



IN CONJUNCTION WITH:
CITY OF ALAMEDA
CITY OF VALLEJO
METROPOLITAN TRANSPORTATION COMMISSION

Water Emergency Transportation Authority | Draft Final Transition Plan

6 / 18 / 2009



A Message from the Chair of the WETA Board of Directors

This promises to be a watershed year for ferry transportation on San Francisco Bay, as we cement a partnership of our city-owned water-transit agencies, plan for service expansion, and coordinate ferry-based emergency response through the new Bay Area Water Emergency Transportation Authority. It has been a long-time coming. Now, a critical public policy goal is within our grasp.

In 1999, the state Legislature created the Bay Area Water Transit Authority (WTA) to plan new and expanded environmentally friendly ferry service and related ground facilities. An implementation and Operation Plan delivered four years later by the WTA identified seven new potential ferry routes linking Oakland-South San Francisco, Berkeley-San Francisco, Richmond-San Francisco, Hercules-San Francisco, Arritoch-San Francisco, Redwood City-San Francisco and Treasure Island-San Francisco.

In 2007, with the aftermath of Hurricane Katrina still fresh, the governor signed SB 976, which created the Bay Area Water Emergency Transportation Authority (WETA) as successor to the WTA. It directed WETA take over ownership of local ferry services (except those operated by the Golden Gate Bridge, Highway and Transportation District) to not only run a consolidated regional ferry system but also prepare the system to respond to a natural or man-made disaster, in particular a major earthquake that disrupts bridge traffic in and out of San Francisco.

"The public interest requires swift action and steadfast resolve to prepare for the coming earthquakes," the legislation stated. It added: "In order to protect the lives and livelihoods of the Bay Area, the Legislature in this act establishes a new governmental entity specifically charged and empowered with responsibility to plan, implement and manage these critical services and facilities, as a matter of utmost urgency."

A year later, responding to the respective concerns of Vallejo and Alameda over the loss of control over the Vallejo Baylink and the Alameda-Oakland and Alameda Harbor Bay Ferry services, the Legislature passed SB 1093. It required that the transfer of the boats, terminals and other equipment and facilities to the WETA be negotiated between the agency and those cities; that it be subject to public hearings and review; and that a transition plan laying out the WETA's plans for operating and financing current and expanded ferry service first be approved by the state.

As we move forward to implement this transition over the next 12 months, and settle into our new role as service operator over the next five years, we look forward to working with our many stakeholders to build upon this plan and provide a regional ferry service that people can be proud of, can count on to meet their daily needs and that stands at the ready in the event of an emergency.

Sincerely,
Charlene Haught Johnson

It is with pride that the Board of Directors of the WETA issues this Transition Plan, which was prepared by WETA staff in a spirit of cooperation with city-owned ferry services to ensure continuity of service and respect for local development goals for ferry terminal property and nearby lands.

Under separate cover, the board also is submitting a mandated Emergency Water Transportation System Management Plan, prepared in cooperation with state emergency officials and the U.S. Coast Guard. It lays out how WETA will prepare for, respond to, and recover from disasters impacting public health, welfare and transportation across the Bay Area.

In accepting responsibility for the city-owned ferry systems, WETA is putting forth commitments to the cities, WETA's new customers and the community at large that it will work to maintain the services as they are today and strive to make improvements as opportunities arise.

Commitment to the cities--WETA will work in partnership to serve its constituents and coordinate ferry transit services with local development and emergency response plans and concerns.

Commitment to the customers--WETA will continue existing service routes through a five-year transition period, retain existing revenue streams to individual services, and seek to bring in additional operating and capital money needed to maintain, sustain and improve existing services at levels that match system demand.

Commitment to the community--WETA will work with surrounding communities to build system partnerships and coordinate service and funding needs. This includes working with connecting local transit providers to coordinate system schedules, transfers and marketing activities, and working with city, county, regional and state agencies to coordinate project funding and emergency response activities and needs.

The expansion of ferry service on San Francisco Bay as envisioned by our predecessor agency the WTA is already under way. Earlier this year, we received two new state-of-the-art ferry vessels that we have chartered to the City of Alameda for use to support its ferry service. Later this year, we will break ground on a new ferry terminal in South San Francisco, which will be the first terminal providing ferry transportation to the South Bay. This terminal will support Oakland-to-South San Francisco service beginning in 2011. New Berkeley-to-San Francisco service is scheduled to begin in 2012. Additionally, WETA will continue to partner with interested cities and communities, such as Hercules, Richmond, Redwood City, Arritoch and Martinez to plan, develop and seek funds for other new ferry services over the next five years.

Executive Summary

Established in January 2008, the San Francisco Bay Area Water Emergency Transportation Authority (WETA) was created to consolidate public ferry service on San Francisco Bay, plan new ferry service routes and coordinate ferry transit emergency response activities across the region. Consistent with state law, the regional system to be operated by WETA will include the Alameda-Oakland and Harbor Bay services currently managed by the City of Alameda, the Vallejo Baylink system currently managed by the City of Vallejo, and expanded services previously planned for implementation by WETA's predecessor agency, the San Francisco Bay Area Water Transit Authority. It excludes the Golden Gate Bridge, Highway and Transportation District's ferry system serving Larkspur and Sausalito.

Pursuant to state legislation passed in 2008, SB 1093, consolidation of city-owned ferry service under WETA management would occur through a negotiated process that would result in asset transfers and lease agreements that respect prior local commitments made by the cities and provide for continued local support by the cities for the services and its passengers into the future.

DESCRIPTION OF EXISTING SERVICES: The Alameda-Oakland and Alameda Harbor Bay ferry services to San Francisco and Vallejo Baylink service to San Francisco are owned and managed by the cities of Alameda and Vallejo, respectively. Collectively, they provided 1.36 million passenger trips in FY 2007/08.

Alameda-Oakland initiated in 1989 in response to damage to the Bay Bridge caused by the Loma Prieta Earthquake, Alameda-Oakland Ferry Service (AOFs) is carried out by private contractor Blue & Gold Fleet under contract to the City of Alameda. Utilizing two 25-knot vessels, AOFs serves four terminals on a daily basis: Main Street in Alameda ("Gateway"), the foot of Clay Street in Oakland, the San Francisco Ferry Building, and Pier 41 at Fisherman's Wharf (during midday and weekends). In addition, limited seasonal service is provided to AT&T Park for selected Giants games and to Angel Island State Park. AOFs patronage has varied from year-to-year over the past ten years, dropping slightly overall, from 479,680 passengers in FY 1998/99 to 466,820 passengers in FY 2007/08. AOFs experienced a 15% decline in commuter-based ridership and an 8.5% decline in ridership overall during the first half of FY 2008/09, likely due to the economic recession. AOFs's FY 2008/09 operating budget is \$4.17 million, funded with 75% fares and other local contributions and 25% regional toll subsidies.

Harbor Bay Begun in 1992, the Alameda Harbor Bay ferry service (AHBF) was launched and initially funded by Harbor Bay Isle Associates, the Master Developer of the Harbor Bay project in Alameda, as a traffic mitigation element for the Harbor Bay development. Today, it is managed by the

City of Alameda and operated as a peak-period commute service under contract by Harbor Bay Maritime between terminals on Harbor Bay in the southeastern portion of Alameda and the San Francisco Ferry Building. Service is provided with one 25-knot vessel, and one back-up vessel. Annual patronage has increased over the past ten years from 104,040 passengers in FY 1998/99 to 148,600 passengers in FY 2007/08. Ridership levels increased a slight 2.6% during the first half of FY 2008/09, making AHBF the only route considered for transition that has not experienced ridership decreases in recent months. AHBF's FY 2008/09 operating budget is \$1.68 million, funded with 73% fares and other local contributions and 27% regional toll subsidies.

Vallejo Baylink Started in 1986 by private Red & White Fleet to serve a then newly opened Marine World amusement park, the service was taken over a year later by the City of Vallejo to serve its growing population--and saw a sizeable jump in use following the Loma Prieta Earthquake in October 1989. In 1994, the City of Vallejo purchased its first high-speed ferryboat. Service is provided today with four 34-knot vessels providing 60 minute crossings between the Vallejo Ferry Terminal located at Mare Island Way and Georgia Street to the San Francisco Ferry Building, with select trips departing Pier 41 adjacent to Fisherman's Wharf. The service is currently operated under contract by Blue & Gold Fleet. Exceeded only by Golden Gate Ferry's Larkspur route, Vallejo Baylink has the second largest ferry transit ridership in the Bay Area. Baylink patronage has increased over the past ten years from 613,080 passengers in FY 1998/99 to 743,480 passengers in FY 2007/08. Baylink ridership dropped almost 20% in the first half of FY 2008/09, likely due to the large fare increase instituted in June 2008 and overall travel reductions associated with the recession. Baylink's FY 2008/09 operating budget is \$14.66 million, funded with 47% fares and other local contributions, 31% regional toll subsidies, 7% federal subsidies and 15% one-time subsidies provided by the Solano County Transportation Authority and WETA. This high operating expense is reflective of the high-speed, long-haul nature of the Vallejo services and the robust operating schedule currently provided.

PUBLIC FERRY SERVICE EXPANSION: WETA's predecessor agency, the San Francisco Bay Area Water Transit Authority (WTA), was charged with preparing and adopting the Implementation and Operations Plan (IOP) for new and expanded water transit and related landside services in the Bay Area. The State approved the IOP in 2003. The document provided a blueprint of how regional ferry service could be expanded beyond the existing services.

Since the adoption of the IOP, WTA and successor WETA aggressively pursued new funding sources to build and operate the recommended new and expanded regional ferry system. Successful passage of Regional

Measure 2 (RM2) in 2004 provided local toll bridge funds for regional ferry system expansion, including \$84 million in capital funds and \$18.3 million in annual operating subsidies. These funds, along with approximately \$20 million federal dollars, \$15 million Measure A sales tax funds made available from the San Mateo County Transportation Authority, and the promise of \$250 million Proposition 1B bond, have enabled the following public ferry expansion projects, included in the IOP, to move forward:

- **Spare Vessel Construction:** Two spare vessels have been constructed and funded with RM2 funds. These will be used to augment existing Alameda services and expand emergency response capabilities.
- **South San Francisco Ferry Service:** This project consists of two 199-passenger 20-knot vessels and a new ferry terminal in Oyster Point to provide access to biotech jobs in South San Francisco from the East Bay. It is anticipated that this service will cost \$3.2 million annually (FY 2011/12), funded with 71% RM2 and 29% fare revenues.
- **Berkeley/Albany Ferry Service:** Environmental review of a proposed Berkeley/Albany Ferry terminal (four sites are considered) and service is under way. Service could feature 30-minute peak service and 60-minute mid-day service between Berkeley/Albany and San Francisco, provided with two vessels. It is anticipated that this service will cost approximately \$5.3 million annually, funded with 71% RM 2 and 29% fare revenues.
- **Treasure Island Ferry Service:** The San Francisco Treasure Island Development Authority (TIDA), San Francisco Office of Economic and Workforce Development and the prospective developer are proceeding to develop plans for the Treasure Island redevelopment project, which includes new ferry service between Treasure Island and San Francisco. While WETA would operate the ferry service, the Treasure Island developer would fund the terminal and vessels and the service's operating cost.
- **San Francisco Ferry Building Docking Facility Expansion:** WETA is working closely with the Port of San Francisco to prepare environmental and design documents related to the development of three new ferry-docking facilities, expanding from two to a total of five, at the downtown San Francisco terminal. One of these new terminals is critical to the operation of the Treasure Island service, while the other two would be needed to support other future expansion projects and expanded capacity for emergency response services.

