



## PIERCE COUNTY WATERBORNE TRANSPORTATION STUDY

### ADVISORY GROUP MEETING: MAY 27, 2015

### DRAFT MEETING SUMMARY

#### ATTENDANCE:

Paul Loveless, Town of Steilacoom

Steve Caputo, HMS

Ted Allen, PCF

Dave Jacobsen, Anderson Island Citizens'  
Advisory Board Ferry Liaison

Kendel Lyman, Anderson Island Volunteer Patrol

Krista Ullis, Riviera Club Media, Anderson Island

Ann Dasch, Anderson Island Citizens' Advisory  
Board Ferry Member

Chris Frye, Anderson Island Resident

Susan Greer, Steilacoom School District

Vivien Savath, BERK

Michael Hodgins, BERK

Melanie Mayock, BERK

Deb Wallace, Pierce County Public Works and  
Utilities

Valerie Thorsen, Public County Public Works and  
Utilities

#### Welcome and Introduction

Michael gave an introduction to the meeting and where we are in the study process (page 3 of meeting packet). BERK brought a compilation of comments that have come in throughout the study, including surveys and the public meeting.

Michael has proposed one additional Advisory Group meeting on Wednesday, July 1<sup>st</sup>. This would be after the U.S. Open and before recommendations go to the County Executive and County Council later in July. Members present said July 1 will work for them.

The meeting will be 10:00-11:45am, location TBD.

#### Emerging System-level Recommendations

Michael walked through the meeting packet.

Regarding funding recommendations:

AG Member: What would the formula target look like? Michael: The details will be forthcoming.

AG Member: AICAB shared concerns about the ferry district. It should be a countywide tax, not only the island. Also concerned about the effect on junior taxing districts with the cap.

Michael: The ferry district would only work if it's not countywide. There's a missing beneficiary around supporting the ferry – property owners who don't use the ferry a lot. The value of their property benefits from ferry service, yet they aren't paying much.

AG Member: They pay into the county road fund.

Michael: It's a small piece of the county road fund. Everyone needs to kick in for roads, but this is an expensive bridge that island property owners have, that no one else has. That would be the rationale for an island-only district. Wouldn't have to be a large sum, but would recognize the pool of beneficiaries. Everyone on the island benefits from having a system, and then those who use it pay an additional amount in fares.

AG Member: People on the mainland benefit too because they can go to Anderson Island and can get customers from the island.

Michael: It's not that no one else benefits, but there's a clear and direct significant relationship between property value on the island and reliable ferry service. For example, the people who own property and aren't living there or riding the ferry aren't contributing anything. If the ferry service increases, it could increase their property value. Couldn't do a ferry district now because it requires a state legislative change. ... One thing that came up at the public meeting – some people thought a district could also fund public safety. Can use road money for some portion of sheriff costs.

AG Member: That already goes on and comes out of the Sheriffs budget.

Michael: Question is the degree to which any new money to a ferry district could contain an increment for public safety.

AG Member: you would get arguments on that, not sure if this is the place to do it.

Vivien: Alternatives b and c aren't on top of fare increases, but alternatives to fare increases – opening other doors to meet any higher expenses.

AG Member: Wouldn't get much argument on set of options C.

Steve: Using boats as revenue source outside of their primary purpose is not simple. Factors that go into a boat such as depreciation or reducing the interval for major overhauls costs money. Any revenue ideas with a second boat have to get to zero. There's a lot more to that discussion than just a possible add-on to revenue.

Michael: If we make this recommendation, it would have to generate net revenues. Whatever you do – concession, chartering the boat – any revenue has to be above and beyond any costs to the County.

Deb: That's what we looked at for tourist service. Didn't implement because of ticketing system. Would be fully loaded cost, including depreciation.

Michael: has to work financially and operationally.

[Level of Service discussion, page 7]

Steve: Have you found any ways to add capacity that are not extending the day or adding a second boat?

Michael: The only other way is to get more people and/or more cars on the boat. We have some ideas in the fare policy section. This is about vehicle size and number of people. How to maximize number of vehicles and people on each boat. What can you do on the margins to get a few more people or vehicles on.

Deb: The managing demand piece is key with summer level of service. We could say we'll throw more boats on in summer, but that would cost more, which would mean increased fares.

AG Member: We could have fewer boats in the winter because there's been less demand. The LOS standard doesn't have a trigger to lower service.

Michael: There's a certain coverage you need to make the service reliable. At that level it may appear inefficient. But if you didn't have that, you wouldn't save enough money or have a service people can depend

on. There is a floor of service you could provide during low-demand times – e.g. only 8 trips and force everyone into full boats – theoretically more efficient but not how people travel. Having a basic daily coverage where the boat is running... the incremental cost to run the boat once the crew is there is relatively modest. Providing frequency of travel to people on the island who are depending on the service. There is some floor, maybe not where we are now. Current winter service is not expansive. We know people want more service.

