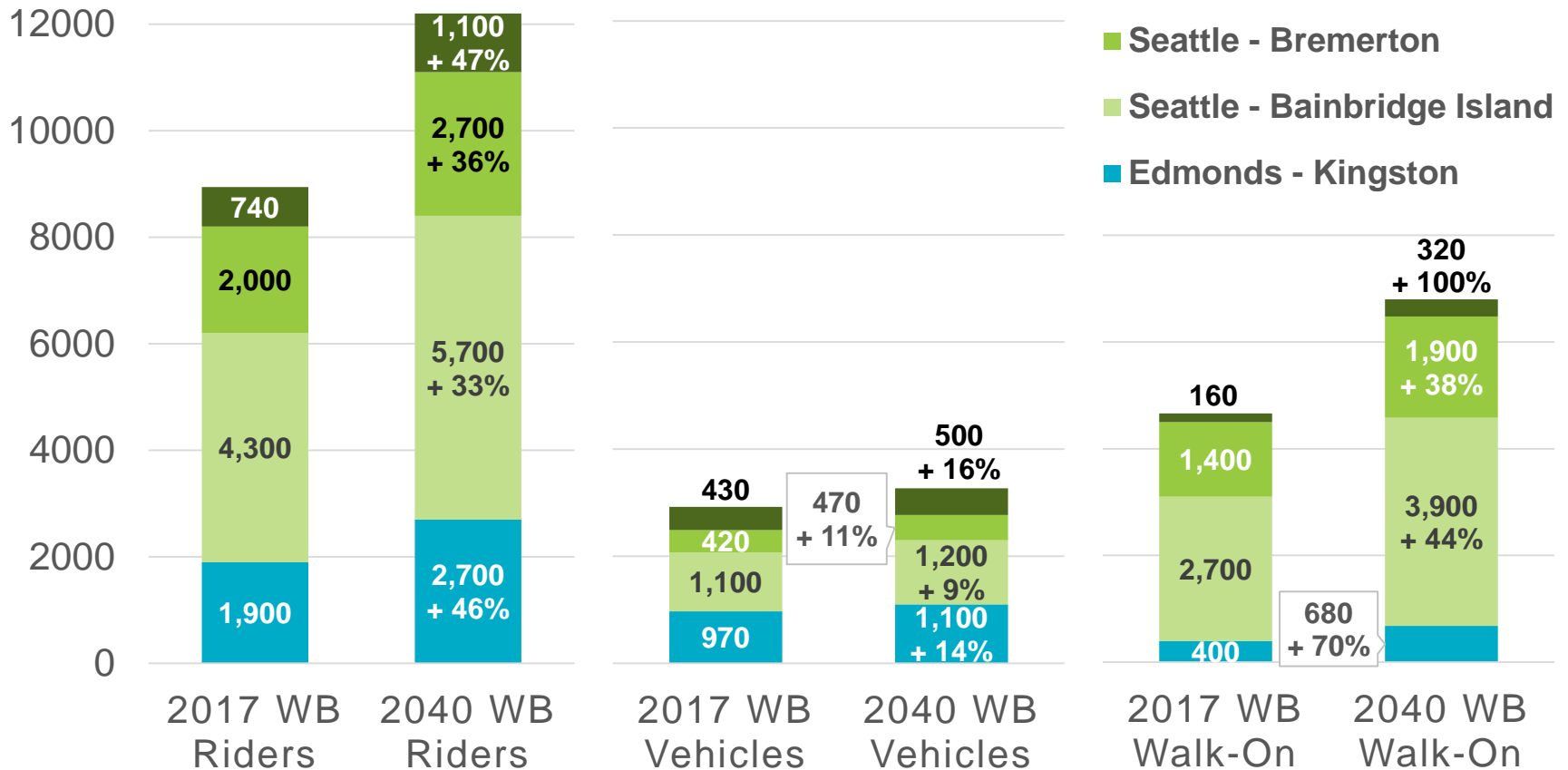


Total PM Peak Ridership 2017 and 2040 Eastbound by Route



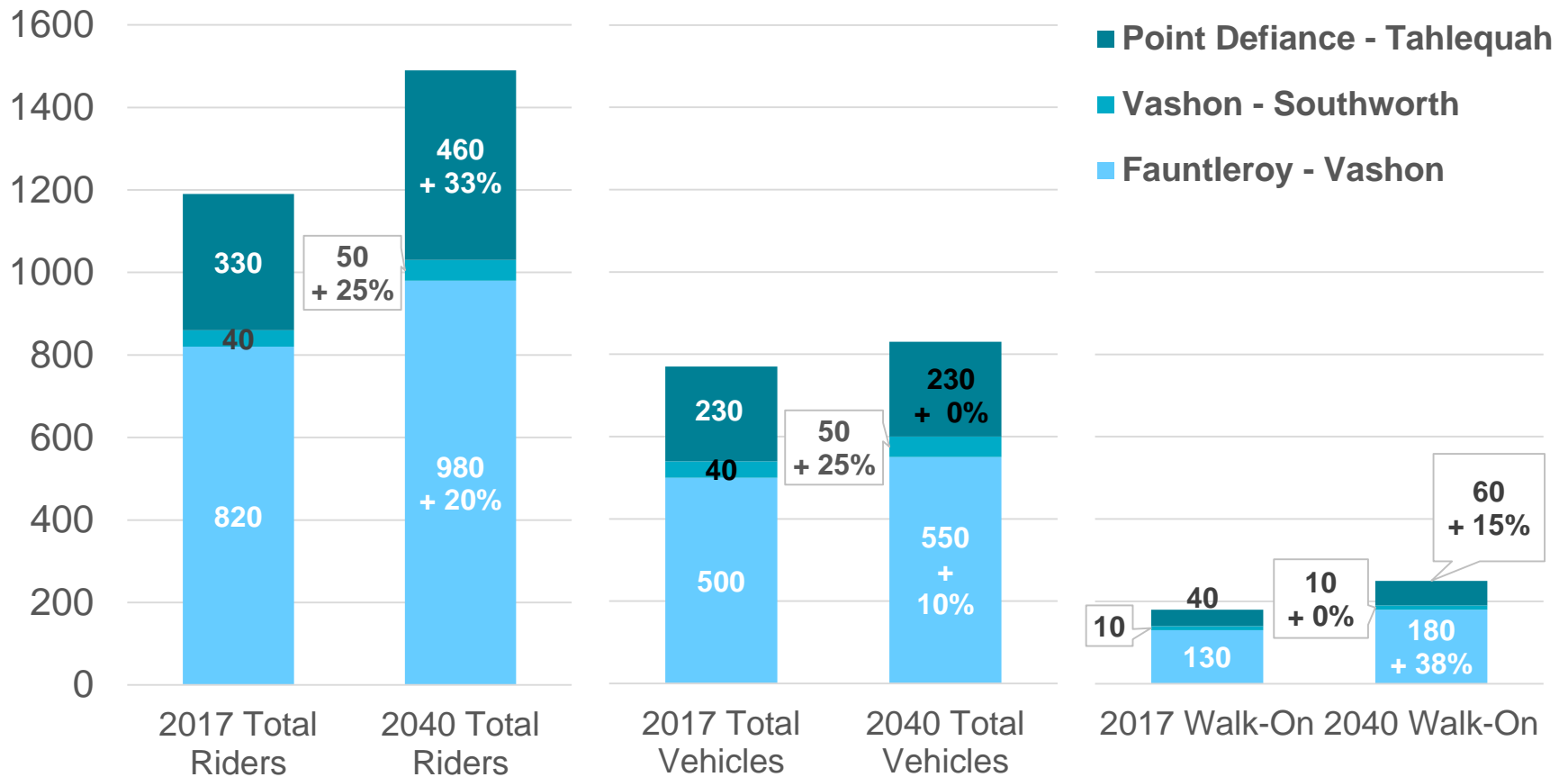
Key findings: Kitsap Westbound PM Travel

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



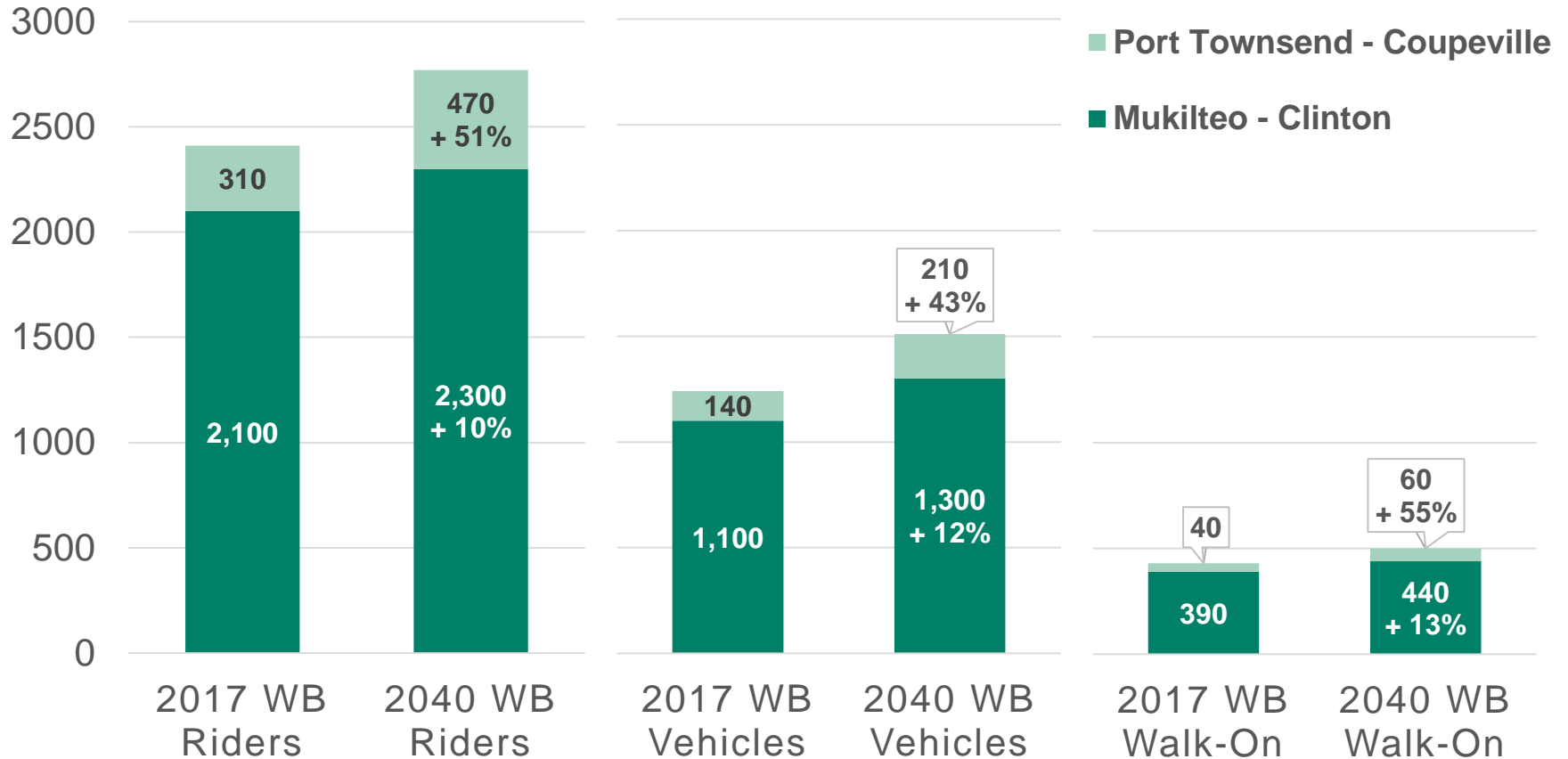
Key Findings: Vashon Island PM Travel

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



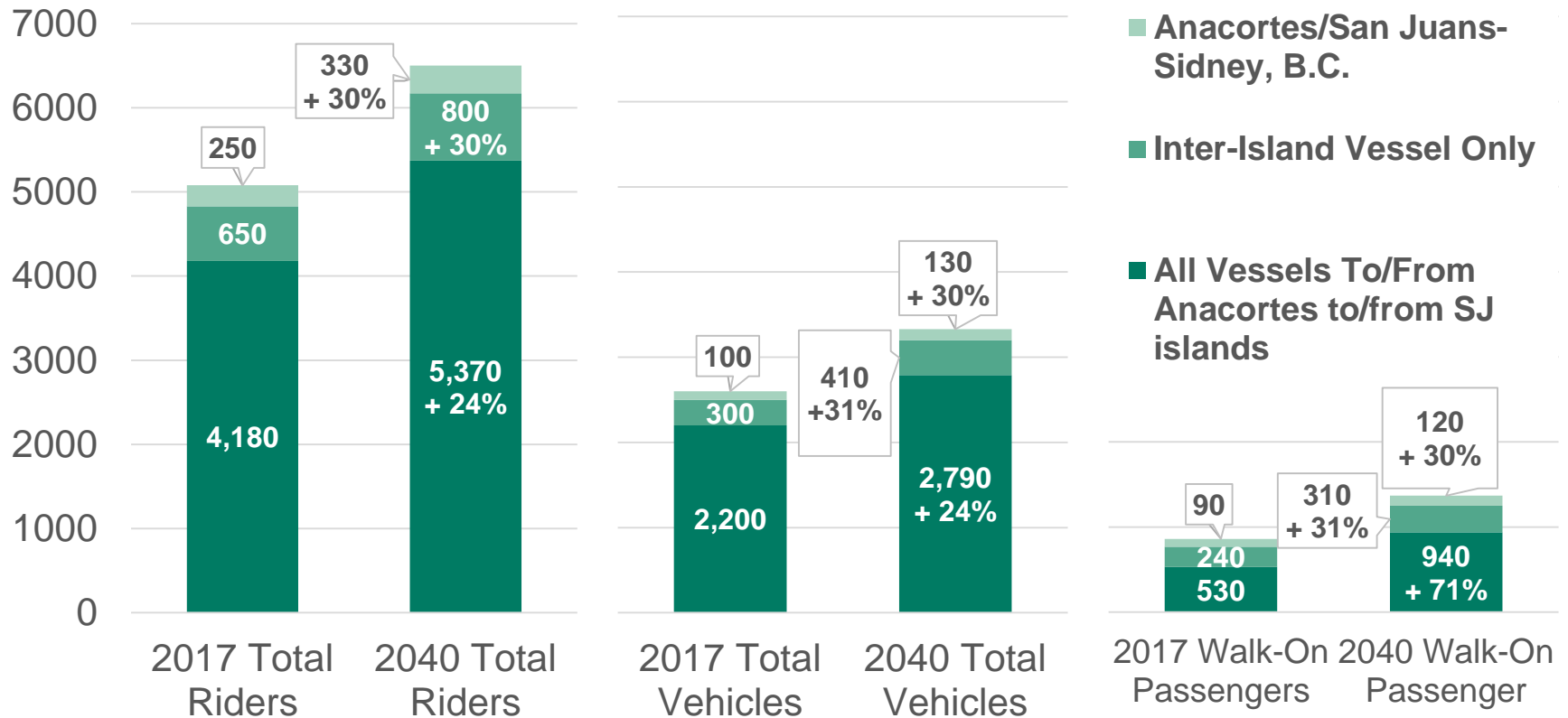
Key Findings: Whidbey Westbound PM Travel