FUTURE SERVICE EXPANSION PLANNING To meet its mandate of expansion of water transit services, for both regular commuting and disaster recovery needs, WETA must also continue to consider and develop projects requiring planning for implementation beyond the five-year period. In



support of this effort, WETA will continue preliminary environmental and conceptual design work associated with development of ferry services between San Francisco and the cities of Antioch, Hercules, Martinez, Redwood City and Richmond over the next five years. These services all have varying degrees of financial commitments for construction and operation. However, none have sufficient funding to date to support full implementation and would require the support of new funding commitments to be fully implemented.

Additional notable future and ongoing waterfront developments that could support terminals and service are the Alameda Point redevelopment project at the Alameda Navy station, which would supplant the Alameda Main Street terminal once constructed, "Oak-to-9th", a residential project along the Embarcadero in Oakland, Mission Bay, the San Francisco home to the new UCSF campus, the Hunters Point Shipyard in San Francisco, and Port Sonoma developments in the North Bay. WETA will continue to monitor these developments and provide support as needed.

SERVICE TRANSITION TO WETA WETA's approach to system consolidation and transition emphasizes a commitment to ensure continuity in programs, services and activities of the existing ferry services. As WETA moves from a planning to an operating agency, it will assume responsibility for existing services and associated contracts, and management and maintenance functions. The changeover will be carried out so existing services continue as they've been operated and patrons see no discernable differences or disruptions. Key transition elements include:

- WETA to continue service provision through contract operators. Initial contract transfer scheduled for January 1, 2010, with a new single operating contract to be awarded and in effect January 1, 2011;
- Existing fare structures to be adopted by WETA to ensure continuity for passengers and system;
- WETA to secure similar passenger transfer discount agreements with connecting transit systems;
- WETA support staff and contractors to be secured to manage system operation, maintenance and administration activities;
- Emergency response training and coordination activities to continue, and all staff to participate;
- Marketing plan and branding efforts to be initiated to ensure customer awareness;
- Capital asset transfer, use and compensation agreements to be finalized between Port Commissions, cities and WETA, with vessels, waterfront terminals and related spare parts transferring to WETA and landside

terminal and maintenance facilities being made available through lease agreements;

- Ongoing city participation as a system partner, providing landside planning and management support and advocating for local funds to support system needs.

FIVE-YEAR FINANCIAL PLAN The five-year financial plan is required in order to ensure that WETA can both maintain and sustain existing services and fund planned expansion within its existing system revenues. A key component of the five year financial plan is the establishment of an operating reserve to support core WTA business functions. This reserve would serve to ensure that sufficient funds are available to WETA to float cash flow needs associated with operating and construction projects, support emergency response needs as they arise, and weather sharp, unexpected increases in operating costs, such as was experienced in 2008 when fuel prices spiked.

The budget is expected to support five services--Alameda-Oakland, Harbor Bay, Vallejo Baylink and Berkeley to Port of San Francisco ferry terminal routes, and South San Francisco to East Bay service--with a fleet of 14 vessels providing 94 ferry trips per weekday and carrying 1.7 million passengers per year by Year 5. Although WETA projects balanced budgets through the five-year transition, culminating in a Year Five operating budget of \$34.6 million, and total spending over the period of \$147 million, this projection is based upon several factors that may change as the transition is implemented, as discussed in the body of the plan. These include:

- Current local funding subsidies provided by the City of Alameda and Port of Oakland, which are under discussion and may be phased out over time. Potential increases in the landing fee rates and lease costs to support facilities located at the Port of San Francisco;
- Potential fare revenue reductions associated with ridership losses seen over the past year;
- Potential future costs for the Vallejo services as the result of new expenses associated with the long-standing Vallejo Station Project, which will replace existing surface parking spaces with an underground garage that will require new levels of operating and maintenance subsidies by the city;
- Development of final asset transfer and lease agreements with the cities and Port Commissions.

It should also be noted that by Year 5, annual operating expenses are almost on par with annual revenues, indicating a need to consider options for reducing expenses or raising revenues. WETA should plan to pro-actively review service levels, local subsidies and system performance and take

actions to address this shortfall in advance of its arrival.

CAPITAL IMPROVEMENT PLAN A five-year program of capital improvements running from FY 2009/10 through FY 2013/14, the CIP supports WETA's regional public transit and emergency response service through one-time expansion and cyclical rehabilitation and replacement programs prepared in consultation with cities of Alameda and Vallejo.

Over five years, total WETA CIP spending on vessel maintenance and acquisition; ferry facility rehabilitation, replacement and dredging; and new construction of terminals and maintenance and operations facilities is \$214.6 million.

Highlights include acquisition of four vessels--two a piece for Berkeley and South San Francisco service--and corresponding new terminals. And two new operations and maintenance facilities are proposed for the North and Central Bay.

A variety of federal, state and local funding sources are programmed and available to support the CIP, including the Regional Measure 2 levy on state-owned bridges in the Bay Area approved by voters in 2004, Federal formula funds for rehabilitation projects and Ferry Boat Discretionary funds for expansion projects, Proposition 1B, the state Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act, approved by voters in 2006, and the San Mateo sales tax approved by county voters in 2004.

NEXT STEPS Following the adoption of the Transition Plan, WETA will have six months to complete a number of work activities associated with service transition in the following areas:

- Developing service delivery contracts
- Developing asset transfer and use agreements with Port Commissions, cities, funding agencies and regulators;
- Preparing fare policies and securing passenger transfer agreements with connecting operators;
- Developing ticketing and fare collection agreements;
- Developing and implementing marketing and communications plan;
- Instituting management oversight plans and programs; and
- Securing additional staff to support system management.

With the support of the cities, this work will be completed in December. Service transition for AOFSS will take place as planned on January 1, 2010, and the Vallejo Ferry system will transition to WETA on July 1, 2010.

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I INTRODUCTION

Ferries have a long history in the Bay Area of helping to increase regional mobility and providing vital transportation support in the event of a natural or manmade disaster. Effective, January 1, 2008, a new state law, SB 976, dissolved the San Francisco Bay Area Water Transit Authority (WTA), and replaced it with the San Francisco Bay Area Water Emergency Transportation Authority (WETA). This new regional agency is responsible for consolidating and operating public ferry services in the Bay Area, planning new service routes, and coordinating ferry transportation response to emergencies or disasters affecting the Bay Area transportation system. The creation of WETA responds to a need for more comprehensive water transportation and emergency services, a regionalized approach that will significantly increase the Bay Area's emergency response capabilities and contribute significantly to a more robust and environmentally friendly public transit system.

Under SB 976, WETA is to assume control over publicly operated ferries in the Bay Area, except those owned and operated by the Golden Gate Bridge, Highway and Transportation District. Additionally, SB 976 requires WETA to produce a transition plan outlining the process of consolidating and transferring three existing ferry services to the WETA, the Alameda/Oakland, Alameda Harbor Bay and Vallejo Baylink Services. By July 1 2009, the WETA Board of Directors must adopt a transition plan that includes the following financially constrained elements:

- An operating element describing existing services and planned service expansions; and
- A capital element defining a five-year Capital Improvement Program identifying all assets required to maintain, sustain and expand the system as planned.

The WETA also must develop a Water Emergency System Management Plan on or before July 1, 2009 in coordination with MTC, the US Coast Guard and the state Office of Emergency Services, which has been developed as a separate planning document.

WETA's predecessor agency, the WTA, was charged with the planning of a comprehensive public water transit system, including water-transit, feeder buses and any other transport and facilities supportive of the system. After two years of study and hundreds of hours of outreach, WTA's Implementation and Operations Plan (IOP) was approved by the State in July of 2003. The IOP outlined the need for seven new ferry routes and environmentally friendly ferry service to improve public transit and significantly increase our region's emergency response capacity.

Between 2003 and 2008, WTA and successor WETA worked to secure funds to conduct planning, environmental and design work for these new expanded services. By January 2008, WETA was under contract for construction of four new ferry vessels--two spare vessels and two vessels for up-coming South San Francisco service. It also was preparing to issue bid documents for South San Francisco terminal construction. Additionally, WETA was in various planning stages related to new services in Berkeley/Albany, Hercules, Richmond, Redwood City, Antioch, Martinez and Treasure Island.

In developing this transition plan, under additional legislation, SB 1093, WETA is required to balance planned expansion services with the needs of existing Alameda and Vallejo ferry services planned for transition to WETA.

This plan is structured to fulfill the reporting mandates of SB 976 and SB 1093 by providing a description of the existing Bay ferry services, charting a course for transfer and consolidation of those services under WETA, plans for service expansion and a five-year financial outlook, including capital improvements.

The document concludes with a set of next steps to meet a service transfer target of January 1, 2010 for the Alameda/Oakland and Alameda Harbor Bay services and July 1, 2010 for the Vallejo Baylink service.

II DESCRIPTION OF EXISTING SERVICES

This chapter includes a description of the service history, current routes, terminals, facilities, schedules and fares for existing services and a discussion of the status of services in FY 2008/09. The service description information included in this chapter has been assembled from the City of Alameda and Vallejo Short Range Transit Plans, service Web sites and city documents, all of which has been augmented through meetings and discussions with city staff.

Alameda/Oakland Ferry Service

History

The Alameda/Oakland Ferry Service (AOFS) was started after the Loma Prieta Earthquake on October 17, 1989, in direct response to the collapse of a section of the San Francisco-Oakland Bay Bridge and the nearly month-long closure that followed. The evening of the earthquake, private excursion vessel operators moved people across the Bay. By the following Monday, emergency funding had been secured and ferries were being operated between the San Francisco Ferry Building, Oakland's Jack London Square, and a temporary terminal at the foot of Main Street in Alameda. After the Bay Bridge was reopened, ferry service operated by Red and White Fleet and sponsored and funded by the City of Alameda, Port of Oakland, MTC and Caltrans was continued. The AOFS ferry service is managed by the City of Alameda. The city provides ferry service to the Clay Street terminal in Oakland through a fee for service agreement with the Port of Oakland. AOFS is currently operated under contract by Blue & Gold Fleet.

Over the years, the City of Alameda has worked to improve the system assets. In 1994, the City of Alameda purchased a new 250-passenger vessel, the M.V. Bay Breeze, using state grants and bridge toll funds. As AOFS ridership grew, the city bought two additional ferry vessels, including the used and larger-capacity Encinal, purchased from Blue & Gold Fleet in 1997, and the newly constructed M.V. Peralta, which was placed into service in 2001. The ferry terminals in Alameda, Oakland, and at the San Francisco Ferry Building also have been improved gradually as funds have permitted.

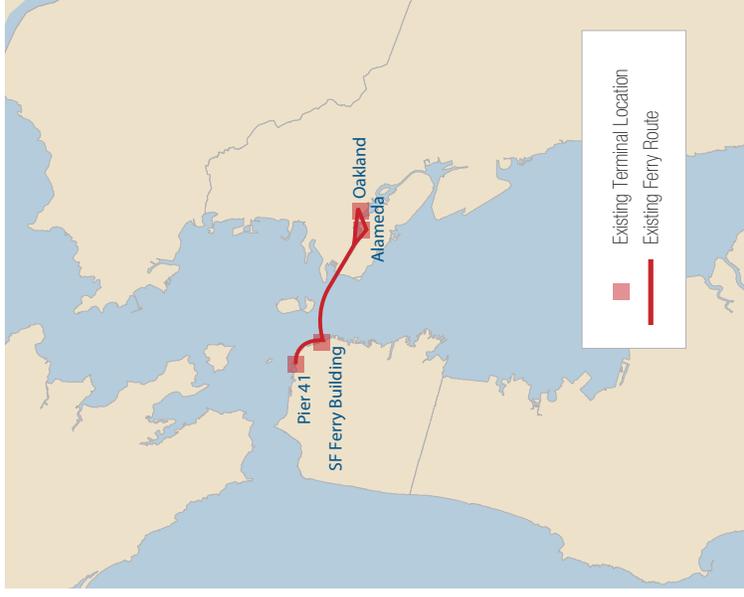


FIGURE 2.1: AOFS Route Map

Routes, Terminals & Facilities

AOFS serves four terminals on a daily basis: Main Street in Alameda ("Gateway"), the foot of Clay Street in Oakland, the San Francisco Ferry Building, and Pier 41 at Fisherman's Wharf (during midday and weekends). In addition, limited seasonal service is provided to AT&T Park for selected Giants games and to Angel Island State Park (see Figure 2.1).