Deb: You look at what run do you cut. Not gonna cut commute periods, school runs, Noon run is popular, so is it mid-morning – seniors say no, etc. What would you suggest?

AG Member: The 8/8:30am on Saturdays and Sundays. We have too much, we need it at 11/11:30am – that's when the people show up.

Michael: That's moving service around. Two things: do we provide less service or do we change when the boats run to match when people want to travel.

AG Member: We had 10 runs a day in early 2000s and carried more people. Now we have 12-14 runs/day and carry fewer people. Not sure that's where the money needs to be spent. There are people who need longer hours of service but not the frequency.

AG Member: If you cut three runs now, who would leave the island? No one. ... It's not about the people on the island all the time. If the ferry will pay for itself, we need more people on the island who will ride the ferry. Getting groceries once/week won't pay for the ferry. We need to decide how to get them to move to the island. Island living is great, but most people think they couldn't get to work.

Steve: Reducing mid-day service would save very little money.

AG Member: When you have earlier runs, you have earlier returns, which offsets traffic. We talked about pushing traffic into certain runs.

Deb: Some of the work you've done is to look at the growth potential of the island. Good to put numbers on potential number of households in low, medium, high scenarios for growth. For example, in the low growth scenario, how would the level of development impact the level of demand? Identifying what the growth potential is, and not just saying to add service so people will come, would help to align service. Not just build it and they will come, but projections for growth.

Michael: The key with the LOS is it's a statement for how the County will respond to growth, given the rural nature of the community. How we would adjust if the trips come, if there's congestion.

AG Member: There's a third option: is the County willing to invest in more service to bring people in?

Michael: Not just LOS for capacity, but are people able to live a certain type of life. If there's only one boat that works for me, affects my lifestyle. If 3 boats work for me, I'm more willing to deal with challenges of living on the island. ...Those folks make more trips. At some point people can't do that. Worst case scenario – tons of customers but very few trips – lost a core group that makes a lot of trips. Doesn't mean you have to grow that segment, but how do you balance the two groups. Knowing the demographics are going towards larger proportion for retired people.

Deb: Chris's policy question is critical. It's a question we need the County Council to answer: is the County willing to invest in additional growth.

AG Member: They are.

Deb: My understanding is it's based on rural development. At this point, I don't see recommending additional service so people can move to the island. The staff needs that policy direction. If you ask the school district,

it's the most expensive school to add service; the ferry service is highly subsidized. What's the value to the County of growing the island population? Key question for the County Council.

Michael: That's what we're trying to do with summer LOS. Not a typical rural community. How should the County treat the island and its investment. Land use and infrastructure investment go together. What is appropriate for the nature of these communities today and what they might be in the future. From a business perspective, how do we maintain a component of our market. Two potential futures: 1) maintain a similar balance, have the additional service in the summer and charge a little more because their financial contribution is fairly modest, and do some things with service so that a portion of the island can have working family households. Or, get to a Marthas Vineyard world that's mostly visitors and they are willing to pay outrageous fares to make that work. Fewer total trips but they pay \$150/trip. Risk to go down that path and let the demographics shift.

AG Member: Do we charge a ferry impact fee to new construction on the island? We charge a school and roads impact fee.

Deb: The ferry is considered part of the roads.

AG Member: Could a ferry impact fee become another source of funding?

Deb: It's a small amount of money. Not a huge revenue source and it's for infrastructure. We used it for ferry lanes.

Michael: In the statute on impact fees there would be scope to look at that. The key with impact fee is that it has to be growth related; can't be an existing issue. And has to be a nexus between the development and the need for a project. To pick an example, if we needed to expand the Steilacoom dock to do another increment of service. You could argue the terminal expansion project has a growth component and then create a sub-county impact fee district where that nexus is close, which says that all new development contributes some amount to a capital project. Conceptually and legally could probably do it. Whether it would be worthwhile depends on political and policy questions.

AG Member: It has political appeal, rather than asking existing residents to absorb the cost of new islanders who are often renting and not paying property taxes, but are bringing costs. Could be more popular politically than raising property taxes.

Michael: Impact fees have to be used for capital projects. A ferry district would be more about operations. A lot of jurisdictions are looking at impact fees. When GMA first came out weren't using as much. City of Seattle has never had an impact fee but is considering it now.

AG Member: We need to focus on working families, or else it will be all retired folks. This forces us to choose two options – not bringing people who can work off island, making sure they have a schedule. There's no development, no shopping center, it's done.

