

MEMORANDUM

TO: Board Members

**FROM: Seamus Murphy, Executive Director
Kevin Connolly, Planning & Development Manager
Michael Gougherty, Principal Planner**

SUBJECT: Receive Berkeley Ferry Service Business Plan

Recommendation

Receive the Berkeley Ferry Service Business Plan.

Background

In July 2020, WETA began work with consultants CDM Smith and Economic and Planning Services (EPS) to draft a Berkeley Ferry Service Business Plan. The Plan is designed to supplement the Pier/Ferry Study being prepared by the City of Berkeley in partnership with WETA that will consider the feasibility of a joint development project to build a dual-use ferry terminal and public access pier. The Business Plan specifically characterizes and analyzes operational components of the project, including ridership, service plans, terminal access, operating revenues and costs, equity, and economic development opportunities.

The development of project-specific business plans is necessary for WETA to ultimately assess whether a proposed project is consistent with its current strategic plan and system expansion policies. Such plans will be important to consider when potentially developing new policies as part of the on-going WETA Service Vision & Business Plan process. A similar document has been prepared and received by the WETA Board for the Redwood City Ferry Terminal project. A copy of the Berkeley Ferry Service Business Plan is provided as **Attachment A**.

The Plan acknowledges the extensive previous planning work that has supported and endorsed the development of the proposed project. In 2016, WETA adopted its Strategic Plan that included Berkeley Ferry Service in its 20-year vision of potential expansion projects. In 2017, the project was also endorsed by the multi-agency Core Capacity Transit Study led by the Metropolitan Transportation Commission (MTC) as a key medium term regional project for enhancing transit capacity in the Bay Bridge corridor. In 2021, the final Plan Bay Area 2050 approved by MTC included Berkeley Ferry Service as part of its financially constrained long-range Regional Transportation Plan.

Discussion

The Berkeley Ferry Service Business Plan evaluates several operational and financial components of the proposed project and includes a financial feasibility assessment. Below is a summary of the major Business Plan components and recommendations:

Ridership. The ridership forecasts generated for the Plan indicate demand for weekday and weekend service between Berkeley and Downtown San Francisco and weekend service

between Berkeley and Larkspur. Table 1 provides a summary ridership forecast estimates, which are based on outputs from the Alameda Countywide Travel Model.

Table 1: Berkeley Ferry Service Business Plan Ridership Forecasts

Destination	Weekday	Weekend Day	Special Events
2026			
	<i>Projected first year of service</i>		
San Francisco	1,910	1,367	209
Mission Bay [1]	2,106	1,503	209
Larkspur [2]	-	515	104
2035			
	<i>Estimated tenth year of service</i>		
San Francisco	2,036	1,457	222
Mission Bay	2,241	1,602	222
Larkspur	-	556	111

[1] Via transfer at San Francisco Ferry Terminal (ridership estimate includes passengers traveling between Berkeley and San Francisco)

[2] Weekend service only.

Source: CDM Smith

Service Plan. The Business Plan assumes operation of weekday and weekend round-trip service between the Downtown San Francisco Ferry Terminal and the Berkeley Marina with a one-way runtime of 25 minutes beginning in 2026. During weekdays, two vessels would be deployed with approximately 35-minute peak period headways. On weekends, one vessel will operate throughout the day with headways ranging from 70 to 110 minutes. The Plan also assumes operation of weekend round trip service between Berkeley and Larkspur with a one-way running time of approximately 35 minutes and headways ranging from 90 to 120 minutes. Special events at Oracle Park and Chase Center would be served via transfer to short-hop ferry shuttles at the Downtown San Francisco Terminal. Special event service via transfer is also assumed for other WETA services in future years. The Business Plan assumes that both vessels deployed for the service will be electric zero-emission vessels.

Terminal Access. The success of a ferry operating from the Berkeley Marina pier will be dependent on the availability of alternative transportation options to access the terminal. The Business Plan provides an estimate of access modes splits for the proposed services based on existing conditions, established access patterns for existing WETA services, and a limit of approximately 250 parking spaces available. The Plan identifies potential future improvements that will help to promote non-SOV access to the Berkeley terminal, including a transportation demand management (TDM) program that is being developed by the City of Berkeley. The Business Plan will be updated accordingly as these improvements and TDM program are finalized.