- 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

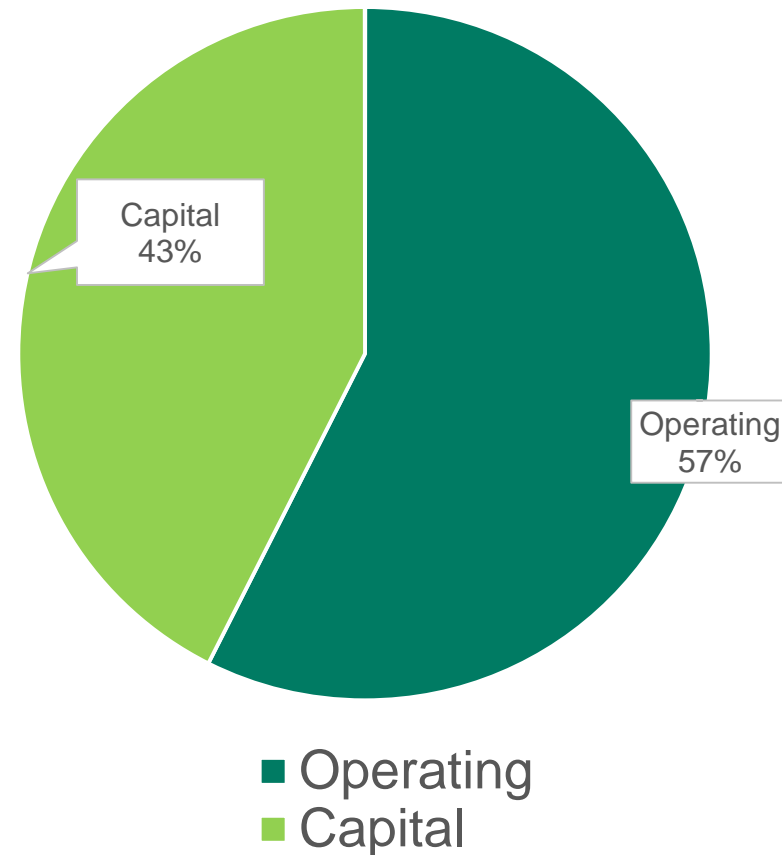
Operating \$505.2 million

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

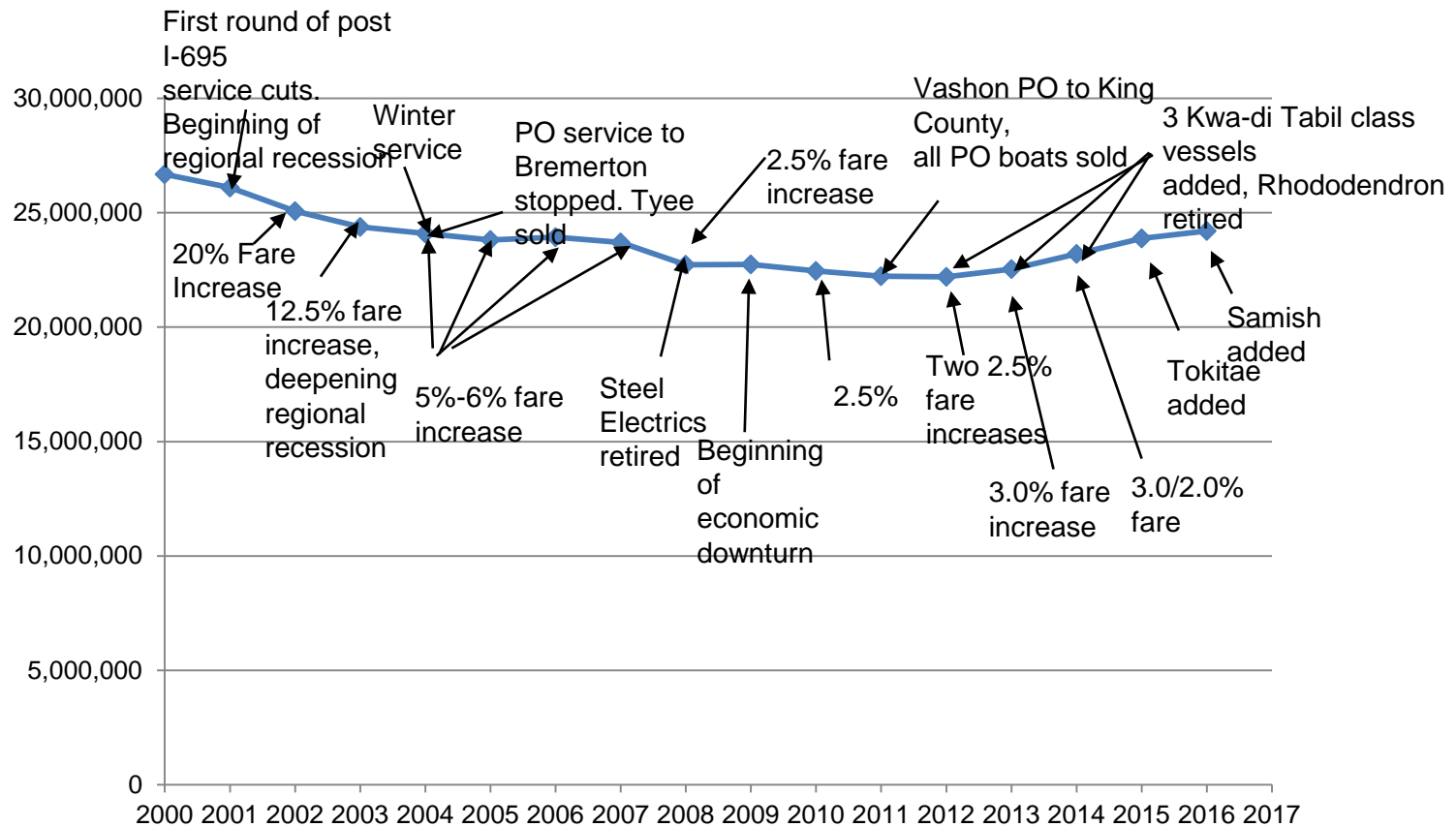
- Ferry funding dependent on transfers from other accounts
- Aging ferries, terminals, and IT infrastructure
- Volatile fuel costs
- Deferred maintenance



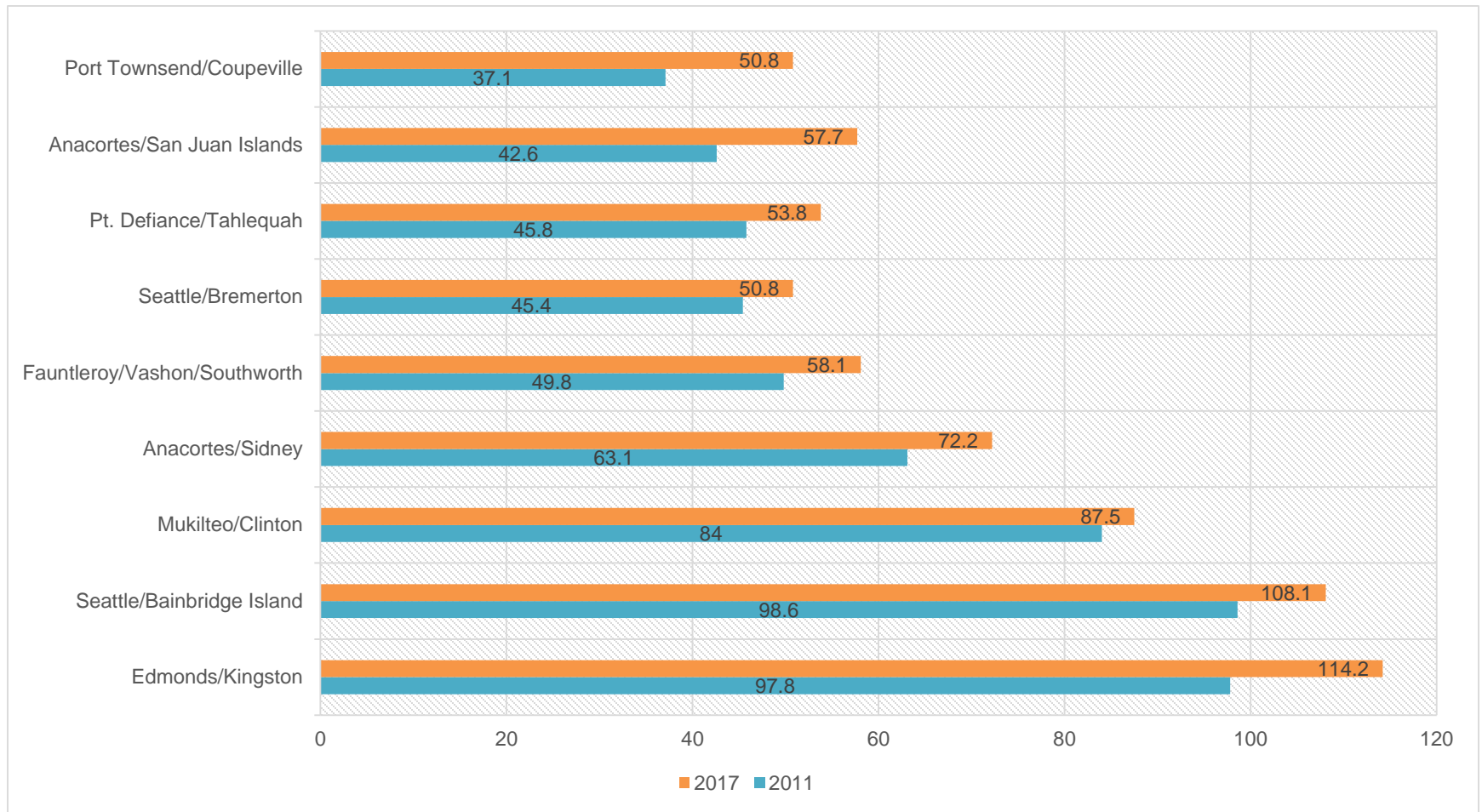
Where does our revenue come from?