Main Street/Alameda Gateway, Alameda:

The Main Street/Alameda Gateway Ferry Terminal is located at 2990 Main Street. This facility is part of the State Tidelands Trust and is owned by the City of Alameda, with the service float provided under a lease agreement with the Alameda Reuse and Redevelopment Authority. The terminal location is adjacent to the north side of the former U.S. Naval Air Station (NAS) Alameda (now "Alameda Point")

and the Oakland Inner Harbor channel. New homes have been built near the terminal, including 485 constructed adjacent to Ralph Appetat Memorial Parkway. Terminal facilities include parking, a lighted waiting shelter, restrooms, newspaper stands, bicycle lockers, and a canopied walkway, all owned and maintained by the City of Alameda. A dedicated bus-only lane is provided inside the parking lot, providing direct access to the drop-off area at the front of the terminal facility.

Clay Street/Jack London Square, Oakland:

The Oakland Ferry Terminal is owned by the Port of Oakland and located at the foot of Clay Street, two blocks west of Jack London Square. The terminal consists of a covered fixed pier, serving as a passenger waiting area, and a float and gangway. The Port of Oakland provides regular passengers access to free ferry parking, with validation, at their 1,000-space Washington Street garage and reduced parking rates for ballpark customers.

San Francisco Ferry Building Terminal, San Francisco:

The AOFS uses a terminal at the San Francisco Ferry Building located at the foot of Market Street. The Port of San Francisco owns, maintains and operates this terminal. To support the management and maintenance costs, ferry landing fees are charged for each vessel landing.

Fisherman's Wharf/Pier 39 & 41 Terminal, San Francisco:

AOFS services the Fisherman's Wharf area with facilities provided by the city's contract operator, Blue & Gold Fleet, at Pier 39 and 41.

China Basin Ferry Terminal at Giants Ballpark, San Francisco:

AOFS provides services to select weekday night and weekend day games when the San Francisco Giants are in town. The ballpark terminal is owned by the Port of San Francisco, which charges a landing fee each time a ferry docks at the terminal.

Operations & Maintenance Facilities:

As a part of their service contract, Blue & Gold Fleet provides a vessel operations and maintenance facility for AOFS services.

Transit Access and Connections

Main Street/Alameda Gateway, Alameda:

Main Street provides the primary vehicular access to the ferry terminal, running north-south, just to the east of the Alameda Point area. AC Transit Route 63 provides feeder bus service to the Main Street ferry terminal, operating between Alameda Point, Central Alameda, and the Fruitvale BART station. Route 63 operates every 30 minutes between 5:30 a.m. and 12:50 a.m. Passengers on AOFSS receive a free AC Transit bus transfer with every ticket purchased.

The majority of ferry passengers drive or are dropped off at the Alameda terminal. Free parking is provided at the 350-space ferry terminal parking lot owned by the City of Alameda. During the peak spring/summer service period, parking lot occupancy is about 80-85% of capacity. Eight bicycle lockers are provided at the Main Street terminal.

The Alameda Reuse and Redevelopment Authority (ARRA) recently completed the NAS Alameda Community Reuse Plan, which includes many proposed land-use and circulation changes to the Main Street area. Implementation would provide new linkages to an upgraded Main Street, and potential development of several thousand new housing units (over 5-10 years), which may significantly increase ferry patronage to/from San Francisco in the future.

Clay Street/Jack London Square, Oakland:

The Clay Street ferry terminal is located near downtown Oakland. Three AC Transit lines (72, 72M, 72R - San Pablo Avenue Rapid Bus) stop within two blocks of the Clay Street dock, connecting to and from downtown Oakland, while several other local routes stop within ½ mile of the terminal. These routes operate with 12 to 30 minute headways during peak periods, and less frequently during the mid-day and weekends. The Oakland Amtrak Station is located six blocks southeast of the Clay Street dock, at Jackson Street and Embarcadero. The nearest Bay Area Rapid Transit (BART) station, 12th Street – City Center, is located approximately 3/4 mile away in downtown Oakland at 11th Street and Broadway. Parking is available to AOFSS passengers at the Washington Street garage across the street from the ferry terminal.



San Francisco Ferry Building

San Francisco Ferry Building Terminal, San Francisco:

Owned by the Port of San Francisco, the Ferry Building is accessible by most San Francisco Municipal Railway (Muni) routes, including the F-Line streetcar, California Street cable car, and "Muni Metro" via the joint BART/Muni Embarcadero subway station. A free Muni transfer is provided to AOFSS passengers who purchase multi-ticket books. Many ferry riders walk to their destinations in San Francisco where approximately 300,000 jobs are located within a 10-to-15 minute walk.

Fisherman's Wharf/ Pier 39 & 41 Terminal, San Francisco:

Fisherman's wharf is primarily a destination for excursion riders during the midday and on weekends. It is accessible by several San Francisco MUNI cable car and bus lines.

Port of San Francisco's China Basin Ferry Terminal at Giants Ballpark, San Francisco:

Service to this terminal is currently available during select weekday night and weekend day home games, due to limited number of vessels available when games start during regular commute hours. This terminal is designated by the Port of San Francisco as an emergency alternative landing site in the event that the Ferry Building Terminals are taken out of service. It is accessible by MUNI Metro T & N lines and four different MUNI bus lines.

Level of Service & Schedule

The AOFSS has two passenger-only vessels in service, the Encinal and the Peralta. The present weekday schedule has 13 departures from Alameda Main Street and Oakland Clay Street, 12 departures from the San Francisco Ferry Terminal, and five departures from Pier 41 at Fisherman's Wharf. A third ("tripper") vessel is used for one round trip a day, starting at Pier 41 and departing the Ferry Building at 5:45 p.m., thus providing a total of two departures from

San Francisco to Alameda and Oakland during the peak PM hour (5:20 and 5:45 p.m.). "Short Hop" ferry service from Alameda to Oakland and from Pier 41 to the San Francisco Ferry Building is also available. When there are weeknight Giant's baseball games at AT&T Park, the tripper vessel stops at the AT&T Park ferry terminal before returning to Pier 41. This vessel also provides return ferry trips from AT&T Park to Oakland and Alameda after night games are concluded. Prior to 2003, the tripper made one or two additional morning peak commute trips, offering approximate 30-minute headways (30 and 35) instead of the current 65-minute headways.

The level of weekend service varies on a seasonal basis, with the exception that it is suspended during the months of January and February due to low ridership. The spring and fall schedules offer six round trips between 9:15 a.m. and 7:10 p.m., including a trip via AT&T Park during weekend day games. The summer schedule provides three additional round trips. Both the fall/spring and summer weekend schedules have select trips which bypass either the San Francisco Ferry Building or Pier 41. On summer weekends, an additional morning trip (via Pier 41) and afternoon return is provided to Angel Island State Park, from Alameda and Oakland. Table 2.1 displays route and service information for AOFSS.

The current round trip (cycle) time is 65 minutes for one vessel operating between the Ferry Building, Alameda Gateway, and Clay Street. This scheduling pattern is reflected in morning peak period departures from Oakland, at 6:00 a.m., 7:05 a.m., 8:10 a.m. and 9:15 a.m.

Fares

The current fare structure for AOFSS is shown in Table 2.2. All fares include transfers to AC Transit and the 10/20/40 ticket books also include San Francisco Municipal Railway transfers. Customers purchasing multi-ride ticket books save between \$1.25 and \$2.00 per one-way trip.

Over the past 10 years, the City of Alameda has raised ferry fares from \$4.50 to \$6.25. This equates to a 4% average annual fare increase over the period. The most recent fare increase included a fuel surcharge in 2008 to address the rising cost of diesel fuel. A 10-year history of fares for AOFSS is in Figure 2.2.

AOFSS Schedule and Route Description	
Route/Terminals:	Alameda - Oakland – San Francisco Angel Island AT&T Park
Weekday Span of Service:	6am – 9:45pm
Weekend Span of Service:	10am – 7:50pm
Vessels:	One - 25 knot, 388 passenger catamaran One - 25 knot, 326 passenger catamaran
Transit Time:	25 minutes

Table 2.1: AOFSS Schedule and Route Description

Alameda Oakland Ferry Service Fares	
Adults	\$6.25
Juniors (5-12 yrs)	\$3.50
Children under 5 yrs	Free
Seniors/Disabled	\$3.75
Active Military	\$5.00
10-ticket book	\$5.00
20-ticket book	\$4.50
40-ticket book	\$4.25
"Short Hop"	\$1.50

Table 2.2: AOFSS One-Way Fares

*Fares for the AT&T Park and Angel Island State Park differ from the standard fares.

Cost of One-Way Adult Ticket

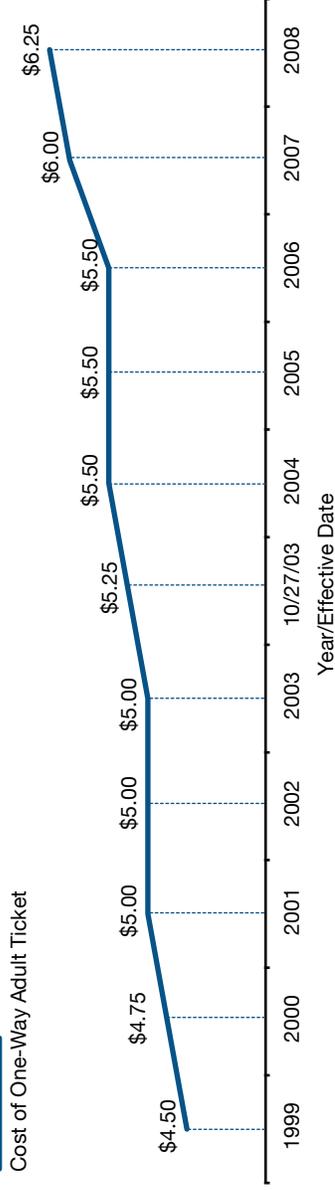


Figure 2.2: AOFSS Ten Year Single-Ride Fare History

Ridership Trends

As illustrated in Table 2.3, AOFSS patronage peaked in FY 1999/00 with annual patronage reaching 506,000 passenger trips. Thereafter, ferry patronage declined to 360,000 riders in FY 2004/05, reflecting the impact of the Bay Area's economic recession. In FY 2006/07, patronage peaked again with annual ridership reaching just above 470,000 trips. However, the service saw a significant ridership decrease during the last half of calendar year 2008, with commuter-based ridership declining 15% and overall ridership declining 8.5% from the same period in 2007 (from 273,636 to 230,453 passenger trips).