Operating Revenues & Costs. The financial model prepared for the Business Plan projects that new weekday and weekend ferry service between Berkeley and San Francisco would generate farebox revenue that covers up to 54 percent of operating costs in the tenth year of service, which meets WETA's minimum 40 percent farebox revenue recovery ratio requirement. The weekend service between Berkeley and Larkspur is also projected to meet WETA's minimum farebox requirement, as indicated in Table 2 below.

Table 2: Farebox Recovery Ratio for Berkeley Ferry Services

Service	Year 10 Farebox Recovery Ratio [1]	
	<i>without Special Events</i>	<i>with Special Events [2]</i>
San Francisco (Weekday)	48%	
San Francisco (Weekend)	69%	
San Francisco (All Days)	52%	54%
Larkspur (Weekend)	38%	40%
All Services	49%	

[1] Estimated for the tenth year of operation (2035), at 100 percent of estimated daily ridership

[2] Assumes 125 special events per year for the San Francisco service and 24 special events per year for the Larkspur service.

Equity Considerations. The Business Plan identifies potential opportunities for the proposed Berkeley ferry services to enhance transit access to jobs and recreational activities in San Francisco and the Peninsula, as well as transit access to recreational destinations in Marin for underserved residents near the Berkeley Marina. At the same time, ferry service could enable increased access to West Berkeley for job, education, or recreational purposes. The Business Plan assumes that fares for the proposed services would be consistent with WETA’s current Pandemic Recovery Program, which is designed to promote equity and broaden the market appeal of WETA’s services.

Economic Development Opportunities. A rebuilt pier can address dual transit and recreation objectives that support existing activities already occurring along the waterfront while also creating economic revitalization opportunities. Preliminary opportunities could include public event programming, a new hotel, new conference facilities, and food/retail offerings. The Business Plan provides a high-level assessment of how ferry service could facilitate access to these amenities and help establish the Marina as a destination for residents and visitors alike.

Capital Revenues & Costs. Implementation of new ferry transit services typically requires capital investments that cannot be funded with farebox revenue. Even very successful public transit services typically do not fully cover operating costs with fare revenue, much less, capital expenses. At present, the current capital expenses assumed for the project include \$38.2m for vessels, \$69.5m for the pier and ferry facilities, and \$14m for landside improvements to support the larger dual ferry and recreational use project being jointly developed by WETA and the City of Berkeley. The two parties are currently in discussion concerning how capital costs will be split. The Business Plan identifies range of funding sources that may be available to help fund the capital costs associated with the project. Future versions of the Business Plan will be updated as more information is available about cost sharing arrangements and funding opportunities.

Feasibility Assessment. The Business Plan includes a Feasibility Assessment that is intended to guide future planning, investment priorities and funding efforts as may be conducted by the City, the individual destination cities for which the service is planned (e.g.,

Berkeley, Larkspur, San Francisco), WETA, and potentially private employers. Below are the recommendations proposed to further enhance feasibility of the project:

- Expansion of analysis to identify service efficiencies (e.g., interlining, sharing vessels, optimizing crew time).
- Further study of the operating costs and savings associated with transitioning to electric zero emission vessels.
- Further study of the potential emergency response role that ferries (through WETA or other providers) could fulfill in Berkeley.
- Other City efforts at obtaining capital or operating funding for the proposed ferry service, particularly from federal sources.
- Further planning and development of the ferry terminal areas in the respective cities.
- Local efforts to evaluate the benefits of ferry service and to develop sources of local funding including inclusion in cities' own capital improvement programs and creation of special funding sources.

Staff recommends that the Board receive this initial version of the Berkeley Ferry Service Business Plan. Key inputs of the Plan will be updated periodically as project assumptions change or new information becomes available that is relevant to the project. Regular updates to the Plan will help to ensure that WETA's long term planning and financial projections are based on the most current information available concerning the project. Major future updates to the Plan will be presented to the Board and key project stakeholders.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

Attachment A: Berkeley Ferry Service Business Plan dated 3/17/2022