- 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



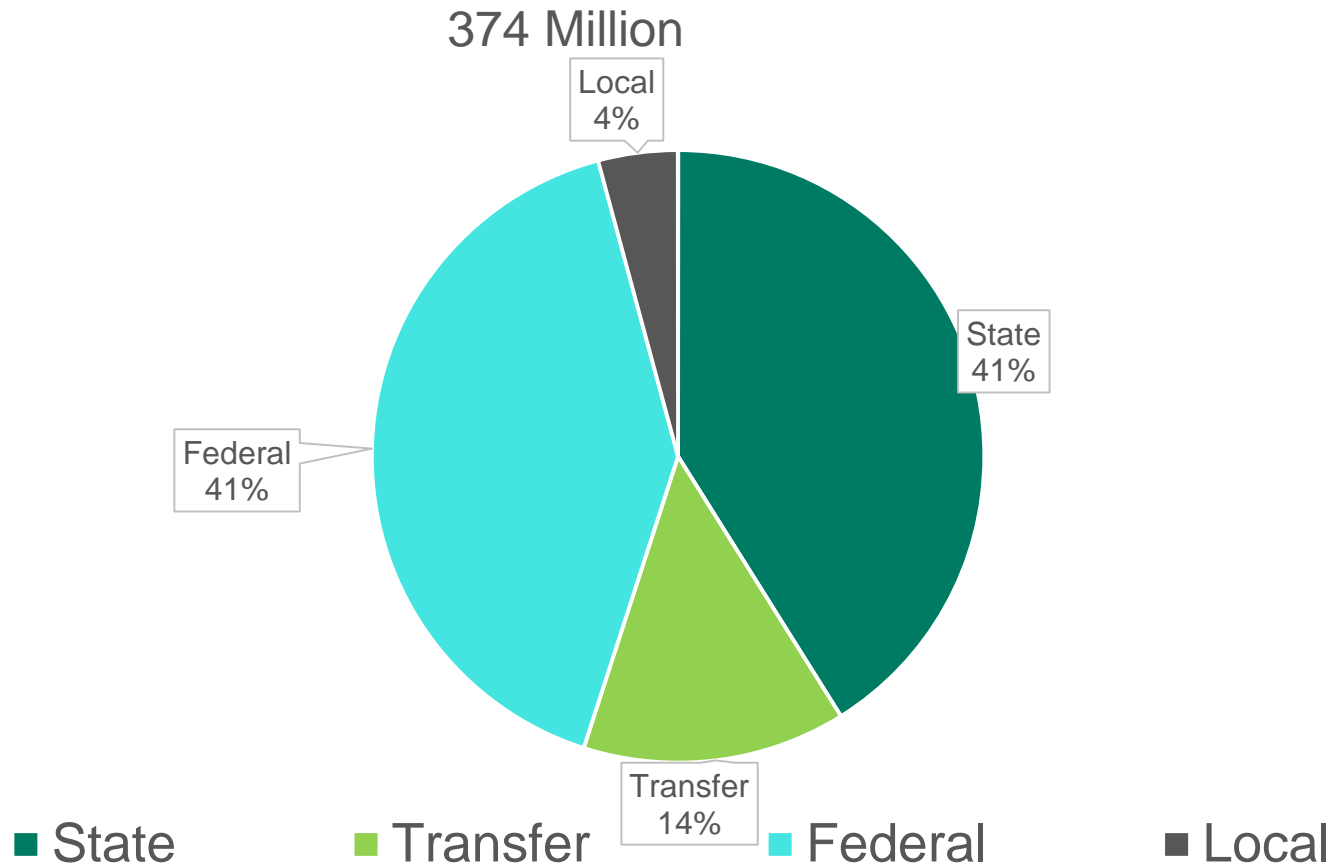
Ferries Funding

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

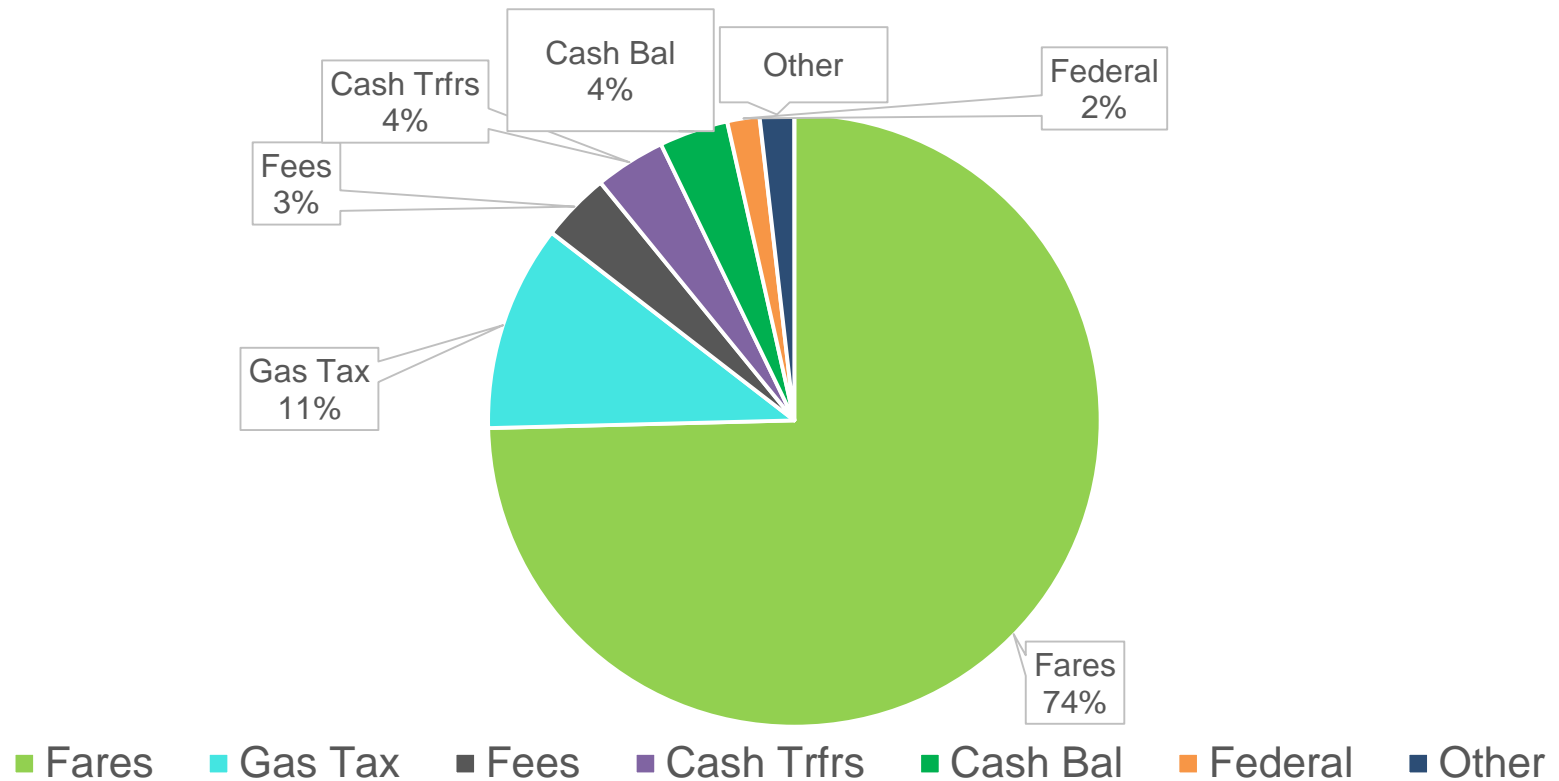
WSF Capital Revenue Sources

FY17-19 Revenue



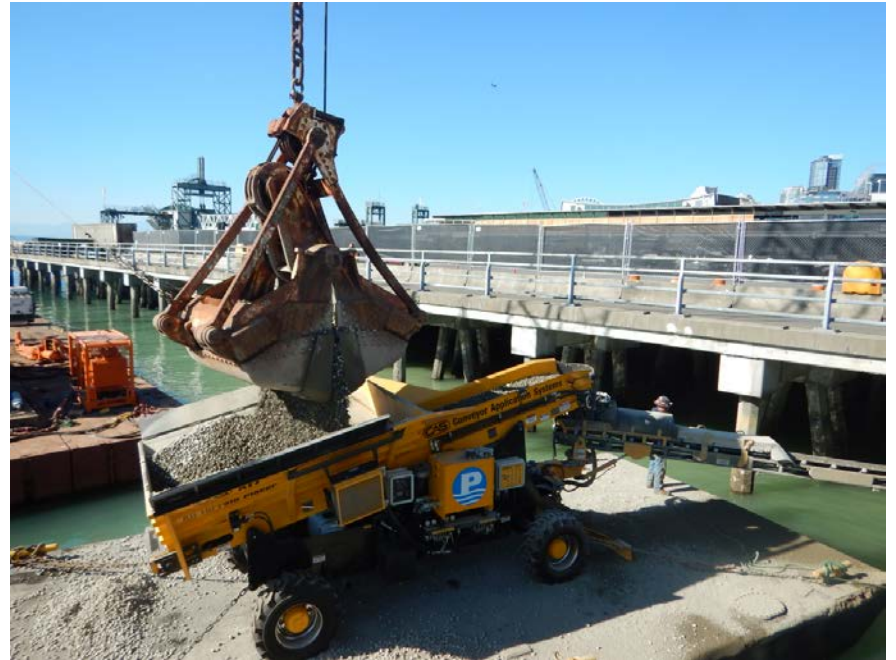
WSF Revenue for Operations

FY17-19 Revenue
Total \$505 mil



What are our expenses?

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

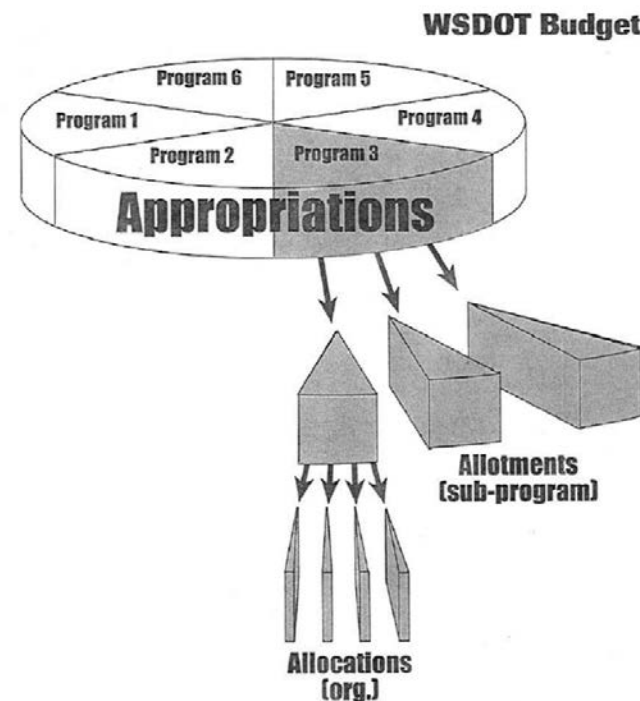


Treasury Accounts Supporting Ferries Programs

- 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

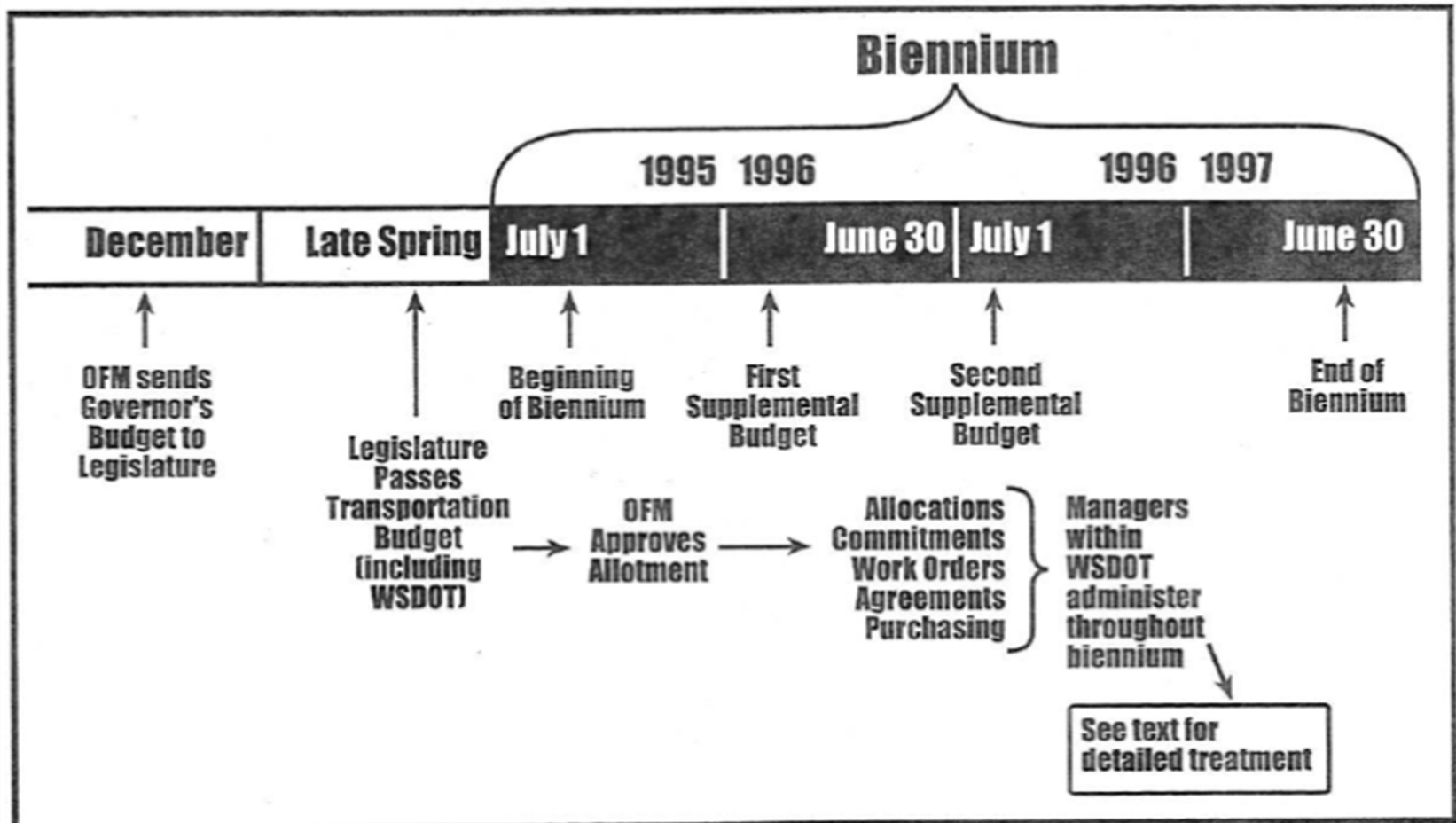
Programs, Budgets and Spending Authority

- 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.