During commute periods, 65% of ridership originates in Alameda and 35% in Oakland. Overall weekday patronage is split about 50-50 between Oakland and Alameda, but weekend ridership is dominated by Oakland, which generates 60-70% of weekend totals. Like other ferry services, patronage patterns vary by season. January and February have the lowest ridership; weekend service has been canceled for those two months as a result. The heaviest patronage occurs June through October when excursion ridership (midday and weekend) is high. Weekend ridership varies from a low of 600 passengers per day in November to highs of 1,400-1,500 daily passengers in spring and summer.



Alameda-Oakland Ferry

Alameda Harbor Bay Ferry Service

History

The Alameda Harbor Bay Ferry (AHBF) began service in March 1992. This new commuter ferry route was operated by Harbor Bay Maritime, under a permit issued by the California Public Utilities Commission and initially funded by Harbor Bay Isle Associates, the master developer of the Harbor Bay project in Alameda near Oakland International Airport. Peak-period ferry service between Harbor Bay and downtown San Francisco originally was provided as a traffic mitigation element (as well as marketing strategy for the project) in the development agreement between Harbor Bay Isle Associates and the City of Alameda.

The initial development agreement called for unsubsidized service for three years through 1995, which was later extended three additional years until 1998 in exchange for the city providing a publicly funded vessel. A public terminal with a 250-space parking lot was built on the northwestern shore of Harbor Bay Island. A private, leased vessel was replaced by the M.V. Express II and then the M.V. Bay Breeze once a suitable, larger vessel was available for the AOFSS route.

The City of Alameda currently contracts with Harbor Bay Maritime for the operation of this service.

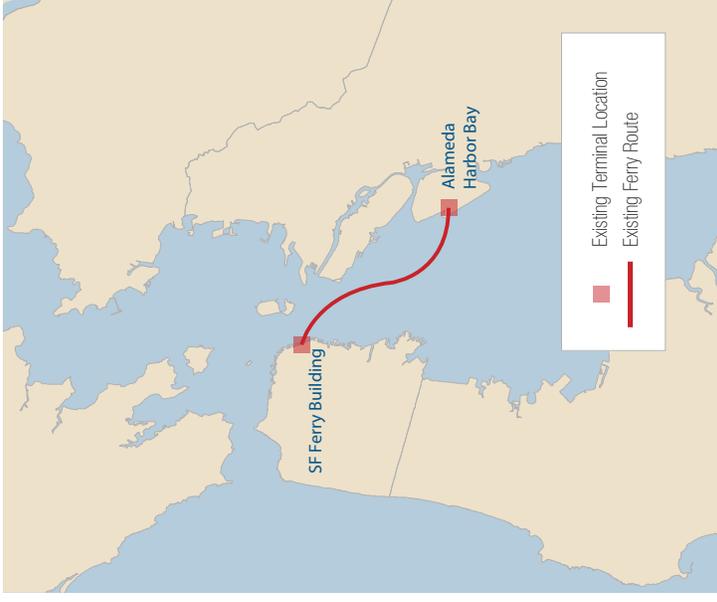


Figure 2.3: AHBF Route Map

Routes, Terminals & Facilities

The eight-nautical-mile AHBF route operates from Harbor Bay in the southeastern portion of Alameda, immediately north of Oakland International Airport, to the San Francisco Ferry Building.

Harbor Bay Ferry Terminal, Alameda:

This service has a functional terminal on the west side of Harbor Bay, the City of Alameda does not have fee title to the ferry terminal property but has an easement to the property. The terminal consists of a 250-space parking lot, glass shelter, and accessible gateway and floating dock.

San Francisco Ferry Building, San Francisco:

The AHBF uses the San Francisco Ferry Building Terminal located

Alameda Oakland Ferry Service Ten Year Ridership	
FISCAL YEAR	AOFSS RIDERSHIP
FY 1998/99	479,680
FY 1999/00	506,073
FY 2000/01	502,985
FY 2001/02	501,466
FY 2002/03	427,752
FY 2003/04	481,379
FY 2004/05	360,388
FY 2005/06	430,518
FY 2006/07	470,414
FY 2007/08	466,818

Table 2.3: AOFSS Annual Ridership FY 1998/99 to FY 2007/08

at the foot of Market Street. The Port of San Francisco owns this terminal and charges a landing fee each time a ferry docks at the terminal.

Operations & Maintenance Facilities:

As a part of the operating contract, Harbor Bay Maritime provides for vessel maintenance at a facility leased by the Port of San Francisco at Pier 48.

Transit Access and Connections

Harbor Bay Ferry Terminal, Alameda:

The majority of passengers drive or are dropped off at the Harbor Bay terminal. Roadway access to the Harbor Bay ferry terminal is provided in two directions, including Harbor Bay Parkway connecting to the main part of Alameda and Doolittle Drive connecting to southern Oakland and San Leandro. Mearcarty Road connects the Harbor Bay ferry terminal to the primarily residential area on the northwest corner of the Harbor Bay. Some residential neighborhoods are within walking distance of the terminal and a walking/bicycle path runs along Shoreline Park, parallel to Harbor Bay Parkway.

Parking is provided at the ferry terminal, with approximately 250 free spaces. The Harbor Bay terminal also includes a total of 10 freestanding bicycle racks.

AC Transit Line 50 stops at the ferry terminal every 15 minutes between 6:26 a.m. and 8:54 p.m. Ferry passengers are provided free transfers to AC Transit bus service.

San Francisco Ferry Building Terminal, San Francisco:

Owned by the Port of San Francisco, the Ferry Building is accessible by most San Francisco Municipal Railway (Muni) routes, including the F-Line streetcar, California Street cable car, and "Muni Metro" via the joint BART/Muni Embarcadero subway station.

Level of Service & Schedules

AHBF routes are served by two vessels, the Bay Breeze and the Harbor Bay Express. Service levels have remained largely unchanged from FY 2000/01 until the present. This service operates during weekday peak periods only, with three morning trips to San Francisco and four afternoon peak trips from San Francisco. While most commute to work in San Francisco, there is a small group of San Francisco residents that reverse-commute from San Francisco to Harbor Bay Island.

Fares

The current fare structure for AHBF is shown in Table 2.5. Monthly passes include transfers to AC Transit and Muni.

Customers purchasing multi-ride ticket books save between \$1.00 and \$1.88 per one-way trip.

Over the past 10 years, AHBF fares have increased \$4.50 to \$6.50. This equates to a 4.5% average annual fare increase over the ten year period. The most recent fare increase was implemented in 2008, and increased fares \$0.50, from \$6.00 to \$6.50, to address the rising cost of diesel fuel.

Figure 2.4 displays AHBF's fare history for the last ten years.

AHBF Schedule and Route Description	
Route/Terminals:	Harbor Bay (Alameda) – San Francisco
Weekday Span of Service:	6:30am – 10am & 4:30pm - 8pm
Weekend Span of Service:	None
Vessel:	One - 25 knot, 250 passenger catamaran One – 28 knot, 149 passenger catamaran
Transit Time:	25 minutes

Table 2.4: AHBF Schedule and Route Description

AHBF One-Way Fares	
Adults	\$6.50
Juniors (5-12 yrs)	\$3.25
Children under 5 yrs	Free
Seniors/Disabled	\$3.75
Active Military	\$5.25
10-ticket book	\$5.50
20-ticket book	\$5.00
Monthly Pass/40-ticket book	\$4.62

Table 2.5: AHBF One-Way Fares

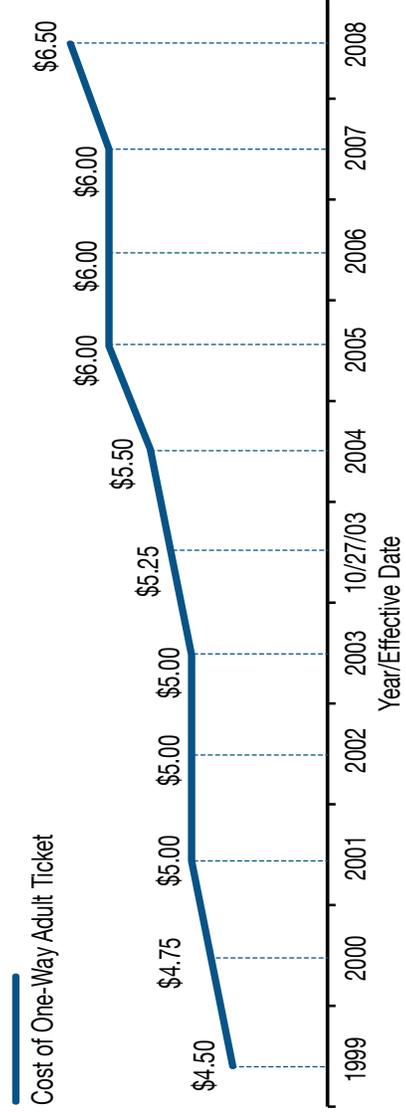


Figure 2.4: AHBF's Ten Year One-Way Single-Ride Fare History



Ridership Trends

Annual patronage in FY 2001/02 was approximately 129,500 passengers, declining to 104,000 in FY 2002/03. Ridership increased slightly to 112,000 in FY 2003/04 and then declined again in FY 2004/05 to 82,500 passengers due to the two month period Harbor Bay Ferry Terminal was closed to repair damages from a storm. From FY 2006/07 to FY 2007/08, AHBF ridership increased 4.8% to 148,600 annual trips, the highest ridership levels achieved by AHBF over the past ten years. AHBF is the only public ferry route considered for transition that achieved a ridership increase (2.6%) in the last half of calendar year 2008.

Table 2.6 displays annual ridership from FY 1998/99 to FY 2007/08.

AHBF Ten Year Ridership	
FISCAL YEAR	HBFS RIDERSHIP
FY 1998/99	104,042
FY 1999/00	123,335
FY 2000/01	127,329
FY 2001/02	129,596
FY 2002/03	104,167
FY 2003/04	112,272
FY 2004/05*	82,532
FY 2005/06	131,995
FY 2006/07	141,718
FY 2007/08	148,598

* FY 2004/05 ridership decline attributed to 3.5 month period when was service suspended due to storm damage

Table 2.6: AHBF Annual Ridership FY 1998/99 to FY 2007/08

Vallejo Baylink Ferry Service

History

Vallejo Baylink Ferry is a public water transportation service operated by Blue & Gold Fleet, under contract to the City of Vallejo. Service is provided from the Vallejo Ferry Terminal located at Mare Island Way and Georgia Street to the San Francisco Ferry Building located at Embarcadero and Market Street, with select trips also serving Pier 41 adjacent to Fisherman's Wharf (see Figure 2.5).

Vallejo's current-day ferry service started in 1986 when Red & White Fleet started limited commuter ferry service to and from San Francisco and midday service to Marine World, which had just opened. A year after initiating these privately-subsidized services, Red & White Fleet began discussions to suspend the commute component of the service due to insufficient financial returns. At approximately the same time, Regional Measure 1 funds became available to the City of Vallejo to support ferry services. As a result, Vallejo stepped in to take a leadership role in the funding and development of the Vallejo ferry service for its growing population.

After the Loma Prieta earthquake in 1989, ferry ridership increased dramatically and remained high for several years. In 1994, the City of Vallejo purchased their first high-speed ferry boat and awarded the ferry operating contract to Blue & Gold Fleet, where it currently resides.

