

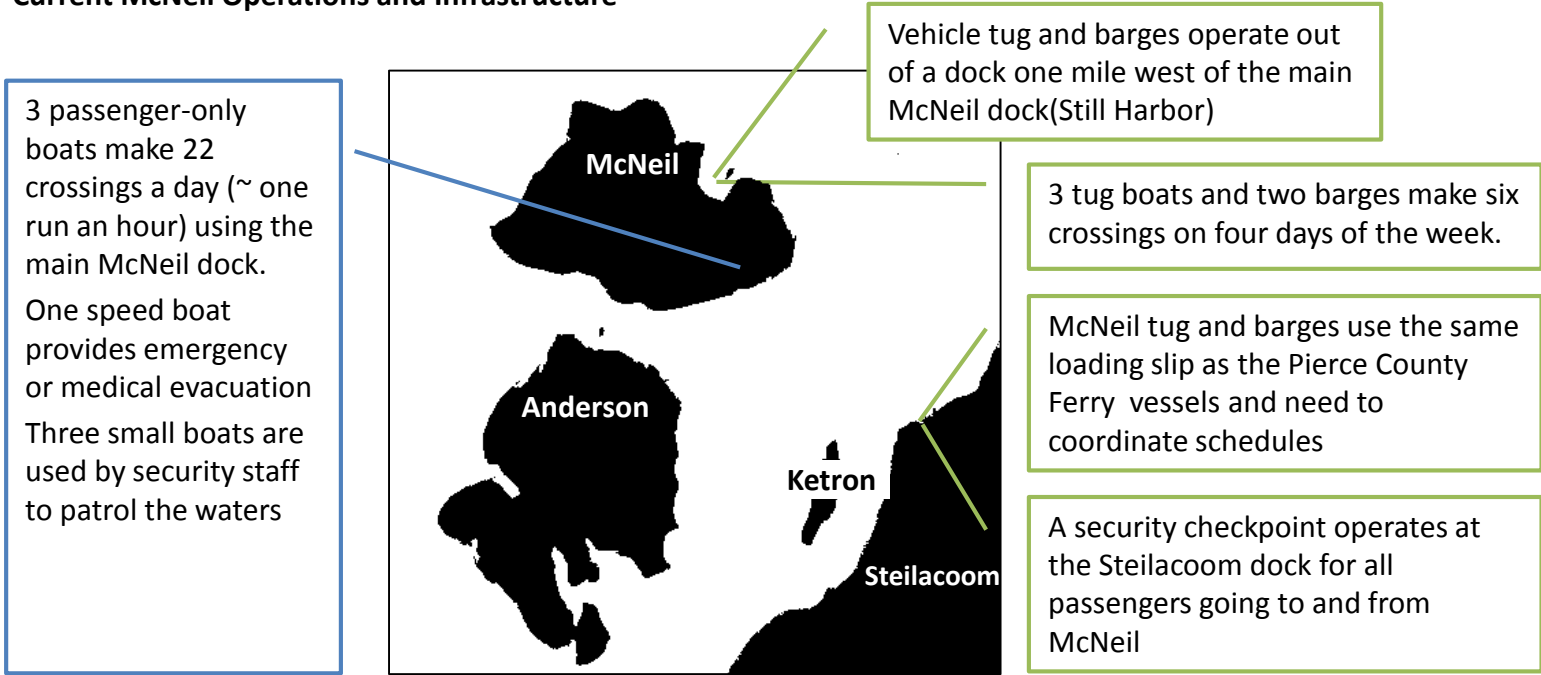


McNeil Island Partnership

Summary of Analysis

While there are intuitive reasons to believe that integrating McNeil Island service into PC Ferry operations, the benefits are likely outweighed by the costs unless the State is willing to fully fund the subsidy requirements of the integration effort.

Current McNeil Operations and Infrastructure



Assessment of McNeil Options

Opportunities

Constraints

OPTION 1: Use Pierce County vessels to serve McNeil

Channel all vessels and passengers into one system
 Gain revenue from existing asset (2nd vessel)
 contracting with Special Commitment Center
 Potential to add capacity to existing routes

Loss of Pierce County redundancy
 Increased dry-docking and maintenance issues
 Overall labor hours increase
 Infrastructure investments needed for McNeil terminal
 Alignment with McNeil shift schedules
 Subsidy requirements for both capital and operations

OPTION 2: Pierce County operates McNeil passenger-only vessels

Better use of assets
 Passenger-only vessels certified for up to 149
 passengers – only currently carrying up to 67
 Potential to add capacity to existing routes
 Gain revenue from existing asset (2nd vessel)
 contracting with Special Commitment Center