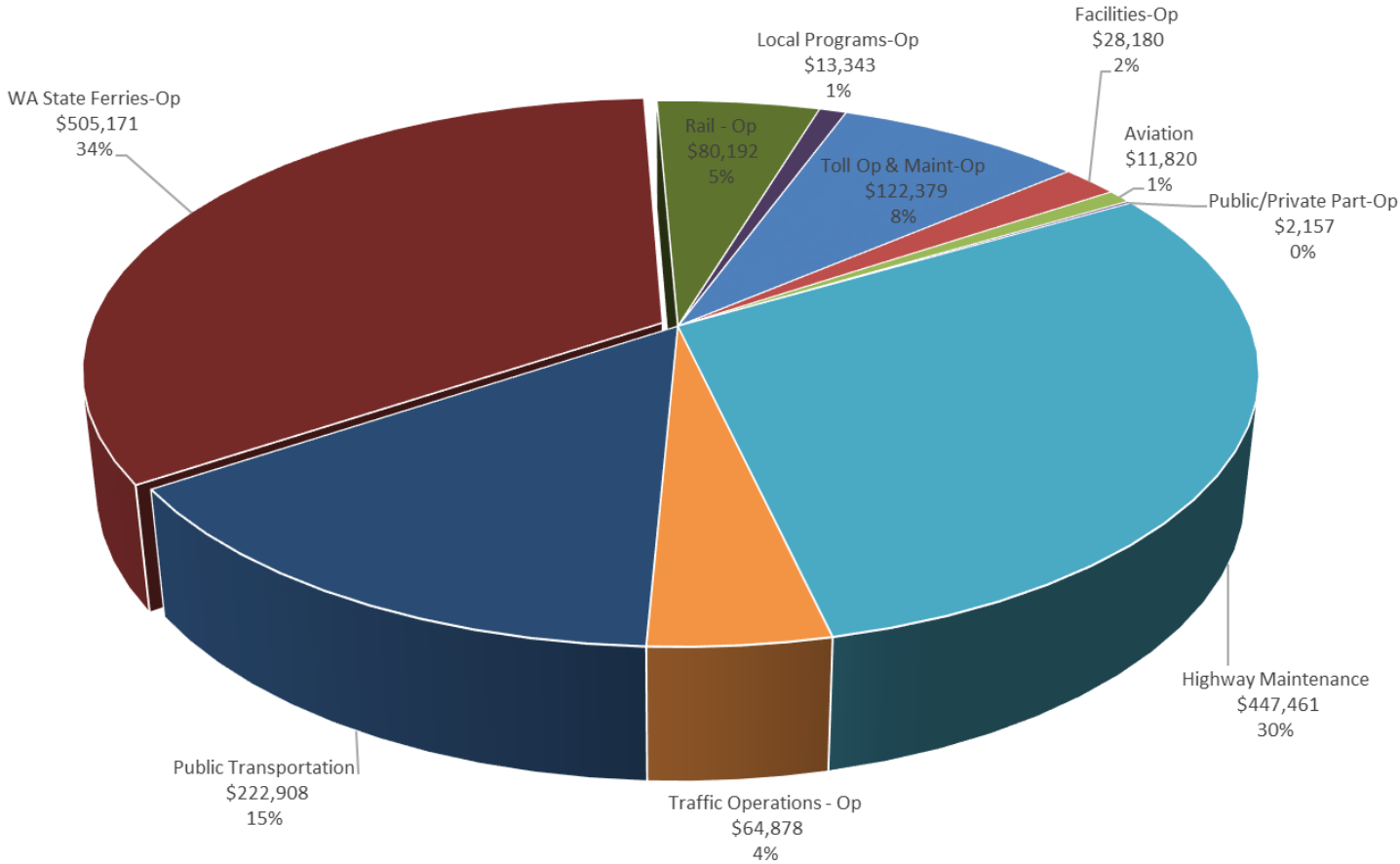
Ferries Programs and Budgets

State Budget Cycle



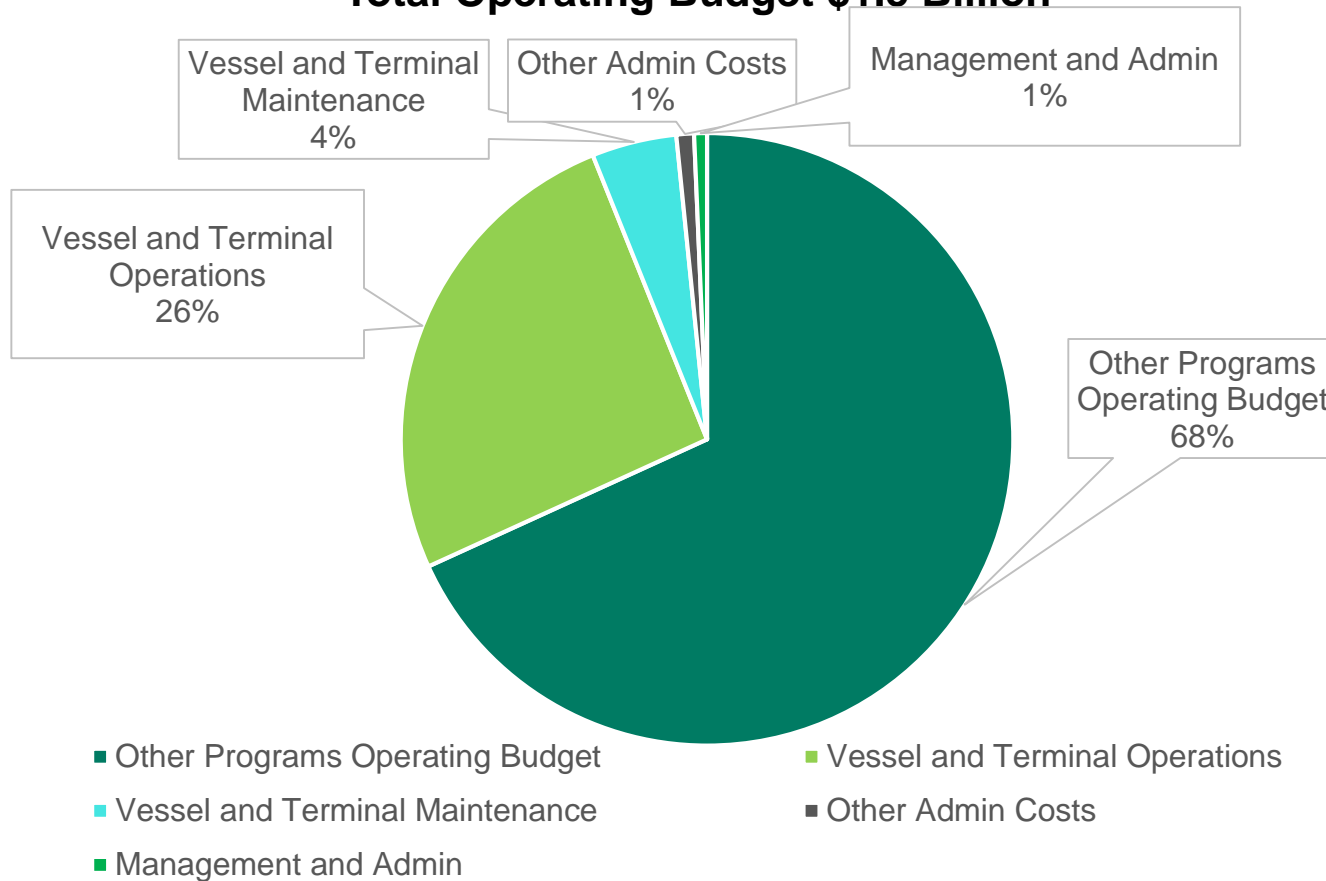
WSF Program X Operating Budget

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



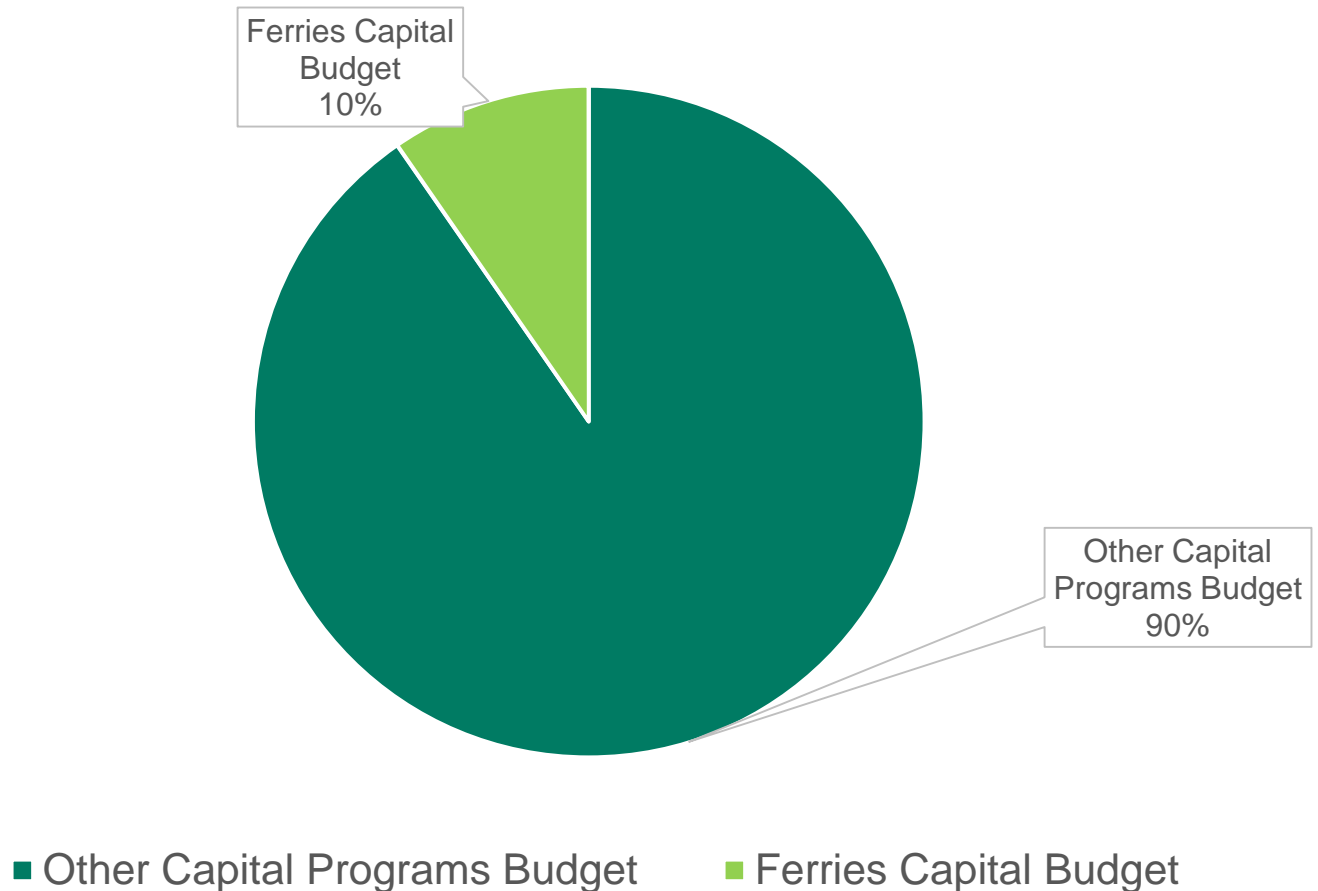
Operating Budget (2017-2019)