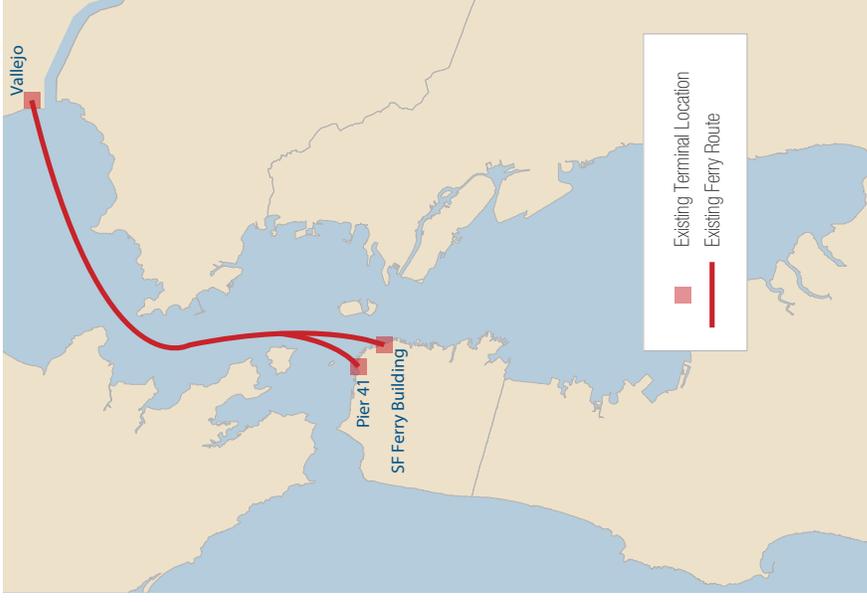


Figure 2.5: Vallejo Route map

Routes, Terminals and Facilities

Vallejo Baylink has four city-owned ferries serving the North Bay Region utilizing three terminals with departures to and from San Francisco's Pier 1, Pier 41 and the Vallejo Ferry terminal. The San Francisco - Vallejo route is 2.4 nautical miles, requires 34-knot, high-speed vessels and takes approximately 60 minutes one way. Baylink provides limited summer ferry service with connections to the Blue & Gold fleet to and from Angel Island State Park, pack-aged transportation to and from Discovery Kingdom Six Flags located in Vallejo. Baylink also provides seasonal ferry service to Giant's baseball games at AT&T Park.

Vallejo Ferry Terminal, Vallejo:

Owned by the City of Vallejo, this facility includes a terminal building, covered gangway and float, which provide access to the vessels. There is a ticket sales booth, additional waiting area, the Vallejo Convention & Visitors Bureau and a coffee shop within the ferry terminal building. Ferry passengers are provided parking at a 796-space lot located directly across the street from the Vallejo ferry terminal. Approximately 227 additional on-street parking spaces are available in the terminal area. In addition, the city provides 176 overflow parking spaces at their adjacent City Hall parking lot facility. In total, there are 1,199 city-owned parking spaces currently available for ferry patrons. The cost to operate and maintain these city owned parking lots and to provide security has historically been included in the Baylink operation budget. It should be noted that the City of Vallejo has had plans to develop the land on which these parking facilities are currently located since the 1970's, prior to ferry service. Accordingly, the city considers these surface parking lots as "temporary" until the ferry parking can be consolidated into a parking structure which in turn, would allow this development to occur.

In accordance with Vallejo's long term plan to develop its waterfront area, there is a development agreement currently in effect for the Vallejo Station and Waterfront mixed-use development project. The objective of this project is to revitalize the waterfront areas and the downtown historical area, capturing existing amenities, such as the ferry terminal, to create a pedestrian and transit friendly environment. The project calls for higher density housing along the waterfront, a new hotel and conference center. The ferry terminal is a central piece of this development, as both a functional and visual amenity

to this waterfront development. A key element of this project is the consolidation of surface parking into a parking structure.

The project master plan calls for 92 acres of new development, with 1,092 to 1,230 new residential housing units, 562,000 square feet of commercial/retail/office/light-industrial space, two garages and a 200-room hotel and conference center. The master plan designates a future parking garage for ferry passengers to replace the current on-street parking that would be lost due to this development. The project has been identified as a high priority by the city and has the potential to have a significant impact on the ferry service operation.

San Francisco Ferry Building, San Francisco:

Baylink uses one of the terminals at the San Francisco Ferry Building. The Port of San Francisco owns this terminal and charges a landing fee each time a ferry docks at the terminal. The Port also charges a monthly license fee for bus curb side space.

Fisherman's Wharf/Pier 41 Terminal, San Francisco:

Baylink services the Fisherman's Wharf area with facilities provided by its contract operator, Blue & Gold Fleet, at Pier 41.

China Basin Ferry Terminal at Giants Ballpark, San Francisco:

When the SF Giants are playing weekend/holiday home games and select weekday night games, Baylink also services the China Basin Ferry Terminal owned by the Port of San Francisco. This terminal is owned by the Port of San Francisco, which charges a landing fee each time a ferry docks at the terminal.

Operations & Maintenance Facility:

Vallejo's contractor, Blue & Gold Fleet operates out of a temporary facility provided by the City of Vallejo on Mare Island that will need to be relocated in the near future as that site is subject to redevelopment and is insufficient for ferry operations and maintenance. A new site at Building 165, also on the former Mare Island navy base, has been identified as the preferred location for a new permanent operations & maintenance facility.

Transit Access and Connections

The Vallejo Ferry Terminal, Vallejo:

The terminal, located on Mare Island Way on the west end side of Central Vallejo, can be reached from Interstate 80 via Curtola Parkway and Georgia or Tennessee Streets. The terminal is within close proximity to Highway 37 & 29.

Local and intercity bus services such as Vallejo Transit, Benicia Transit and Napa "Vine" Transit all serve the Vallejo Ferry Terminal. Ferry riders have historically been allowed free transfers to Vallejo buses connecting to the terminal site.

The City of Vallejo provides parking and bicycle lockers directly across the street from the ferry docking area. Each vessel typically has capacity for secure storage of up to 15 bicycles each way. Regional bus routes and half of Vallejo's local routes serve the ferry terminal directly. All bus riders can access the terminal from a downtown bus transfer area currently 3 to 4 blocks away. The Vallejo Station project includes a new downtown bus transfer center relocated only one block from the ferry terminal with a new pedestrian friendly paseo directly connecting the two transit facilities. This project will greatly enhance the accessibility and connection between bus service and the Baylink Ferry service.

Fisherman's Wharf/ Pier 41 Terminal, San Francisco:

Fisherman's Wharf is primarily a tourist area and is accessible by several San Francisco MUNI cable car and bus lines.

China Basin Ferry Terminal at AT&T Ballpark, San Francisco:

Baylink provides ferry service to this terminal for select games, making it primarily a destination terminal for ferry riders. It is accessible by MUNI Metro T & N lines and four MUNI bus lines.



Vallejo Ferry Terminal

Level of Service and Schedules

Vallejo Baylink operates two primary schedules per year (summer and winter) and provides service 7 days a week. Service operates from the terminal at the Vallejo waterfront west of downtown directly to downtown San Francisco and to Fisherman's Wharf for selected trips. Ferry service is provided every day of the year except Thanksgiving Day, Christmas Day, and New Year's Day. Table 2.7 displays route and service information for the Vallejo Baylink Ferry.

Vallejo Baylink ferry service has four ferries, the MV Mare Island, the MV Intitolli, the MV Solano, and the MV Vallejo. There are 12 roundtrips to the San Francisco Ferry Building and three trips to Pier 41 each weekday, and five roundtrips to the San Francisco Ferry Building and three trips to Pier 41 on winter weekends (November to April). Weekend service is augmented during the summer season (May to October) to nine round trips per day with five stops at Pier 41. This schedule is provided through a combination of ferry trips and complementary bus trips provided by Vallejo Transit Route 200.

Route 200 picks up passengers in front of the Vallejo Ferry Terminal in Vallejo and on the Embarcadero at Washington Street in San Francisco. There are 13 scheduled Route 200 bus trips on weekdays and five scheduled trips on weekends. Though the bus offers flexibility to the ferry patrons, many of the ferry patrons strictly utilize the ferry service, while many of the bus riders are strictly bus riders and do not utilize the ferry service.

Vallejo Baylink Ferry Service Schedule and Route Description	
Route/ Terminals:	Vallejo – San Francisco – Fisherman's Wharf (off peak)
Weekday Span of Service:	5:30 a.m. - 7:05 p.m.
Weekend Span of Service:	10 a.m. - 7:30 p.m. winter (Nov-Apr) 8:10 a.m. - 11:00 p.m. summer (May-Oct)
Vessel:	Four - 34 knot, 300 passenger /high speed catamarans
Transit Time:	60 minutes

Table 2.7: Vallejo Baylink Ferry Service Route Description

Fares

Current fares for various passenger groups are shown in Table 2.8.

Customers purchasing a ten-book ride ticket save \$2.70 per one-way trip from the full cash fare, and monthly pass holders, based upon a 20 work day month, pay \$7.25 per one-way trip, thereby saving \$5.75 per one way trip.

Over the past 10 years, Baylink's one-way cash fares increased from \$7.50 in 1999 to \$15.00 in 2008. This equates to a \$7.50, or approximately 100% fare increase over the 10-year period. Given that Solano County has not been able to pass a local sales tax for transit funding and the inability of Vallejo to subsidize the ferry operation with city funds, options for balancing revenues with increasing operating expenses have been limited to reducing services or raising fares. While this has resulted in a consistently high farebox recovery ratio for the system (approximately 60% in prior years, which far exceeds MTC's 30% standard for the service), the \$15.00 one way fare in 2008 may have exceeded the maximum fare threshold of the Baylink passengers.

Vallejo Baylink Ferry Service One-Way Single-Ride Fares	
Adults	\$13.00
Juniors (6-12 yrs)	\$6.50
Children under 6 yrs	Free
Seniors/Disabled	\$6.50
10-ticket book	\$10.30
Monthly Pass (bus/ferry)	\$290.00

Table 2.8: Vallejo Baylink Ferry Service One-way Single-Ride Fares

The most recent fare increase was implemented in 2008, increasing cash fares \$2.50, from \$12.50 to \$15.00, to fill an operating shortfall attributable to sharply increased fuel prices. Immediately following this increase, Baylink saw a 13% reduction in ridership, causing concern that fares had exceeded the passengers' ability to pay. This fare increase was rolled back in November 2008 when the city worked with WETA, the Solano County Transportation Authority and MTC to secure a one-time commitment of additional operating funds to support the ferry service in FY 2008/09.

A 10-year history of fares for Vallejo Baylink is provided in Figure 2.6.