Deb: I agree with you, comes back to having clarity in the policy from the Council.

AG Member: You don't have to raise fares to get more service. Already have money for the first run.

Deb: We would be happy to add the first run, but need to figure out the long term –where are we going with this in the future?

Michael: How do we take all of this so there's a framework for a path forward? How do you manage demand pressures from these islands? The County has made a commitment through the ferry to serve these islands. It's different from other rural parts of the County. How do you carve out a policy to do that. Need predictability to know how things will change over time, within a policy framework.

[Technology and System Investments, Ferry Operators Group discussion, page 8-9 in packet]

AG Member: Has anyone looked at moving the Steilacoom terminal?

Deb: There was a study that said it wasn't a good idea.

AG Member: There are zero transportation options here. Coordinating with other transportation options would be useful.

Deb: they looked at capital costs and service time.

Michael: Most efficient run is short with properly sized boats. The farther you go, less efficient. Most terminal relocations ideas are for nearby areas. Significantly moving would require weighing a lot and would require going to two boat service. Would be same total capacity, because of longer cycle time. Most efficient run in WSF is Mukilteo/Clinton. High demand.

### **Emerging Specific Short-Term Recommendations**

Michael walked through the recommendations. (Page 11-14 in the packet.)

[Discussion on back-end discounting capacity for fares]

AG Member: That seems sophisticated.

Deb: It is, but we're working on it.

Michael: Nothing is different at the ticket booth – it's how you process on the back-end.

Deb: The system will functionality to do that.

AG Member: Are you recommending keeping the value product discount at the current rate?

Michael: Yes. Best to wait until new ticket system capability allows more flexibility – then you can be more refined in how you reward certain travel behaviors. You can reward on all kinds of things, not just frequency – like time of days.

[Passenger monthly pass discussion]

AG Member: Would the ticket have numbers on it, or be available for a certain amount of time?

Michael: would probably need a cap.

AG Member: Would the pass time out after a certain amount of time?

Michael: That's one option that's typical. If you wanted to limit it more, you could put a hard cap on it, maximum number of trips. A velocity check plus a cap on uses would protect against sharing of passes.

Deb: Would it be unlimited vehicle or just passengers?

Michael: Just passengers. With vehicles, there's so much more money involved – car deck space is most valuable asset – want to wait until we have the back-end capability in the system.

[Fuel surcharge discussion]

AG Member: Could the surcharge fluctuate with the actual price of fuel? Automatically adjust the fare based on fuel price?

Michael: Don't want to adjust it daily, but could do something monthly – if prices go up, there's a trigger to increase prices or take the surcharge off. Try to line up costs with revenues. Will be some lag.

AG Member: In New York there's a timeframe before they can do a surcharge – like a quarter.

AG Member: The price at the pump can go up day to day.

Michael: Creating a fuel surcharge program would mean fleshing out several things –who has authority to change the fare, the process, automation, how frequently, how much customer notice. All of that would get worked out and turned into a program. There could be a certain window of prices we can accommodate, but then higher prices trigger the surcharge. Trying to build some protection in for those anomalous years. Not an ongoing part of the fare system, but a tool for sharing risk when we get those crazy spikes in fuel prices.

AG Member: The state buys futures, which creates predictability.

AG Member: It's strictly through the state of Washington. GA.

Michael: for WSF we developed a financial hedging program for fuel. But they buy a lot more fuel.

Deb: it uses the Washington state system and buys at those rates, we're relying on them.

Michael: WSF does separate financial hedging on top of whatever WA does.

[Discussion on service, page 12.]

AG Member: I don't know anyone who would be happy about adding a triangle run to Ketron.

AG Member: If it gives more capacity on 5:10, could help.

Michael: How do we add one more triangle for more frequency.

Deb: Is there any barrier with the slips on the short run?

Michael: I don't think so. With this schedule two days a week, no.

Deb: In response to the Ketron service, this is why I wanted to do this study, I wanted outside expertise to look at it and provide a recommendation. We can do an earlier run or not, but we need a sense of policy on where the County Council has to go. Every recommendation will have people for it and against it. We're in the middle.

AG Member: The County Council wasn't clear – said they would authorize \$38k for the early run. I went back and read the minutes, which say they will authorize it based on the study.

AG Member: Why is there nothing in the recommendations about adding evening service Monday through Wednesday?

Michael: I considered putting in both early and late. Initially the early run makes more sense to me. We do have longer service on some days of the week. Having a full commitment to extending both early and later might be too big a jump initially, depending on how ridership reacts. Could look at extending later as a Tier 2, towards the end of the short term. We'll put numbers on to see what the marginal cost would be, as a potential refinement to recommendation a.