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

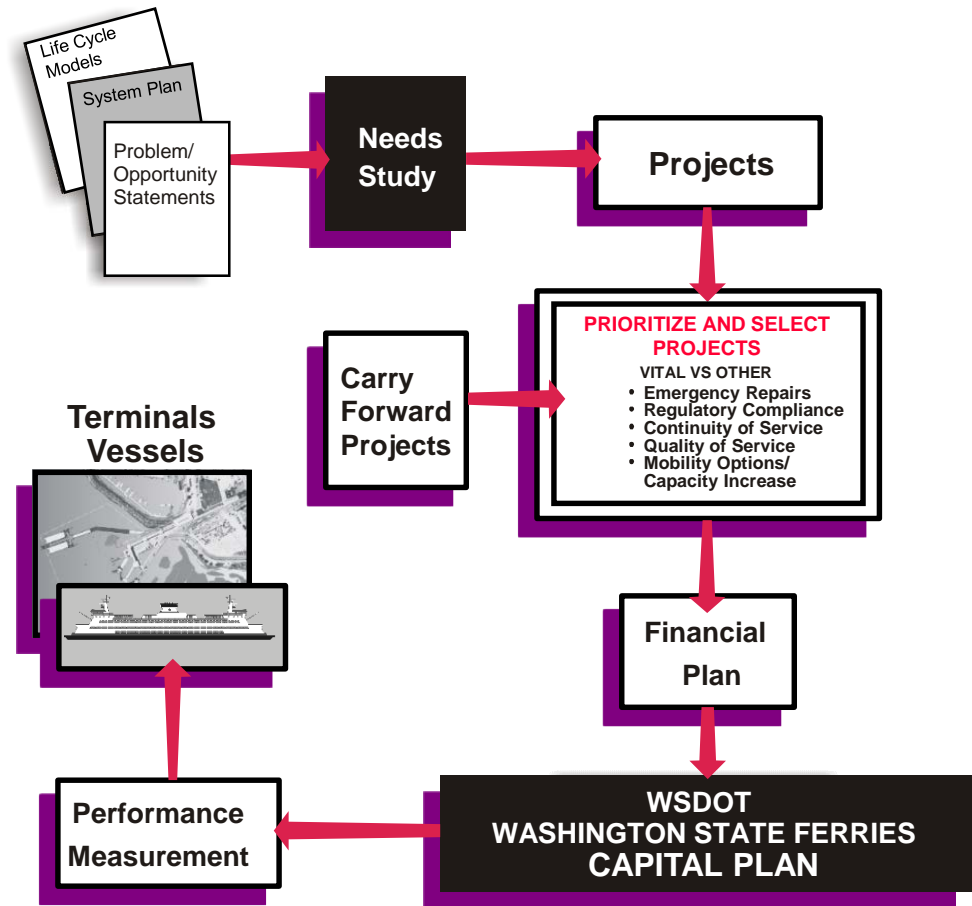


Ferries Programs and Budgets

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

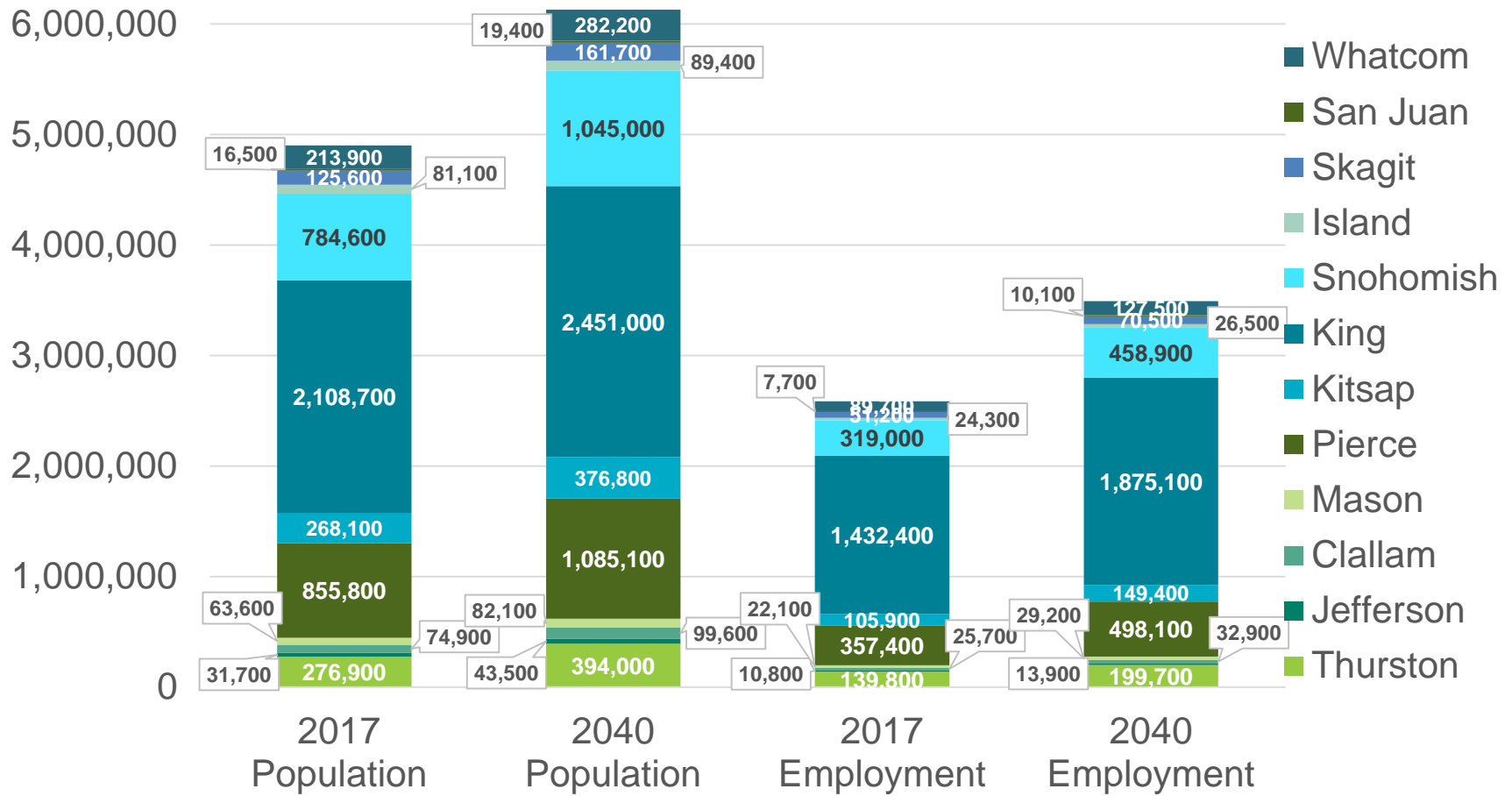


Look ahead

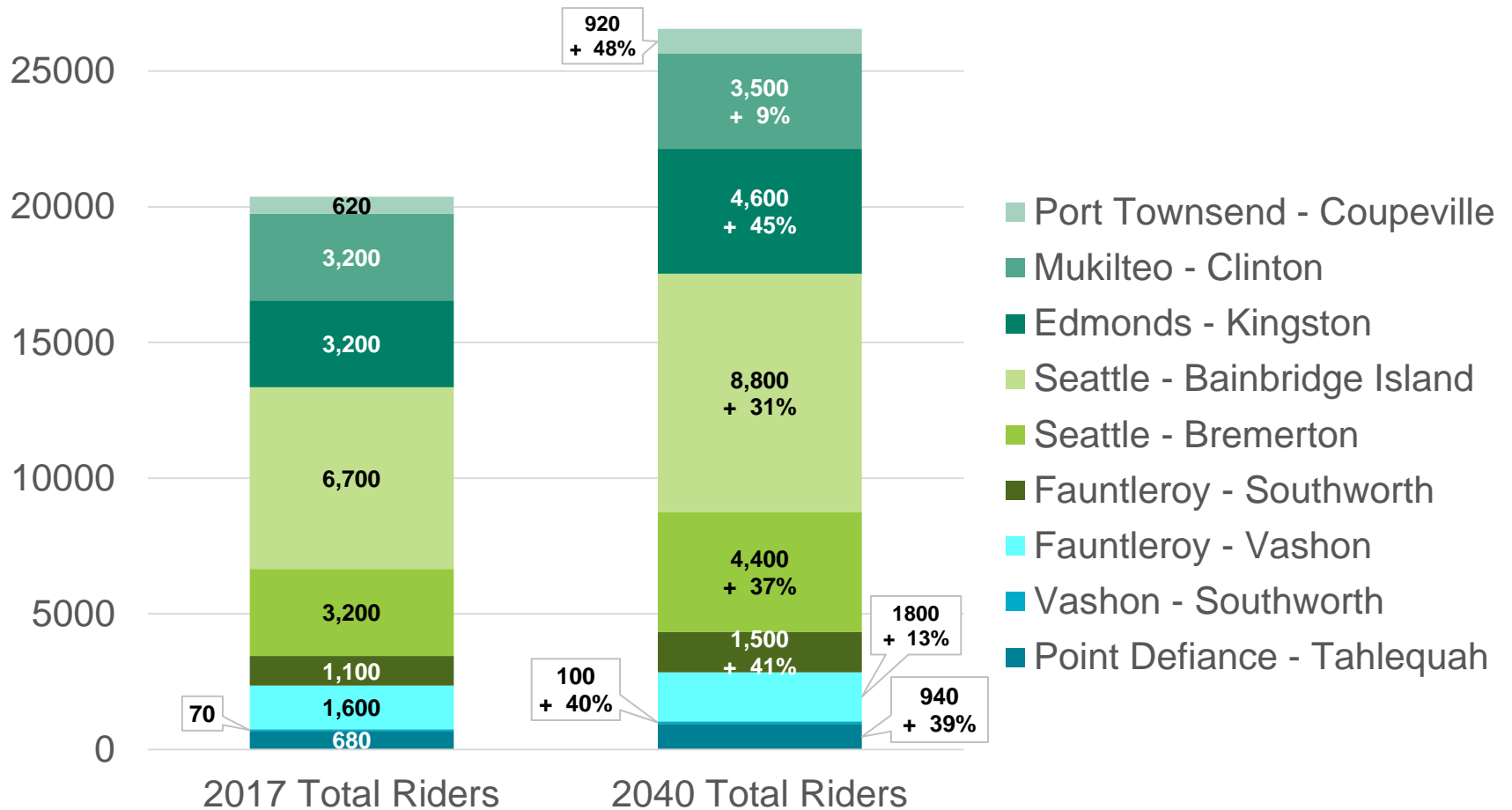
- Review plan elements and ridership forecasts
- Preview public meeting materials
- Next PAG meeting: March 15

Supplemental Ridership Forecast Data

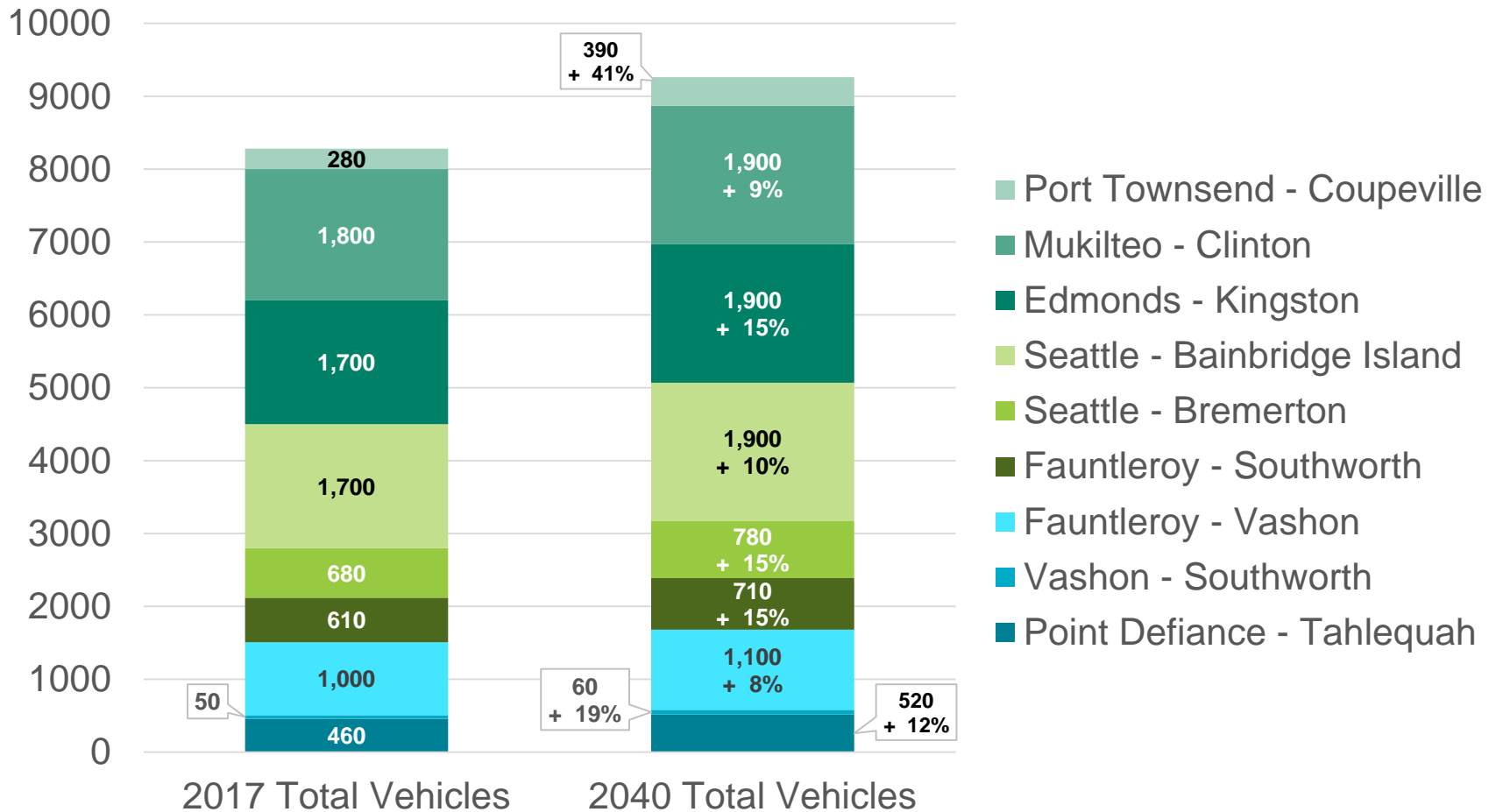
WSF Service Area Population and Employment - North to South



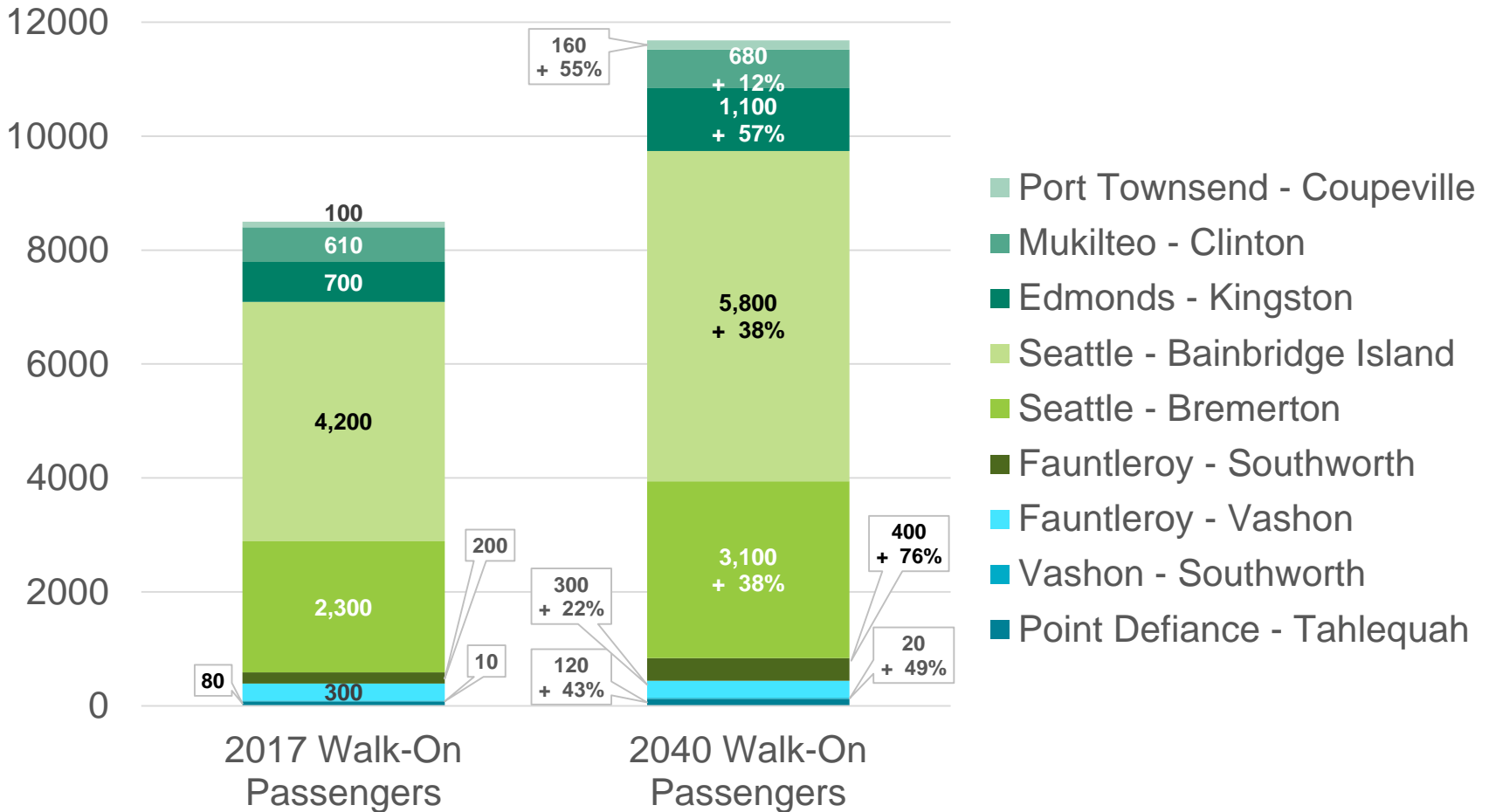
Total PM Peak Ridership Eastbound and Westbound by Route