Ridership Trends

Exceeded only by Golden Gate Ferry's Larkspur route, Vallejo Baylink has the second largest ferry transit ridership in the Bay Area. In FY 2006/07, ridership hit an all-time high of 779,000 passengers. However, in FY 2007/08 ridership dropped 4.5%, to 743,500 passengers after a fare increase and service reductions, and, in the first half of FY2008/09, Baylink ridership dropped over 19.5% (from 396,146 to 318,634 for this six month period). City of Vallejo

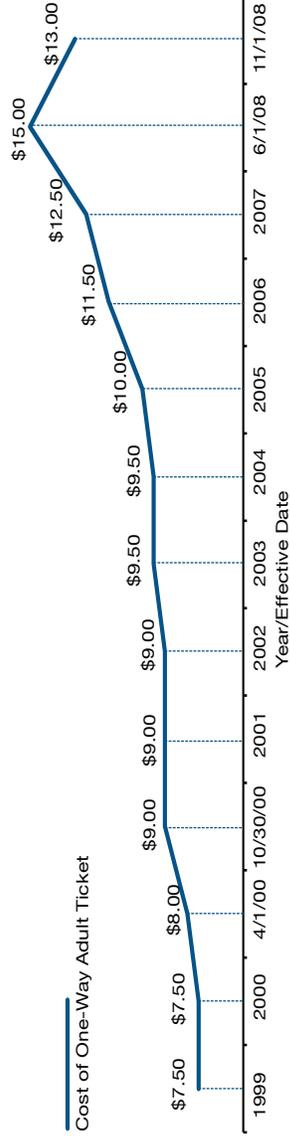


Figure 2.6: Vallejo Baylink 10-Year One-Way Fare History

Vallejo Baylink Ferry Service Ten Year Ridership	
FISCAL YEAR	VBFS RIDERSHIP
FY 1998/99	613,080
FY 1999/00	721,850
FY 2000/01	757,619
FY 2001/02	676,308
FY 2002/03	648,942
FY 2003/04	633,137
FY 2004/05	670,174
FY 2005/06	750,441
FY 2006/07	779,162
FY 2007/08	743,479

Table 2.9: Vallejo Baylink Ferry Annual Ridership FY 1998/99 to FY 2007/08 (Route 200 ridership not included)

staff believes that this ridership drop was caused by a combination of the large fare increase instituted in June 2008 and overall travel demand reductions associated with the recession. City staff has taken measures to try to reverse this sharp decline, such as working to secure alternative service funds to support a fare reduction in November 2008, and is currently working to develop service marketing plans. Additionally, City of Vallejo staff continues to evaluate potential service modifications to ensure optimal alignment of service levels with passenger demand to minimize the gap between system revenues and expenses. It will be important for WETA to work with the City of Vallejo to continue this evaluation during the transition period in order to ensure that services assigned to WETA are optimal, cost effective and sustainable into the future. Table 2.9 displays Baylink's annual ridership for the last ten years.

FY 2008/09 Service Status

The Alameda/Oakland, Alameda Harbor Bay and Vallejo ferry services all face the increasing challenge of operating in an environment of limited revenues, which largely do not keep pace with inflation, and growing operating costs. This has forced the cities to limit and/or reduce services in recent years, and implement regular fare increases to balance growing costs with available revenues. In FY 2008/09, both the City of Alameda and the City of Vallejo have

relied upon the use of system reserves and/or one-time operating subsidies to augment existing operating revenue streams in order to maintain services at existing levels. The City of Vallejo has neither system reserves nor local funding to support transit. This situation has been further exacerbated by the economic recession that has resulted in significant ridership losses to the system. The Port of San Francisco has not increased landing fees for 15 years while facing increased operating expenses.

Figure 2.7 provides a graph of ridership levels for the three systems over the past three years. Commuter-based ridership figures for the last half of calendar year 2008 indicate a decline in passengers for the AOFs and Vallejo systems, of 15% and 19.5%, respectively, and a slight increase in Alameda Harbor Bay passengers of 2.6%. If sustained, these decreases in ridership will add to the operating deficit for these services in FY 2009/10, and trigger the need for expense reductions and/or increased new revenues to support continuation of existing services in future years.

System assets include a number of terminal facilities, floats,

gangways and vessels, all in various states of repair. In addition to regular vessel rehabilitation and repairs, Alameda, Oakland and Harbor Bay are faced with an aging system of floats and gangways that require stabilization, repair and replacement. These projects have the potential to drain off limited revenues available for system support. The Vallejo Baylink system is faced with an expensive mid-life re-power of two of its vessels in the next two years. This project alone will require a \$19 million investment that will require new and expanded revenue sources to implement in a timely manner. The San Francisco ferry terminals will require \$5.5 million for dry docking and refurbishment costs as identified in the Port of San Francisco's 10 year capital plan. These projects, as well as the entire capital program, included in Chapter 4, will require a significant new financial commitment to the existing city-based ferry services over the next several years.

Transitioning these ferry systems to WETA will provide the opportunity for WETA to manage and operate these systems as a regional unit with existing and expanded financial and staff resources to meet the task.

Existing Ferry Services Ridership January 2006 - December 2008

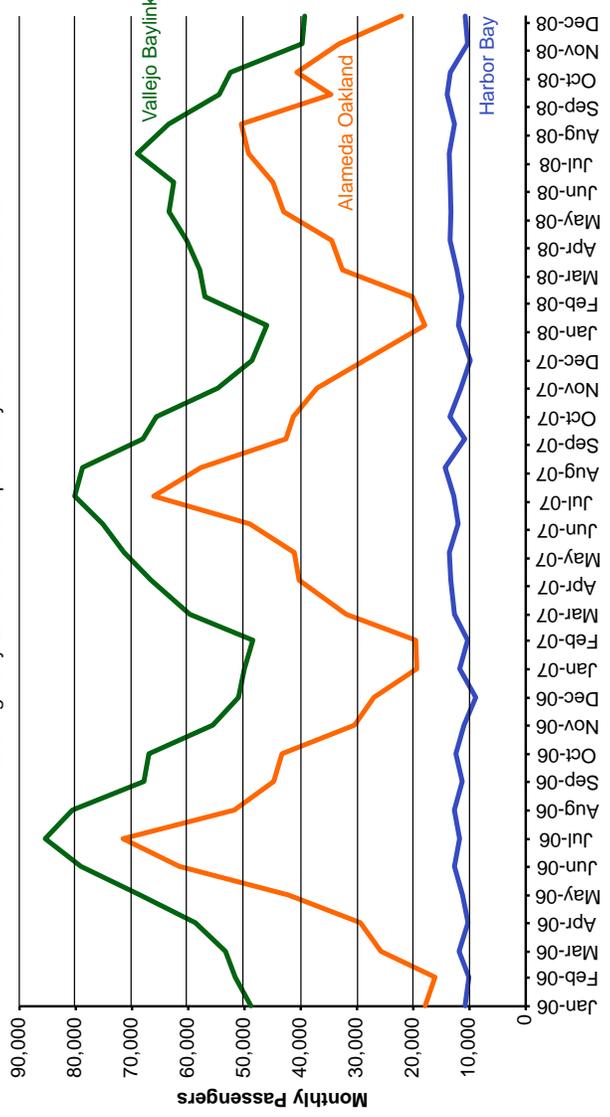


Figure 2.7: Existing Ferry Services Ridership January 2006-December 2008

III PUBLIC FERRY SERVICE EXPANSION

WETA's predecessor agency, the San Francisco Bay Area Water Transit Authority (WTA) was charged with preparing and adopting the Implementation and Operations Plan (IOP) for new and expanded water transit and related landside access services in the Bay Area. The State approved the IOP in 2003.

This chapter provides an overview of the process used to select and develop the ferry service expansion priorities resulting from the IOP, discusses expansion projects to be implemented within the five-year Transition Plan time frame, and identifies additional ferry services under development that fall outside of the current funding constraints and five-year implementation time frame of this plan.

WTA's IOP Route Selection

The IOP provided a blueprint of how regional ferry service could be expanded beyond the existing routes in the Bay Area. It defined a process to determine how new transit routes would be selected and implemented, as well as how to integrate the new routes with the existing services. Factors considered in developing the proposed new routes included cost effectiveness, environmental impacts, safety, connectivity with other transit systems, ridership potential, ability to increase the region's emergency response capability, and local support.

In order to efficiently implement and integrate water transit service into the regional transportation network and to create the conditions that lead to high ridership and public value, the IOP identified three objectives to guide the successful development of new routes and terminals including:

- **Access:** Services should provide good connections to terminals through walking, bicycling, and transit use.
- **Parking:** Services should provide appropriate parking supply that balances the demand from vehicles while providing attractive non-automobile options.
- **Land Use Integration:** Service sites should maximize the potential for water transit oriented development (WaTOD) by emphasizing opportunities for mixed use neighborhoods along waterfront developments.

The IOP identified guidelines for developing infrastructure to implement new service routes, including terminals and passenger ferries.

- **Terminals:** Facilities should be viewed as historic gateways to the community and the backbone of the ferry system. They provide adequate accommodation for the passenger experience including safety, comfort, information, an attractive setting and community connections, either through design or access.
- **Passenger Ferries:** New ferries should provide cleaner emissions than existing vessels, be able to handle peak loads and bicycles, comply with all American with Disability Act requirements and minimize impacts to the bay.

Utilizing these guidelines, the IOP identified 7 new ferry routes for implementation as noted in Table 3.1.

New Routes Identified	
CORRIDOR	FERRY ROUTE
Southern Transbay	Oakland - South San Francisco
Central Transbay	Berkeley - San Francisco
Northern Transbay	Richmond - San Francisco
Northern Transbay/Carquinez	Hercules - San Francisco
Northern Transbay/Carquinez	Antioch - San Francisco
Southern Transbay	Redwood City - San Francisco
Central Bay	Treasure Island - San Francisco

Table 3.1: New Routes Identified in the WTA's IOP

In addition to these routes, Port Sonoma service was identified as a new route for further study in the WTA's IOP.

Recognizing that new transportation dollars would be required to implement the IOP services, the plan presented a phased approach that would expand water transit over a 10-year horizon as funds became available. While significant funds have been secured to date to continue system planning, environmental and design work, WETA is only able to move a portion of the IOP plan forward to service implementation at this time given fund source priorities and availability.

WETA System Expansion over the Five Year Transition Period

Since the adoption of the IOP in 2003, WTA and WETA, collectively, have worked to aggressively pursue new funding sources to build and operate the new and expanded regional ferry system recommended in the IOP. However, competition for public dollars to finance transit improvements has been fierce, causing WETA to carefully plan and stage its expansion program.

The successful passage of Regional Measure 2 (RM2) in 2004, provided WETA with the green light to move ahead with planning, design and construction of a first phase of new services. This program provided local toll bridge funds for regional ferry system expansion, including \$84 million capital funds to construct six new vessels, expand berthing at the Port of San Francisco Ferry Terminal and conduct further system environmental planning design work, and \$18.3 million in annual operating subsidies. These funds, along with approximately \$20 million federal program dollars, \$15 million Measure A sales tax funds made available from the San Mateo County Transportation Authority, and the promise of \$250 million Proposition 1B bond funds for emergency response ferry system expansion, have enabled the following public ferry expansion projects, included in the IOP, to move forward within the next five years (Figure 3.1).

- **South San Francisco Ferry Service:** WTA and WETA, collectively, have worked for the last four years to establish a ferry terminal in Oyster Point to provide access to biotech jobs in South San Francisco for East Bay residents. Service is proposed to operate about every 30 minutes during weekday peak periods only. Two South San Francisco vessels are currently under construction, and WETA is poised to begin construction of the Oyster Point Terminal in South San Francisco in 2009. These projects

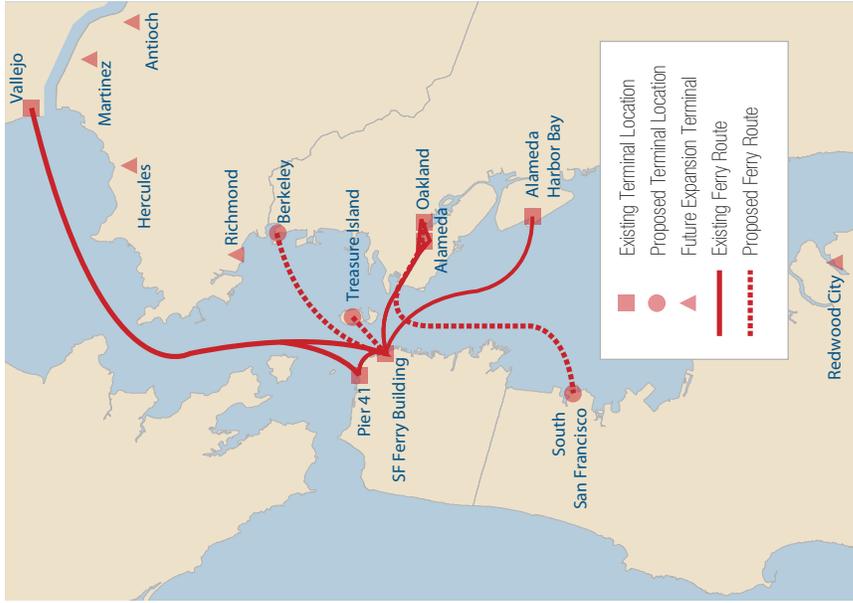


Figure 3.1 – Route map of Oakland-South San Francisco, Berkeley-San Francisco and Treasure Island-San Francisco five year system expansion.

will be funded with RM2, Proposition 1B, San Mateo County Measure A, and federal funds.