AG Member: You're talking about adding 144 hours with an extra boat in summer. That's the same as an extra hour three nights a week would be. I know a lot of families who are paying a lot and need it.

AG Member: You touched on moving the first boat up a half hour and putting a half hour at end of the day. Start your day earlier and shift the whole schedule. Not that many people going to Seattle anyway.

AG Member: I would fight tooth and nail against that change. So many people are on that schedule. An hour earlier run would draw new people. You're not trying to get people to go to work earlier. The current schedule works for the people who live there. Doesn't work for people who have left. People have left because they can't get it to work – job has changed, schedule changes. Don't have a lot of military people, can't get to post on time. If you shift the schedule a half hour, it's not enough time.

AG Member: When we shifted 6:30 boat to 6:15... 6:30 was overload. When we shifted 15 minutes, the second boat became the over-used boat. That 15 minutes changed the lives of a lot of people. What is the goal of a 4:45 run?

AG Member: The goal is to get to Western State. The job market's not 9-5. Public works employees can't get to work on time. The ones in the trucks are the first in line.

Michael: You're both right. I think there are folks on the island who would benefit from a shift. What you're describing of shifting to 6:15 has changed your choices of travel. Part of this recommendation is to provide wider choices for people who have to get off island for work who are there today. Also, potentially making it somewhat more attractive for people coming to the island. It's not throwing money at it to get people to move to the island, it's also for people currently on the island, to give them some more choices. So they don't have to move off island.

Deb: As we look at shifting the schedule, need to look at the impacts, for instance the school district. In the past we couldn't make changes because of the school district.

AG Member: That's why we said don't shift, create a new run.

Michael: Could say which sailings can't be moved, then how to accomplish the goals.

Deb: Putting costs to it would help. Intuitively, more people would ride an evening run than an early morning run. That's what I think intuitively, but that's not the goal of the early morning run, to get more people riding immediately. We saw what happened on Thursday evening –it's a well-used run, compared to the Sunday 10pm run. We've got to be clear about what are the goals of the various runs.

AG Member: For recommendation C (Summer Schedule), 8-hour shifts are probably more than we need in the short-term.

Michael: The busy period is pretty wide. This is a labor shift, not the service shift.

AG Member: if you're gonna do that (Sunday service), starting at 12pm on Fridays and Sundays is good. That would relieve a ton of congestion. Even if it only went 4 of 6 hours. It does add costs, and that has to be considered.

AG Member: Last summer there were nine weekends with an added 11am run on Saturday, with existing boat. (Didn't announce it or put in the schedule.) Helped a lot.

Michael: Change the framework in peak windows and then see how customers respond. Would it be the same number of trips spread out, or would it lead to more trips? A huge part of this is about predictability and how people organize their lives around a ferry system. Those windows are huge barriers and we don't know how much, because it's tough getting on and off the island.

AG Member: The fire chief would like to request a late ferry on Tuesday nights, so people can attend training and won't have to spend the night.

[Discussion of Steilacoom Terminal recommendations, page 13]

Deb: We'll look for some specifics. We've worked on this over the years and there have been a number of iterations. Specifics are good.

### **Emerging Specific Longer-Term Recommendations**

[Reservations discussion, page 15]

AG Member: Would you need to require people to be at the ferry a certain period ahead of time?

Michael: yes.

AG Member: Would this be on both sides or just Steilacoom side?

Michael: Makes sense on both sides, but have to figure out how to manage on Anderson side

Ann: I retain my concern that we're talking about growth and we've seen decline.

Michael: You never want to invest on the assumption that something will come back. Investments must be in response to something real. Level of Service says: if this happens, we will respond this way. Gives a sense of predictability – if growth happens. Gives folks who are thinking of investing in property on the island, how things might change. You never want to be in the field of dreams to build it and hope they will come. It's a waste of public resources.

Deb: We are now trading out other county road funds. There are not enough county road funds. Ferry gets that proportion, that's the way we operate now. Trying to meet the demand that is out there, not bring new demand. That's the clarification we need. I would call out very clearly what you just stated. We're not suggesting to throw more service to get more population.

AG Member: The fact that the demographics have changed so much – isn't that an indication that we need to invest to retain frequent riders?

Michael: On the short term we're trying to create some larger windows. There is a significant risk of the County becomes too reliant on infrequent riders. How do we support a reasonable balance between frequent riders and others, and retain that mix going forward? It t5-10 new households to replace one frequent household. Can't throw lots of money out but can't lose trips a little at a time. The seasonal base is important too– continue to make this an attractive place for people to come over for vacation/weekend. For people who own property, make it worth their while.

### **Public Comment**

#### **Recap and Next Steps**

- Next public meeting: Thursday June 11, 7-8:30pm Anderson Island Elementary