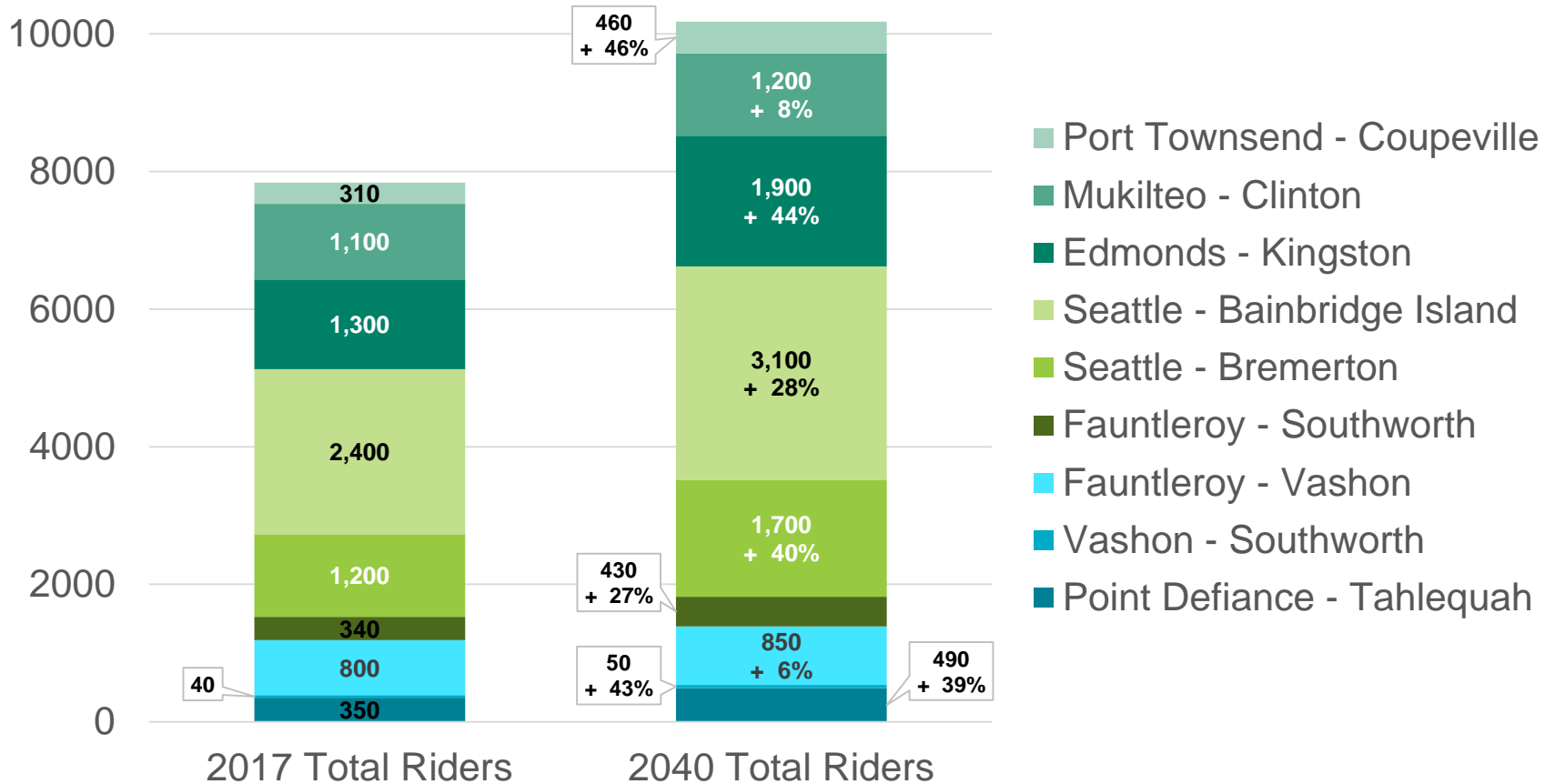
Total PM Peak Vehicles Eastbound and Westbound by Route



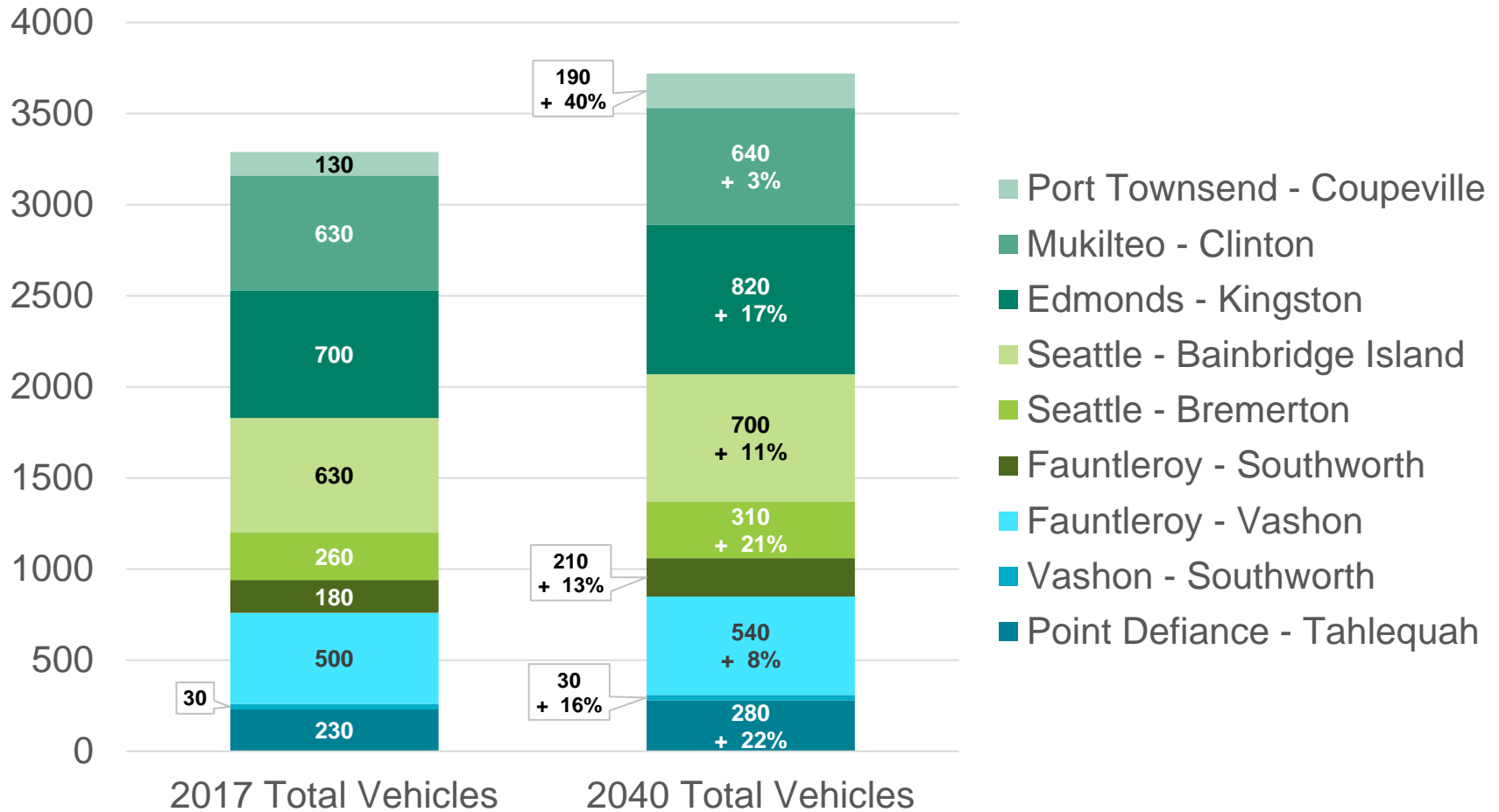
Total PM Peak Walk-On Passengers Eastbound and Westbound



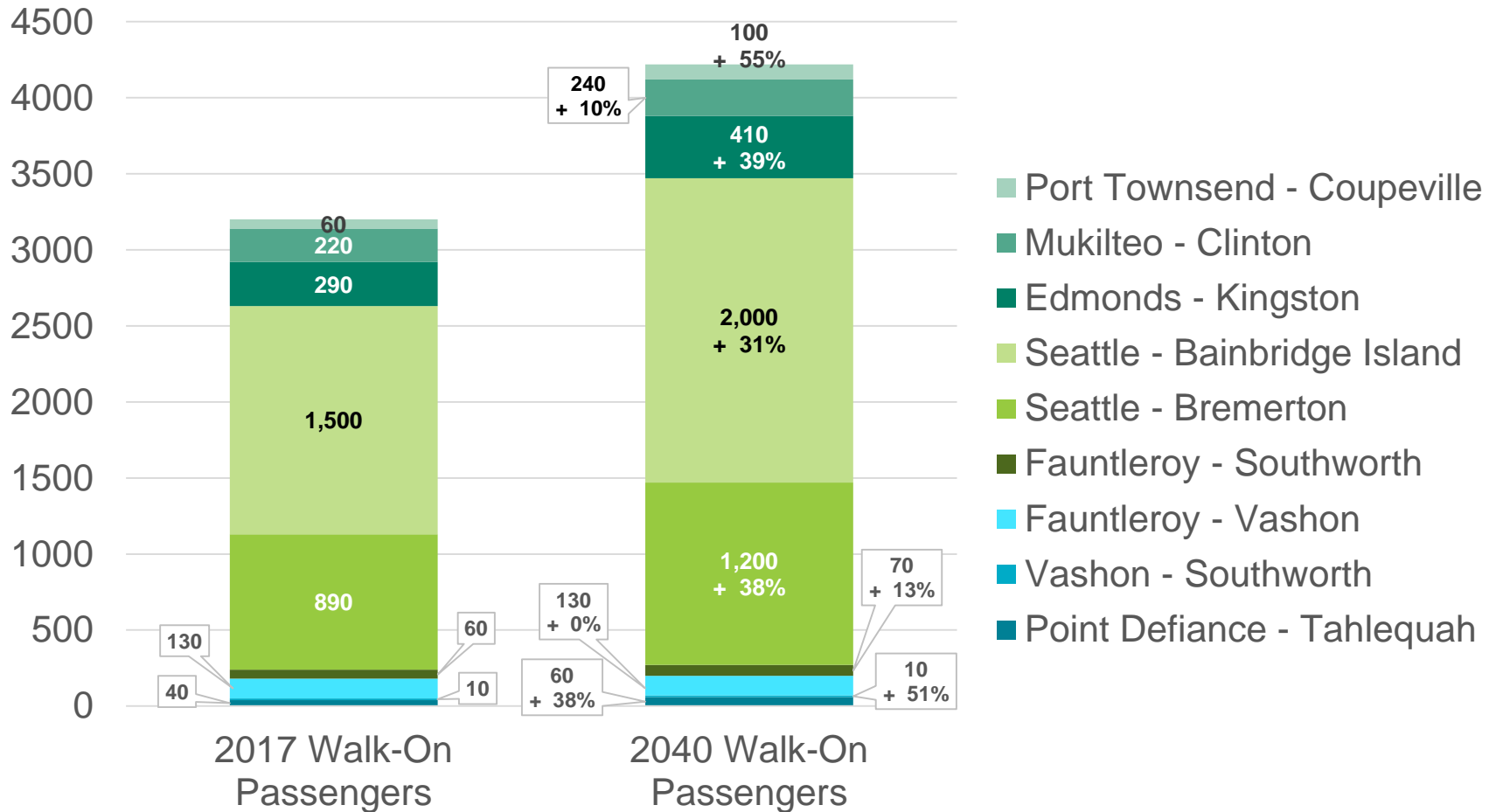
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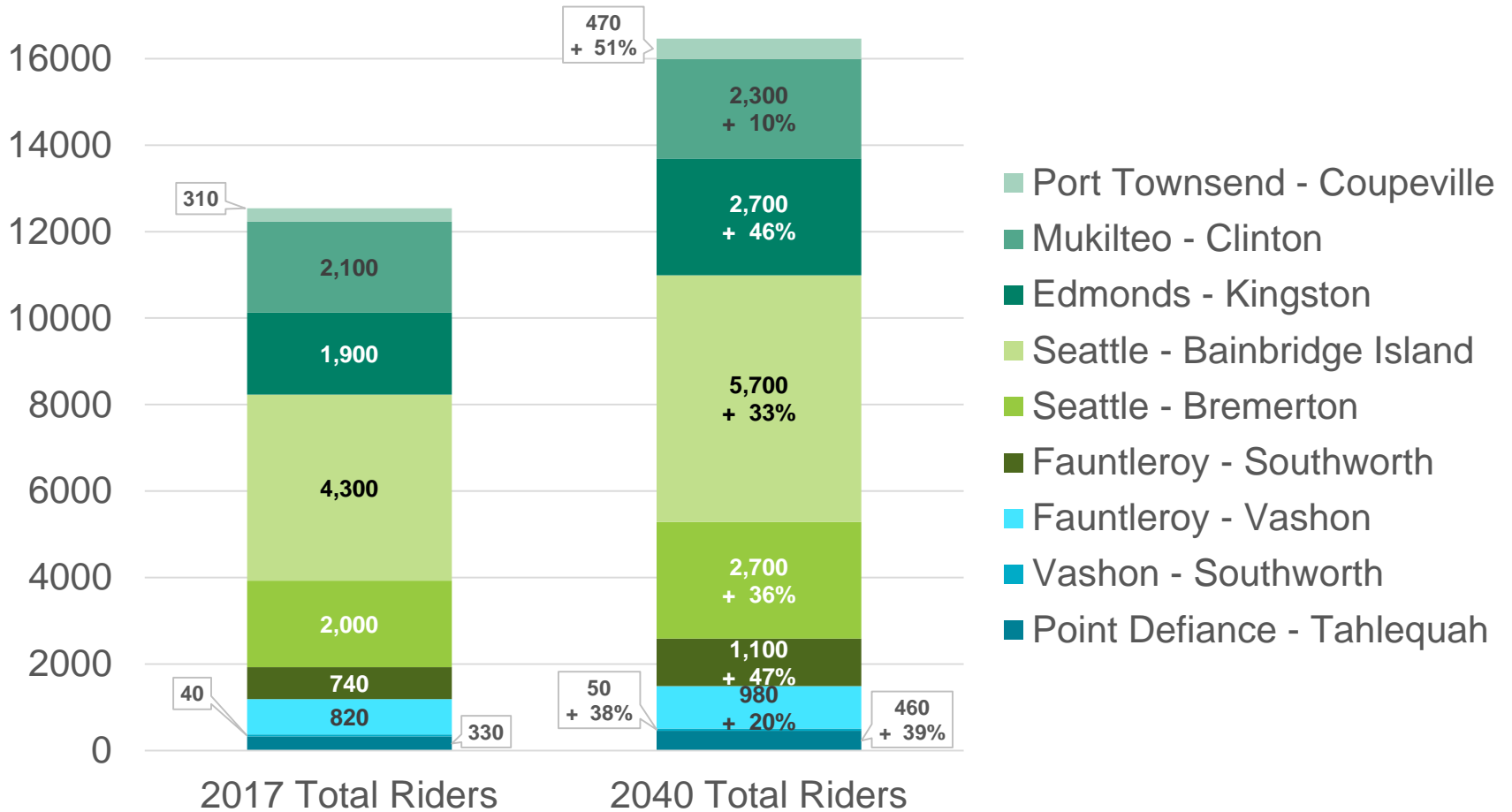
Total PM Peak Vehicles Eastbound