- Berkeley/Albany Ferry Service:** WETA is conducting an environmental review of a proposed Berkeley Ferry terminal (four sites are considered) and service. Assuming that the project moves forward, a Berkeley to San Francisco service will provide an important link between Berkeley and downtown San Francisco. Service could feature 45 trips daily, with 30 minute peak service and 60 minute mid-day service. \$22 million RM2, Proposition 1B and federal funds have been secured to date to fund the capital cost of this project.

- Treasure Island Ferry Service:** The Treasure Island Development Authority (TIDA), the San Francisco Office of Economic and Workforce Development and the prospective developer are proceeding to develop plans for the Treasure Island redevelopment project. Ferry service connecting Treasure Island to downtown San Francisco was identified as a potential ferry route in the WTA's IOP and is a key component of the development plans for Treasure Island. While WETA would operate the ferry service the Treasure Island developer and the City of San Francisco would secure funds to build the terminal and vessels and fund the service's operating cost.

- Alameda Point:** Located on the former Alameda Navy base, the project will include a new ferry terminal inside Seaplane Lagoon immediately adjacent to the planned redevelopment area, which is expected to entail 4,500 new homes and three million square feet of non-residential commercial space. The project is intended to break ground in 2011 or 2012 and be fully completed by 2032. At build out, an estimated 9,000 new jobs and the majority of the homes will be within one half of a mile of the ferry terminal. The ferry terminal would replace the existing site at Main Street that is used by the Alameda/Oakland ferry service. This project is to be financed by the developer, including the new ferry terminal, and is subject to a number of land-use changes that would have to take place and be approved by Alameda voters. These changes will potentially be placed on the ballot as early as November 2009. WETA will work with the developer to

ensure that the new terminal is compatible with its other facilities when this project is ready to move forward.

- Spare Vessel Construction:** Two spare vessels have been constructed and funded with RM2 funds. These will be used to augment existing services and expand emergency response capabilities. These vessels have been fully funded with \$17 million RM2 funds.
- San Francisco Ferry Building Docking Facility Expansion:** WETA is working closely with the Port of San Francisco to prepare an environmental and design documents related to the development of three new ferry docking facilities at the downtown San Francisco terminal, expanding the existing two ferry landings to a total of five. One of these new terminals is critical to the operation of the Treasure Island- to - San Francisco service, while the other two would be needed to support the future expansion projects described in the following section. The project also would include new passenger waiting amenities, an intermodal terminal for connecting bus services and an emergency staging area for patrons to congregate, if a disaster occurs and ferry services assume their roles as emergency responders.

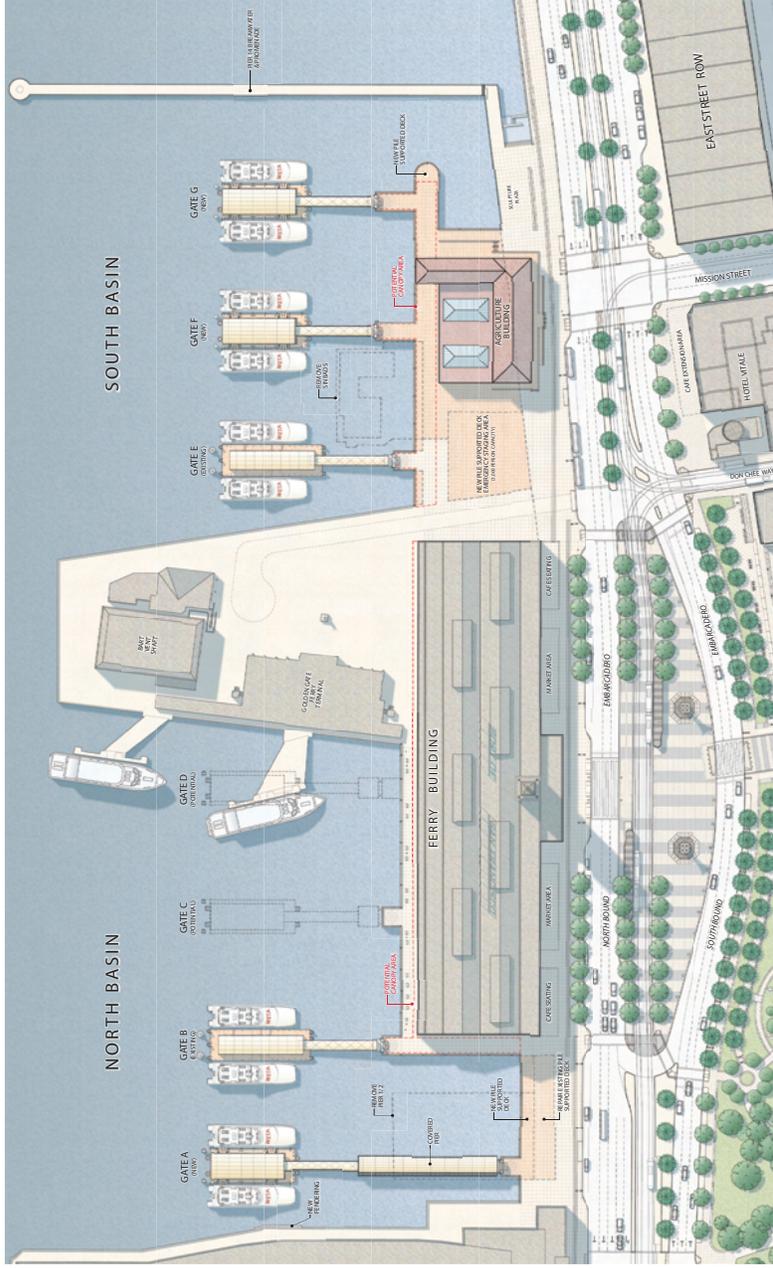


Figure 3.2 – Port of San Francisco Ferry Building Terminal Expansion Conceptual Rendering.

Figure 3.2 is a conceptual rendering of Port of San Francisco Ferry Terminal Expansion project. This project is in the beginning stages and would require substantial funding to complete. It also will include a number of land-use changes in and near the new terminals, including the renovation of the Agricultural Building that is under the Port's purview. This project would be built in phases, given the construction complexities and potential cost. To date, \$4 million Proposition 1B and approximately \$20 million RM2 funds are available to support this project.

These projects are the furthest along in the planning process and have significant committed capital and operating subsidies (RM 2, Federal and, in the case of SSF, local San Mateo sales taxes). As such they are considered priority expansion projects for implementa-

tion within the five-year transition period horizon. Implementation of these projects will move WETA towards developing a regional ferry transportation network that also is capable of functioning as an emergency response system.

Planning For Future Expansion Projects

To meet its mandate of expansion of water transit services, for both regular commuting and disaster recovery needs, WETA must work not just on implementing those routes and services that are financially feasible in this five year Transition Plan time frame, but also on projects that require planning now in order to be fully developed for implementation beyond the five-year period.

Developing and ultimately implementing new services and their associated facilities requires an extensive process starting with project specific environmental reviews, continuing through with design and engineering of new terminals and vessels, and concluding with their construction. Altogether these activities can easily take five or more years while funding is secured for the construction and operating costs.

Using available Regional Measure 2 and Proposition 1B resources, WETA has proceeded with pre-construction planning activities on five of the IOP routes shown in Figure 3.3 and described below. Assuming these projects clear the environmental review process, WETA will continue to look for funding sources for the design, engineering and construction activities associated with each of these projects.

- Hercules-San Francisco:** WETA has worked cooperatively with the City of Hercules to prepare the necessary environmental documents for this new ferry service. A unique feature of this project is the plan to integrate the ferry terminal with a Capitol Corridor commuter train station (and local feeder bus service) in a new Water Transit Oriented Development (WaTOD) being built at the Hercules waterfront. This service will be partially funded by Contra Costa Measure J transportation sales tax funding, which will be shared with the proposed ferry service between Richmond and San Francisco.
- Redwood City-San Francisco:** Initial environmental review work is underway to clear this new IOP route. This service has secured \$15 million in San Mateo County sales tax funds. The ferry terminal would be built at the northern most point of the Port of Redwood City near the Pacific Shores office complex and the former Cargill salt flats, which may be developed into a new urban village enclave.
- Richmond-San Francisco:** This IOP route would operate between the vicinity of the Richmond Marina and downtown San Francisco. The terminal site has been identified by WETA and the City of Richmond as a potential new WaTOD that could include upwards of 1,900 dwelling units. This service is partially funded by Contra Costa Measure J transportation sales tax dollars which will be shared with the proposed ferry service between Hercules and San Francisco. This project is in the initial EIR/EIS preparation phase of development.



Figure 3.3 Future expansion projects - Hercules, Redwood City, Richmond, Martinez and Antioch.

- Martinez-San Francisco:** This service is currently being studied in compliance with the state and federal environmental law for implementation at a future date. It has no financial support beyond the environmental review phase. The ferry terminal would be located north of downtown in the City Park adjacent to the Marina.

- Antioch-San Francisco:** This service is currently being studied in compliance with the state and federal environmental law for implementation at a future date. It has no financial support beyond the environmental review phase of development. Three alternative sites for the terminal are being considered in this phase of the project.

Beyond these specific service routes, WETA will continue to discuss and evaluate other new proposals for ferry terminals and services in the region as they are developed. Notable potential future waterfront developments that could support future terminals and service development are the Alameda Point, "Oak-to-9th", Mission Bay, Hunters Point Shipyard in San Francisco, and Port Sonoma developments.

- Oak-to-9th:** A residential project along the Embarcadero in Oakland, the project is slated to begin construction in 2013. It includes about 3,000 housing units on the Oakland Estuary about a mile east of Jack London Square. With no BART service to this area, potential ferry service at Oak to 9th could fill a gap in transit coverage and provide better access to the eastern and more recreational portion of the Oakland Estuary.

- Mission Bay:** An expanding mixed-use neighborhood in San Francisco, the redevelopment area hosts several projects generating significant traffic, such as the new UCSF campus and hospitals and the Port of San Francisco's development plans for Seawall Lot 337 and Pier 48. Already, 3,500 housing units and more than one million square feet of office development have been built in Mission Bay.

- Hunters Point Shipyard:** Service to this former naval base redevelopment area will provide transit options for the 10,500 new homes, entertainment venues, retail, parks, and over 2.5 million square feet of commercial space planned for this site in southeast San Francisco. The new ferry terminal will be adjacent to a transit center service by rapid and local bus, new high-density residential neighborhoods, art center and a research and development campus.

- Port Sonoma:** Situated on Highway 37 in Sonoma County at the mouth of the Petaluma River, a future ferry terminal here should be the subject of further study to determine viability, as recommended in the IOP. Subsequent to the adoption of the IOP, a \$20 million federal earmark was secured for Port Sonoma service. Further study of this site would take into consideration future development plans for the area required to support a sustainable level of ferry service from this site.

