

Long Term Ferry Funding Study

Study Overview and Discussion of Potential Funding Sources

presented to

Joint Transportation Committee Policy Group

presented by

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Presentation Outline

- **Overview of Long-Term Funding Study**
 - Study objectives
 - Recap of Phase 1 study findings
 - Summary of Phase 2 work plan
 - Six-month project schedule

- **Discussion of potential revenue sources for evaluation**
 - Range of funding sources to be considered
 - Evaluation criteria



Objectives of Long-Term Funding Study

- Identify and evaluate a range of state, regional and local funding sources
- Estimate revenue generation potential for each alternative
- Develop selection of most viable options for stable, long-term funding package
- Identify implementation actions
- Prepare draft and final funding plans and present findings to Transportation Commission in December 2008

Summary of Phase 1 Findings

- Since elimination of the MVET in 2000, WSF has struggled to fund its operating and capital needs
- Rising costs have exacerbated the funding gap in recent years
- Sources of operating funds need to be expanded or indexed to assure coverage of operating expenses
- Significant new sources of revenue need to be identified to fund capital preservation and replacement

Phase 2 Work Program

- **Participate in Development of Future Funding Needs**
 - Attend working sessions and meetings with WSF, their consultants, JTC ferry staff group, and others
 - Comment on needs estimate as it takes shape
 - Review specific assumptions and components of capital, operating and pricing strategies
- **Assess Potential of Alternative Funding Sources**
 - Refine list of likely funding alternatives
 - Conduct in-depth evaluation of funding sources
 - Evaluate financial management tools
 - Contribute to WSF fare elasticity analysis

Phase 2 Work Program, cont.

- **Develop Funding Plan**
 - Define long-term capital and operating revenue needs for purpose of Commission's funding plan
 - Identify revenue generation capacity of preferred sources
 - Identify appropriate financing mechanisms to complement funding sources
 - Identify needed implementing actions
 - Prepare draft and final plan

Six-Month Schedule of Key Activities

- **May – Conduct screening of potential funding sources, contribute to refined user survey instruments**
- **June/July – Review WSF draft needs estimates, begin detailed evaluation of revenue sources**
- **July/August - Estimate revenue impact of alternative operational and pricing strategies**
- **August/September – Incorporate user surveys and WSF long range plan to refine need and revenue estimates**
- **September/October – Develop revised revenue estimates and prepare draft funding plan**

Discussion: Potential Revenue Sources

Funding Options

- Three primary choices for raising additional, predictable, sustainable revenue for ferry operations and capital:
 - Shift funds from existing sources not dedicated to ferries (current method of closing funding gap)
 - Expand or reconfigure existing sources dedicated to ferries
 - Draw on new sources
 - Not explicitly considering federal grants at this time
- Three ways of raising revenue:
 - Taxes: often less directly related to ferry system
 - Fees: typically transportation-related, direct and indirect
 - Ferry system and user-generated revenues

Option: Expand Existing Sources

	Already support ferry system
Taxes	<ul style="list-style-type: none">✓ Fuel tax✓ Vehicle sales taxes
Fees	<ul style="list-style-type: none">✓ Vehicle license and registration fees
Ferry System Revenues	<ul style="list-style-type: none">✓ Ferry fares✓ Concessions

Draw on New Sources

	Examples: Statewide	Examples: Sub-state
Taxes	<ul style="list-style-type: none">✓ Sales taxes✓ Property taxes✓ Business-related taxes	<ul style="list-style-type: none">✓ Special assessment districts✓ Transit district tax
Fees	<ul style="list-style-type: none">✓ Tolls✓ Freight fees✓ VMT fee	<ul style="list-style-type: none">✓ Development Impact Fees
Ferry System Revenues	<ul style="list-style-type: none">✓ New offerings to ferry users (expanded retail sales, parking, reservations, etc.)✓ Lease revenue	

Initial Evaluation Criteria

- Yield and reliability
- Public and political acceptability
- Cost and ease of administration
- Economic efficiency
- Equity

Long-Term Ferry Funding Study
Discussion and Questions