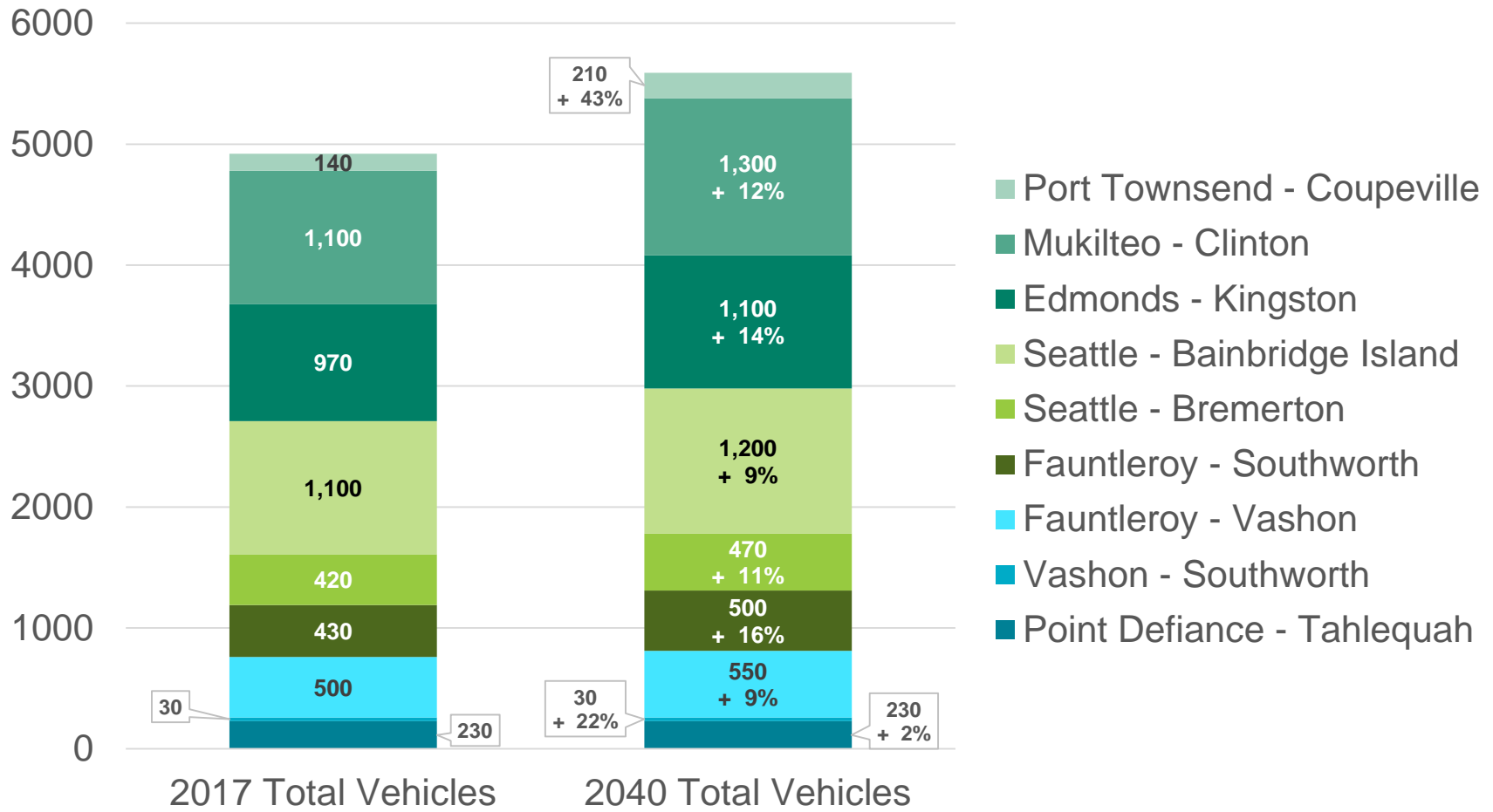
Total PM Peak Walk-On Passengers Eastbound