Overall labor hours increase
 Need for terminal improvements at Anderson and Ketron
 Existing PC Ferry demand does not indicate additional
 passenger service
 Security concerns on shared passenger vessels
 Require investments to support higher walk-on traffic
 Subsidy requirements for both capital and operations

- Both options would require additional subsidy to be feasible. Significant facility investments make both options cost-prohibitive.
- McNeil Island market demand is essentially capped, with limited growth opportunity and some risk associated with the future of the correctional facility



New Market Expansion

Summary of Analysis

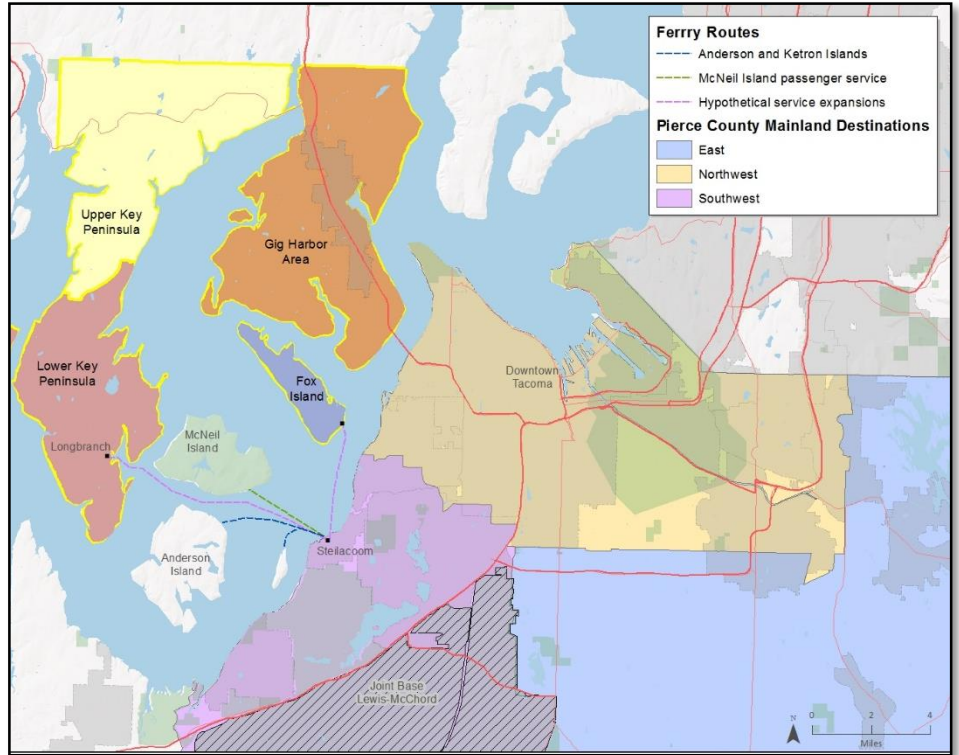
An analysis of the ferry's competitiveness with other travel options and size of potential new ferry markets reveals that there are no promising new routes for the Pierce County Ferry.

Expansion Markets considered:

- Lower Key Peninsula
- Upper Key Peninsula
- Fox Island
- Gig Harbor area

Potential new ferry routes assessed:

- Steilacoom to Longbranch
- Steilacoom to Fox Island



Relative Competitiveness of New Routes

Estimated Travel Times (Minutes) Between Origins and Selected Mainland Destinations

Trip Origin	Joint Base Lewis-McChord		Downtown Tacoma	
	Car only	With Ferry	Car only	With Ferry
Fox Island	45	59	35	69
Gig Harbor Area	35	78	22	n/a
Lower Key Peninsula	60	84	50	94
Upper Key Peninsula	50	94	35	104

Source: BERK, 2015

- Tacoma Narrows Bridge offers faster options for all trips .
- The only Origin-Destination pair that is marginally competitive is Lower Key Peninsula to Lewis-McChord.

Potential Market: Current Travel Patterns

- Gig Harbor area has the most trips to mainland, but likely to use Tacoma Narrows Bridge
- Key Peninsula has far fewer trips to the mainland
- There are relatively few current trips between areas where ferry service could expand.

Weekday Morning (6am-9am) Trips by Destination (2010)	Trip Origin			
	Lower Key Peninsula	Upper Key Peninsula	Fox Island	Gig Harbor Area
Internal and other non-mainland destinations	1,882	4,361	1,339	15,904
Pierce County Mainland (total)	208	670	342	5,395
Northwest	164	525	263	4,343
Southwest	36	117	63	842
East	8	28	16	210
King County Mainland	47	143	66	866
Snohomish County	0	1	0	3
Entering Thurston County via I-5	7	22	12	144
Grand Total	2,136	5,175	1,747	22,168
% of trips with mainland destinations	12%	16%	24%	29%

Source: Puget Sound Regional Council