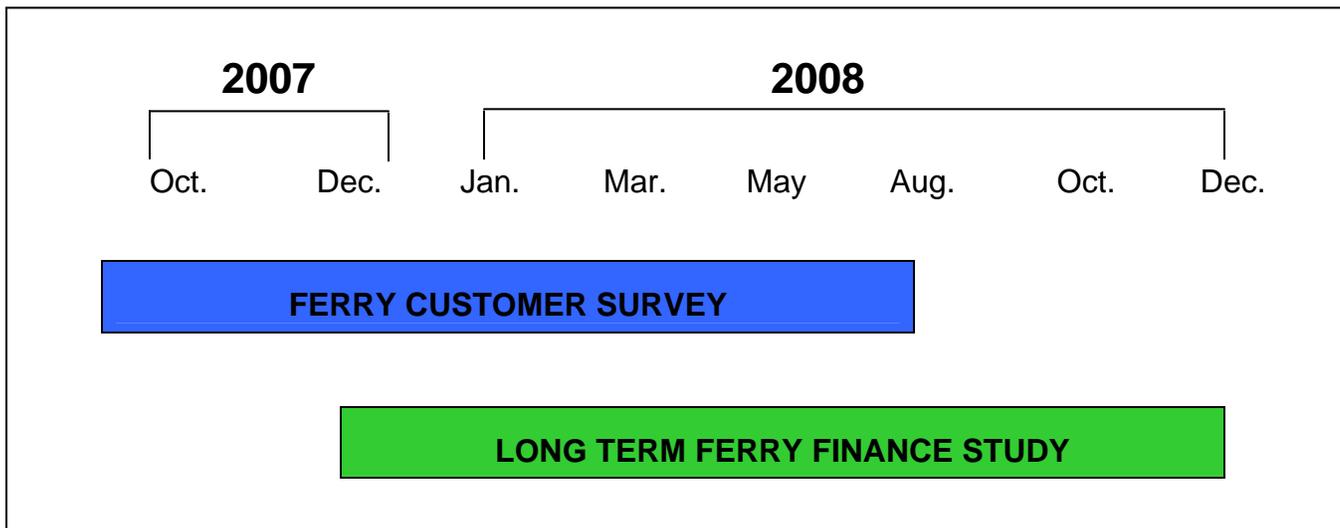




Washington State  
Transportation Commission

**LONG TERM FERRY FINANCE STUDY**  
***PROPOSED IMPLEMENTATION TIMELINE***

Presented to the JTC Ferry Policy Group  
August 28, 2007



**Legislative Provisions:**

ESHB 1094, Section 206 – Transportation Commission

(2) \$100,000 of the motor vehicle account--state appropriation is provided solely for a study to identify and evaluate long-term financing alternatives for the Washington state ferry system. The study shall incorporate the findings of the initial survey described in subsection (1) of this section, and shall consider the potential for state, regional, or local financing options. The commission shall submit a draft final report of its findings and recommendations to the transportation committees of the legislature no later than December 17 2008.

**Proposed Implementation Timeline:**

Based upon the legislative mandate, the study must incorporate the “*initial*” findings of the customer survey. According to the deliverables to be provided as indicated in the Commission’s RFP for the survey, the Commission will have initial qualitative findings by January 4, 2008. The quantitative findings are due to be delivered to the Commission by no later than May 2008 with the entire survey effort concluding by August 1, 2008.

Waiting to start the finance study until the May 2008 date or even worse yet, until the August 2008 completion date, will leave the Commission with only six months or less to conduct the finance study – there is concern that this is simply not enough time to do a complete and thorough finance study given the complexities surrounding the topic.

**Therefore, it is proposed that the long term ferry finance study commence in December 2007.** The survey work will be well underway by this time and this puts us less than one month before the Commission will receive its first official report on the initial results of the survey work.

One of the challenges facing the finance study is the level of funding that is currently appropriated for it - \$100,000 will likely be inadequate to complete the full study as required by law. Therefore, we propose the following implementation plan so the initial work (*Phase I*) can commence later this year. This work will inform the development of a refined work plan and related cost estimate (*Phase II*) for legislative consideration in the 2008 session.

#### Phase I: December 2007 – February 1, 2008

- ◆ Conduct a comprehensive assessment and review of all current laws and regulations related to financing and taxing authority at the city, county, regional, and state level.
- ◆ Review past studies, such as the 2007 JTC Long Term Transportation Financing Study, to avoid redundancies and utilize existing bodies of work.
- ◆ Locate similar systems in other states and conduct a thorough analysis of their historical and current funding and governance structures as well as identifying current fiscal trends and challenges those systems face.
- ◆ Develop a proposed detailed work plan for Phase II along with a cost estimate for funding consideration.
- ◆ Issue a report to the Legislature by February 1, 2008 on the results of the work outlined above.

#### Phase II: March 2008 – November 2008

- ◆ Identify state, local, and regional financing options for further exploration, analysis and modeling.
- ◆ Identify possible financing questions related to the options under consideration, and incorporate them into the quantitative survey and/or pose them to the qualitative panel of ferry users (*this panel is to be constituted during the later part of the survey work*).
- ◆ Based upon the financing research and analysis, and the survey results, develop a robust menu of viable financing options that could be implemented at the state, local and regional levels.
- ◆ Issue a draft report of findings and recommendations to the Transportation Committees of the Legislature by no later than December 17, 2008.
- ◆ Issue a final report to the Legislature in January 2009.