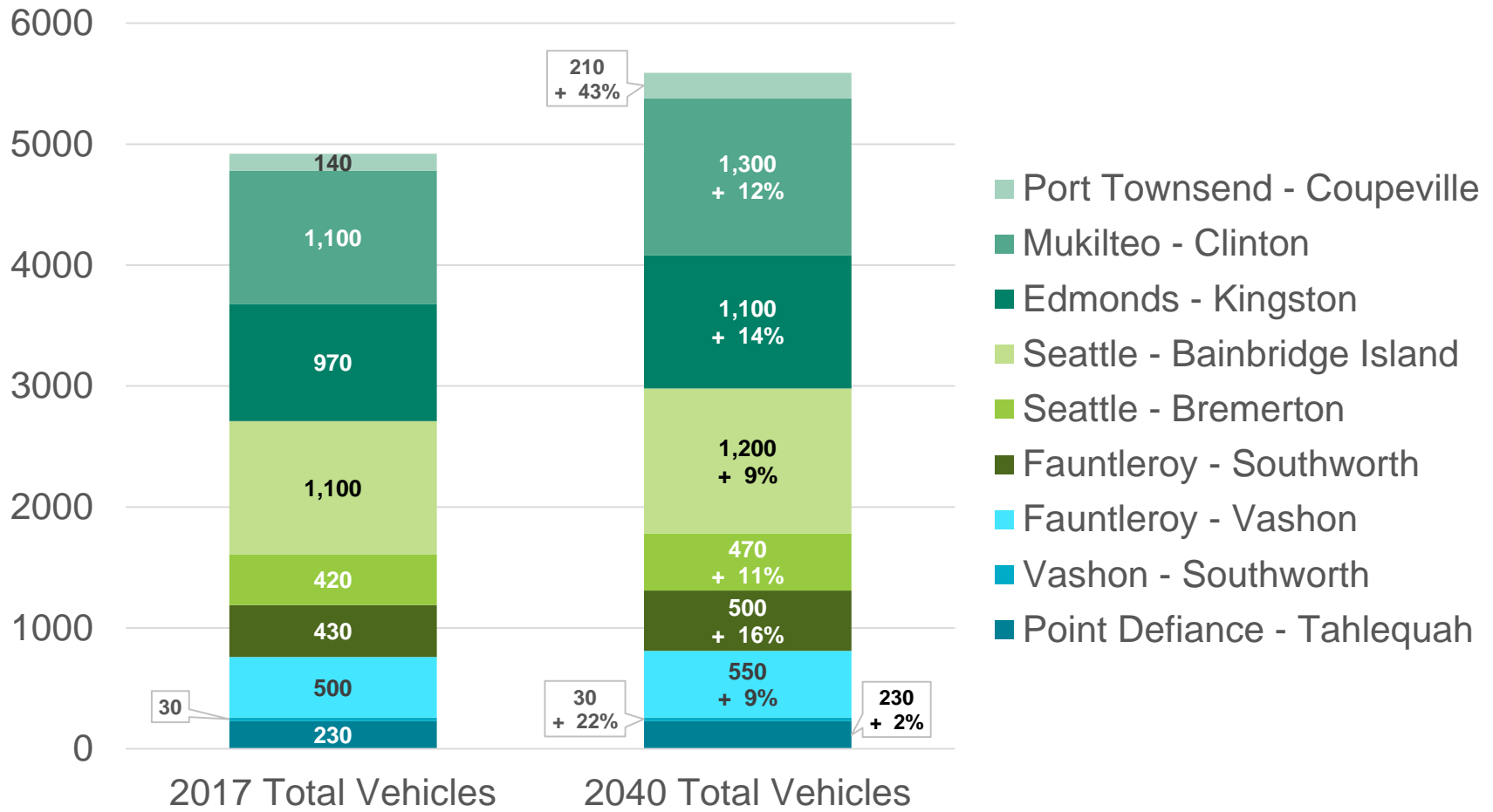
Total PM Peak Ridership Westbound



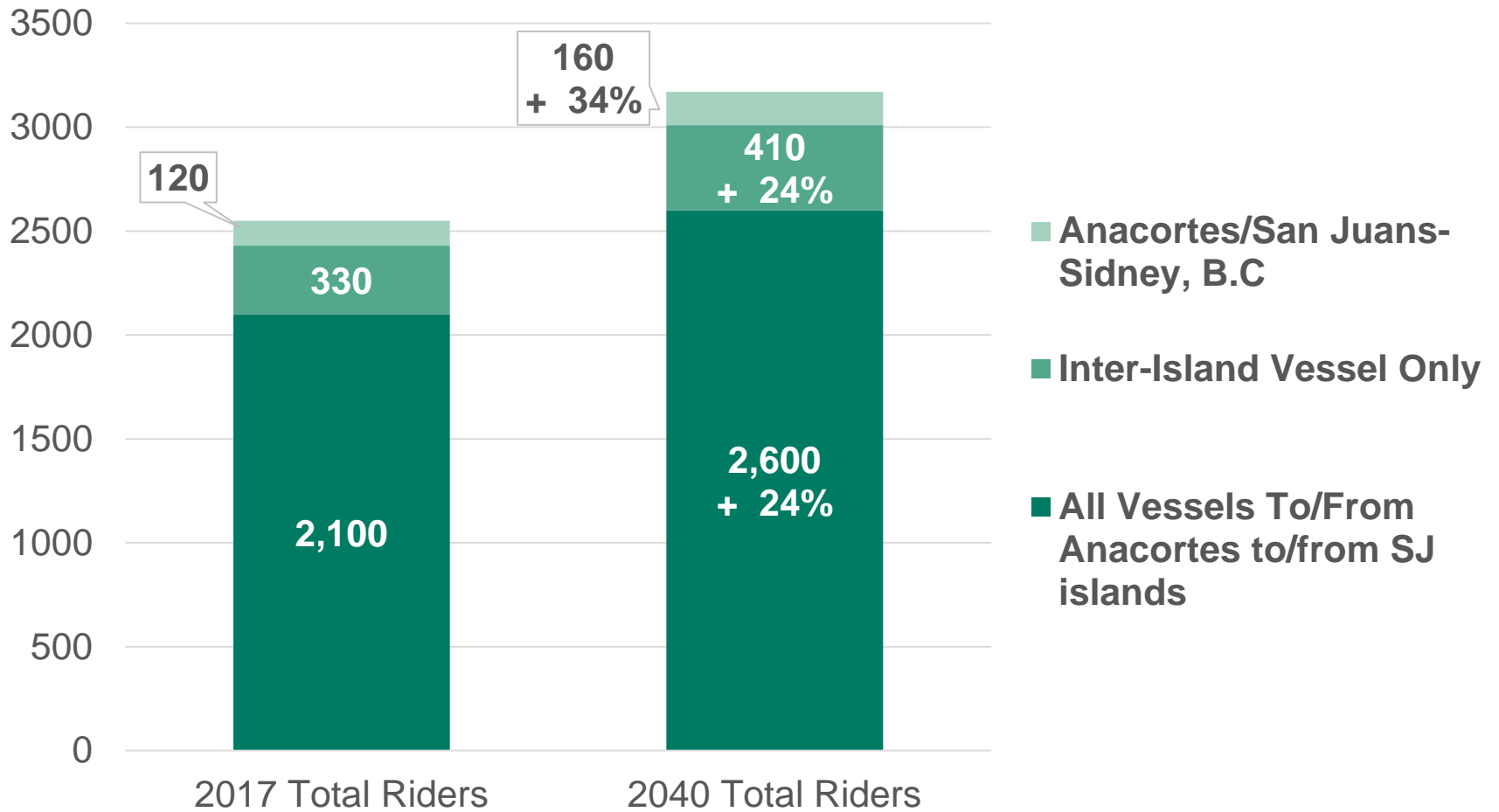
Total PM Peak Vehicles Westbound



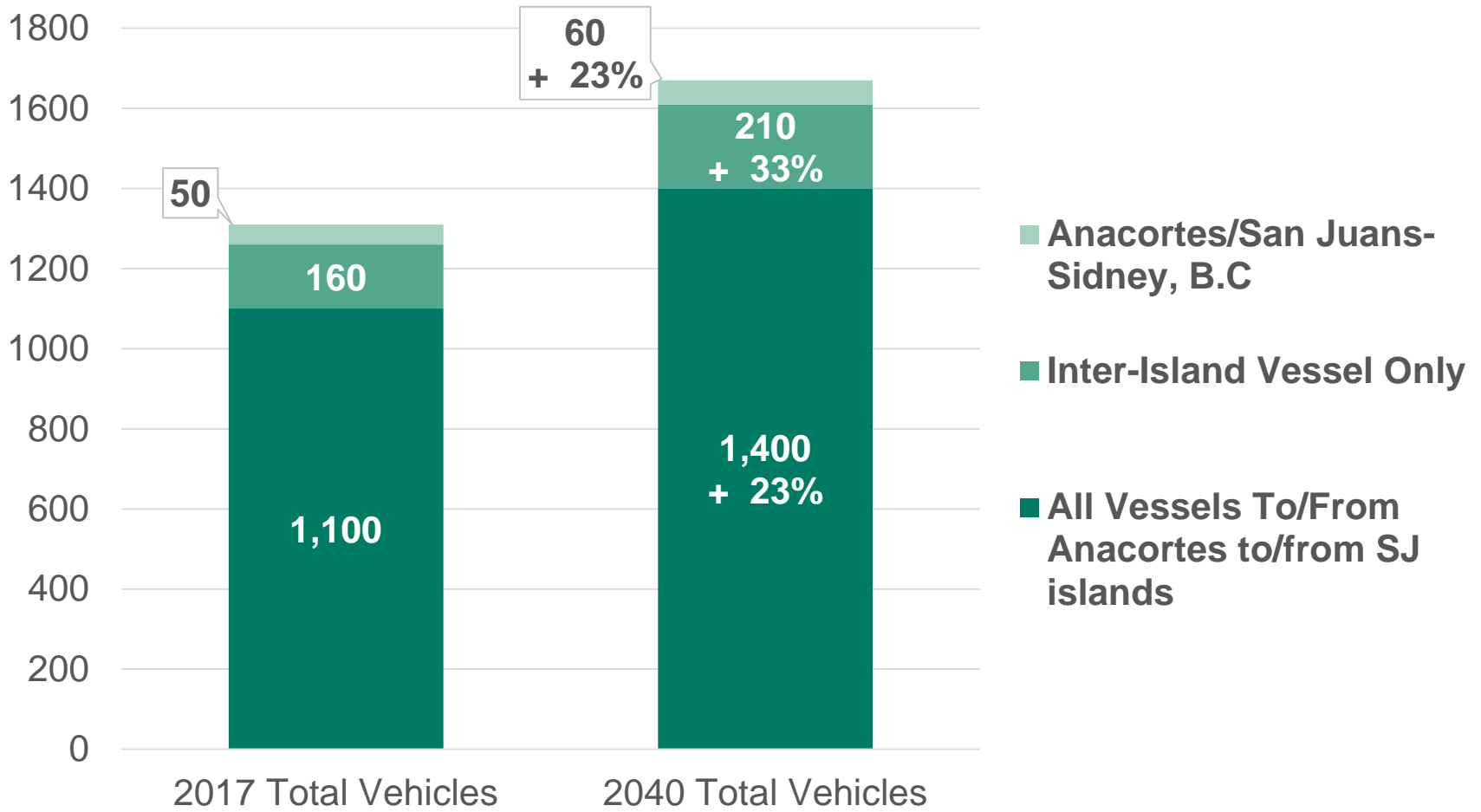
Total PM Peak Walk-On Passengers Westbound



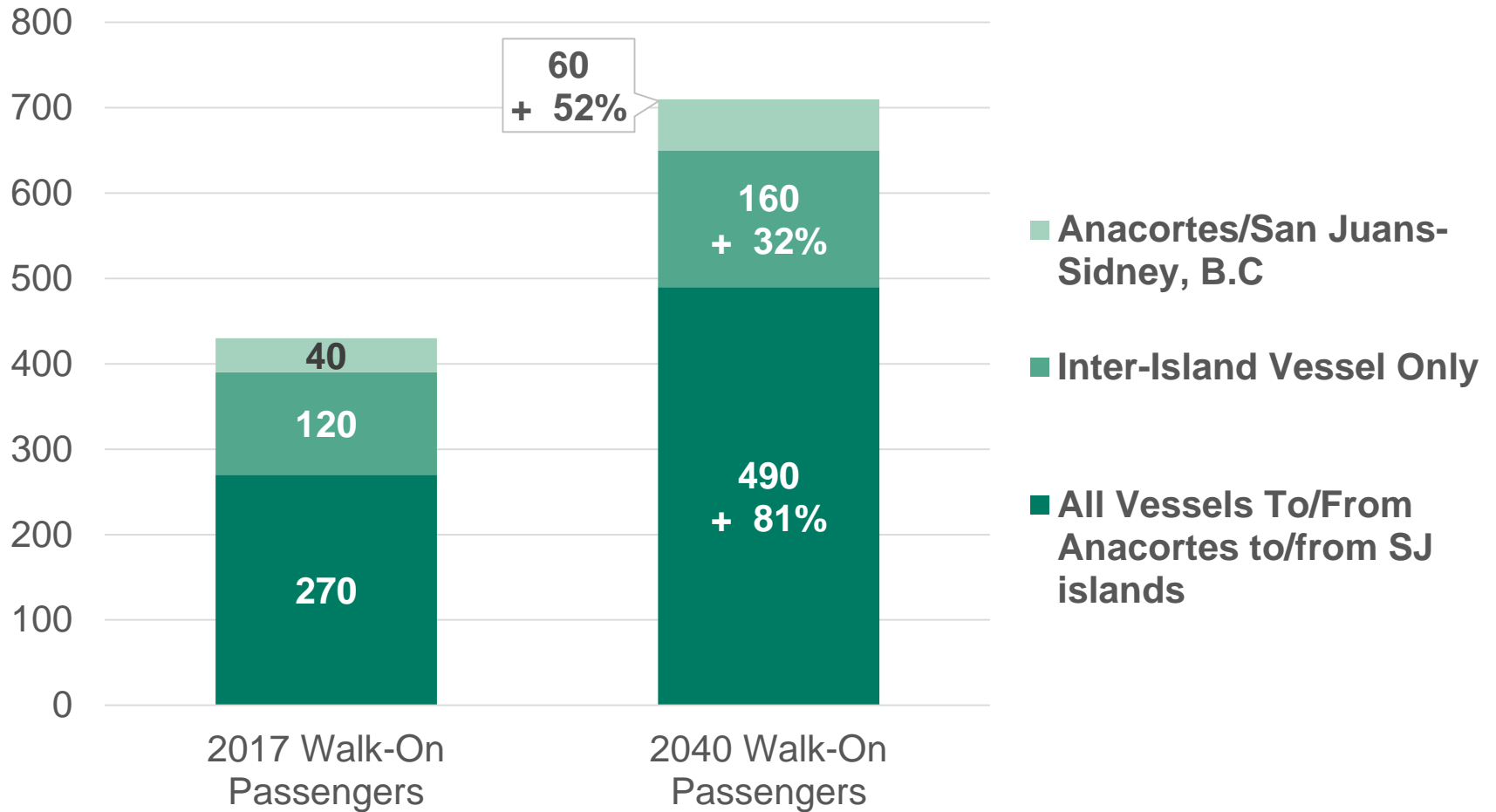
San Juan Ridership Westbound



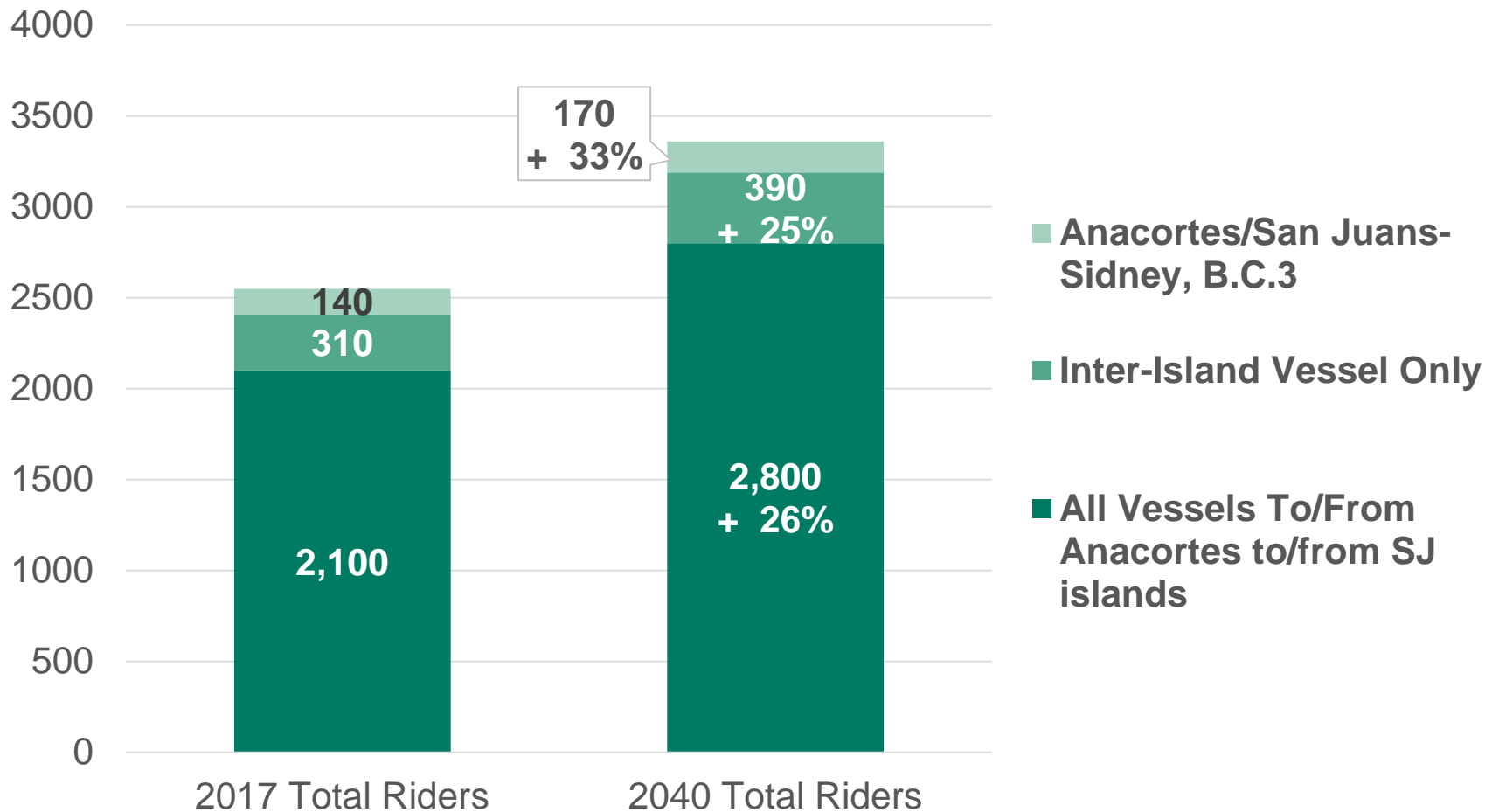
San Juan Route Vehicles Westbound



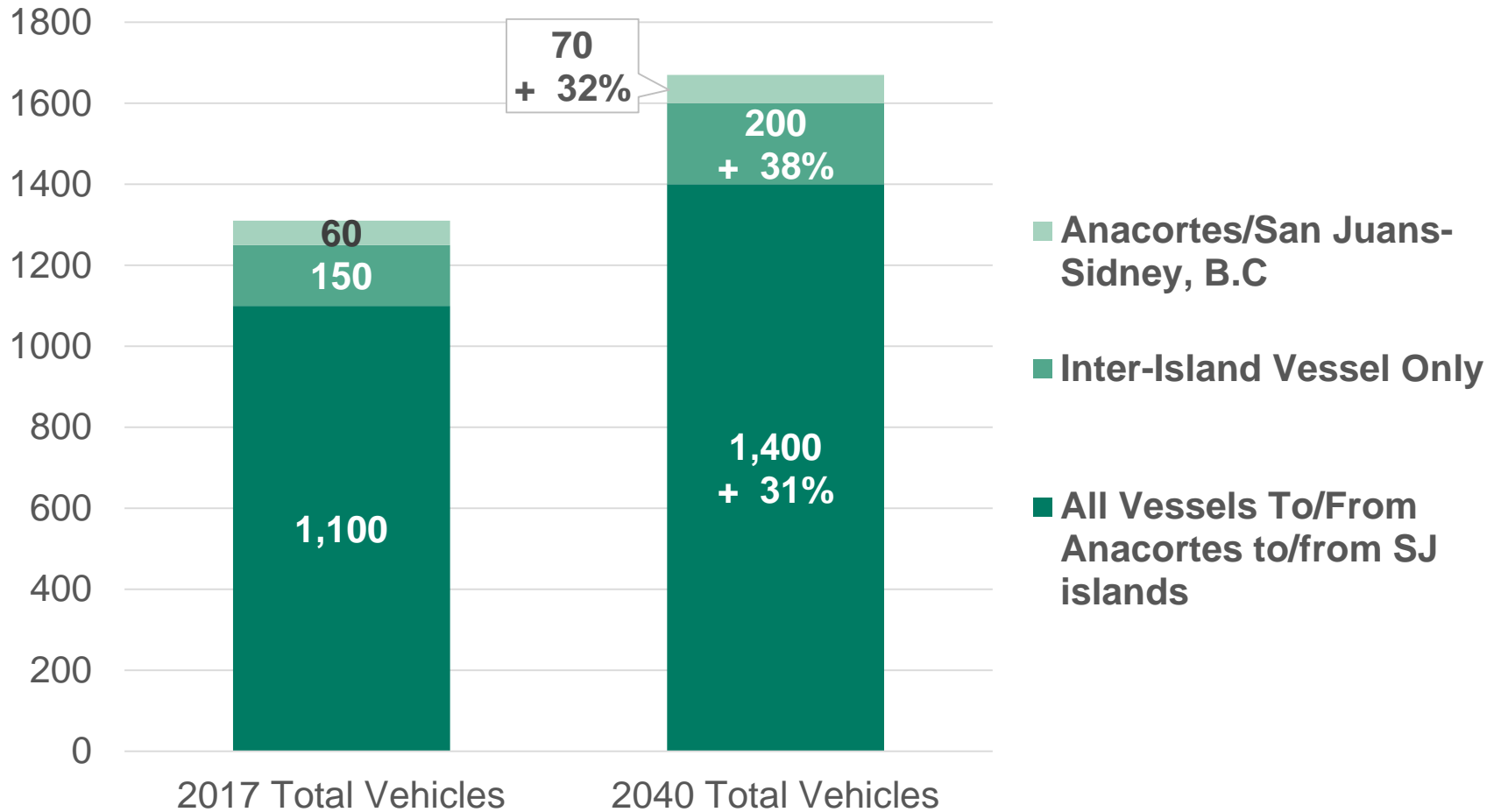
San Juan Walk-On Passengers Westbound



San Juan Ridership Eastbound



San Juan Vehicles Eastbound



San Juan Walk-On Passengers Eastbound