The Cities of Alviso and Benicia have also expressed interest in ferry service.

IV SERVICE TRANSITION PLAN

Service Transition to WETA

This section provides the primary steps associated with the proposed transfer of services to WETA. WETA's approach to system consolidation and transition emphasizes a commitment to ensure continuity in the programs, services and activities of the existing ferry services. As WETA moves from a planning into an operating agency it must assume responsibility for existing services and associated contracts and management and maintenance functions. While much needs to be accomplished, the changeover will be done so that existing services continue as they have been operated and patrons see no discernable differences or disruptions.

Service Delivery Through Contract Operation Ferry Service Contracts

WETA plans to assume system management through transfer of existing service contracts. This will initially involve transfer of the service contracts managed by the City of Alameda (one with Blue & Gold for the AOFSS and one with Harbor Bay Maritime for the AHBFS service), effective January 1, 2010. The Vallejo Baylink service contract will be transferred to WETA on July 1, 2010. Once under the WETA umbrella, these services would be packaged and bid out as a single contract to take effect no later than January 2011. It is anticipated that the consolidation of these three services under one contract will reduce the overhead and administrative expenses by the successful operations contractor.

Under this service delivery model, service contractor responsibilities would include the following:

- Management, operation and maintenance of the vessels and associated facilities;
- Oversight of service personnel and liaison with WETA management;
- Ticketing and fare collection activities.
- Customer service, in conjunction with WETA staff; and
- Emergency response service activities and shift relief for WETA during an event of extended duration.

WETA intends to uphold ferries' excellent safety record through rigorous oversight of contractors, a clear division of responsibility between the operator as the first level of safety and the WETA staff as the monitor of safety practices, ensuring that all USCG regulations are exceeded.

Route 200 Bus Service

Service transfer will require development of a service agreement between WETA and Vallejo for the continued provision of Route 200 bus services originally designed to complement and augment ferry service schedules at various times during both weekday and weekend operations. WETA would look to structure an agreement that utilizes the cost model currently used by Vallejo Transit for assigning billable costs to Vallejo Transit routes.

Service Management Contract

Vallejo ferry service management and oversight is currently managed in large part by Fast Ferry Management. WETA will work with the City of Vallejo to receive assignment of this contract and continue to utilize the services of this contractor to oversee the Vallejo system in order to ensure system stability and continuity.

Fare and Inter-System Transfer Coordination Fare Structure

As a part of taking over the existing services, WETA would adopt the existing fare structures in place for the existing services. This will serve to avoid any adverse changes or confusion for patrons and will allow WETA to continue these operations with a high level of certainty regarding annual anticipated fare revenues and cash flow.

Transfer Agreements

WETA will work with connecting transit systems to ensure that riders will continue to receive the same transfer discounts received today when transferring to connecting bus services. These include:

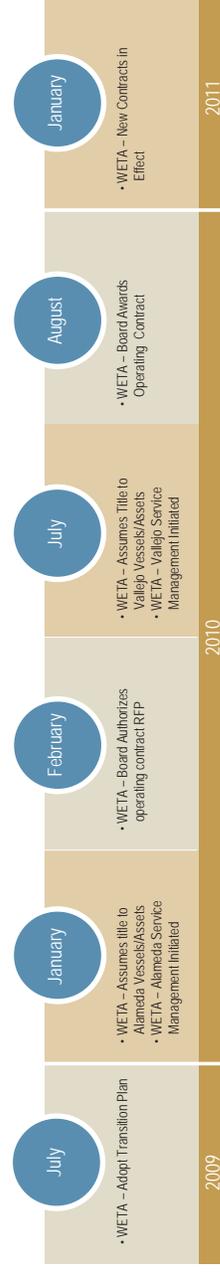
- AOFSS and AHBFS bus-to-ferry transfers with AC Transit; and
- AOFSS ferry-to-bus transfers with San Francisco Municipal Transportation Authority.

Additionally, WETA is working to secure agreement with Vallejo Transit for the two systems to honor existing bus-to-ferry and ferry-to-bus transfers between Vallejo Transit buses and Baylink ferry services in order to ensure that no new costs are incurred by Vallejo transit passengers.

Similar agreements and coordinated transfer arrangements will be developed with SamTrans as the South San Francisco ferry service becomes operational and with AC Transit when Berkeley/Albany services become operational.

TransLink Regional Fare Instrument

The TransLink system allows patrons to use one fare instrument to seamlessly transfer from one mode to another and automatically deduct the proper fare, including any agreed-upon transfer discounts. This smart card technology makes it easier for passengers to transfer between systems and does away with the hassle of finding exact change for fares. The Metropolitan Transportation Commission, in conjunction with the TransLink Consortium (a sub-set of the region's transit operators), has developed a phased approach to implementing the regional TransLink smart card fare instrument in



the region. Vallejo Transit, Baylink, Alameda/Oakland, Alameda/Harbor Bay and WETA services are all currently scheduled to implement Translink in the final phase of the system roll-out. Translink has proven to be very successful on the Golden Gate Ferry system, which has achieved a 45% customer utilization rate; the highest in the region. WETA supports utilization of this system and will work to see it implemented on the regional ferry network as early on in the Translink schedule as possible.

WETA Programs and Administration

WETA has a vital oversight role in managing the new regional ferry system and related emergency response coordination activities. In anticipation of moving toward this new role, WETA has developed a management and staffing structure to cover the many responsibilities associated with this job such as:

- Implementing the Transition Plan and its actions;
- Planning for future services and implementing the Implementation and Operations Plan (IOP);
- Contract administration and management;
- Providing the necessary administrative, financial, grant, legal and oversight work;
- Customer service support and marketing the ferry system; and
- Planning and implementation of emergency response and disaster recovery efforts.

Figure 3.4 provides an organizational chart for WETA.

These positions are filled by senior managers with significant experience in the transportation and marine transportation industry. As WETA expands into operations, support staff or contractors will be added to support the management functions identified in the organizational chart. Anticipated organizational work efforts or changes associated with the service transition are described below:

- **Service Contract Oversight:** Service contract and asset oversight and management will be required. As indicated earlier, WETA plans to utilize Fast Ferry Management to continue the management and oversight of Vallejo Baylink services. Similarly, WETA will extend the opportunity to Alameda's ferry system manager to continue on to provide system oversight for the Alameda ferry services.

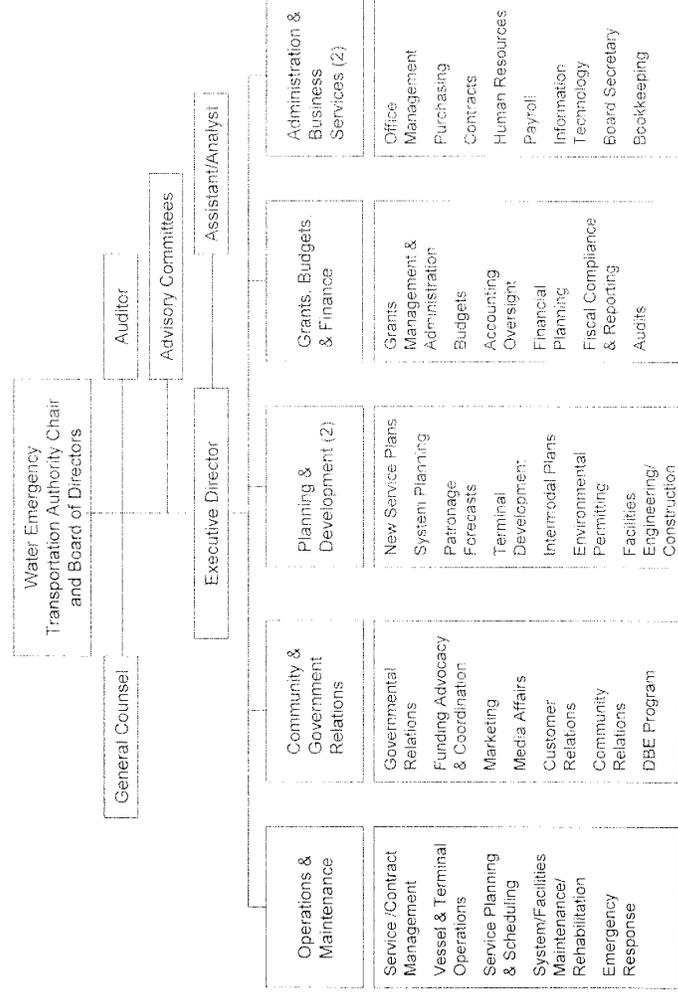


Figure 3.4 Organization Chart

- **Contract Development:** Critical path issues include developing and circulating a Request For Proposals (RFP) for service delivery and developing RFP documents for on-call operational functions that are necessary as events occur (planning services, system audits, marine engineering, etc). These contracts will be utilized to provide expertise as needed, as opposed to creating full time staff positions.
- **Financial Support and Services:** WETA currently contracts with the Association of Bay Area Governments for the provision of Accounting and Auditing services. As a federal, state and regional grantee, WETA is subject to annual financial audit requirements, including completion of a Single Audit. WETA's Chart of Accounts has been structured after the Uniform System of Accounts, to facilitate compliance with National Transit Database and other reporting requirements. WETA will evaluate the work flow and volume associated with new system management activities prior to service transfer, and will consider whether the existing arrangement with ABAG will be sufficient to meet the agencies accounting needs into the future and identify options for meeting the agency's financial management needs.
 - **Emergency Response:** Under California law, WETA is assigned responsibility for coordinating Bay Area maritime emergency response, covering water transportation of people. WETA will develop an emergency response plan and will participate in regional transportation training and coordination efforts. As a coordinating agency, this training and work responsibility will touch every aspect of the organization and staff.
 - **Maintenance Oversight:** With the assignment of existing vessels to WETA, along with purchase of new vessels, WETA will have responsibility for fleet maintenance through its service contractors. While the contractor will be responsible for all the day-to-day preventive and corrective maintenance (with oversight provided by WETA service management staff or consultants)

WETA will need to provide adequate maintenance protocols and, ideally, maintenance facilities for use by the contractor. Existing preventative maintenance programs developed by existing operators will be utilized and new programs are under development for new WETA vessels.

- **Operations and Maintenance Centers:** Service support facilities are a critical need that WETA will make a capital priority (see CIP). These facilities provide a service support base (crew, vessel storage, dispatching, etc), which include extensive preventative maintenance functions and modest repair capabilities. Two facilities will be required including a Central Bay facility that will serve existing Alameda services and planned expansions to SSF and Berkeley, and a North Bay facility that will provide a maintenance base for all activities necessary for the existing Vallejo service. The Vallejo Ferry Maintenance Facility project currently under design offers one such maintenance facility.

A Central Bay facility will provide service support for Berkeley and South San Francisco, as well the existing Alameda/Oakland and Alameda Harbor Bay routes. The location of the maintenance facility is critical to cost control. Deadheading costs, including fuel and crew time, can ultimately be reduced if this facility is placed in a central location close to service terminals. Docking, office, parts warehouses and machine shops are all required at these facilities. The facility will be able to provide running maintenance, including fueling, cleaning, minor daily repairs, concessions stocking, etc. In addition, the ability to service critical components is necessary. Dry-docking would not be performed at these facilities, and would continue to be performed by outside contractors.

- **Marketing and Branding Plan:** As WETA takes ownership and responsibility for the Alameda/Oakland, Harbor Bay and Vallejo ferry services, the agency will establish an image for its “brand” of ferry services. This would include logo dissemination, public information, customer liaison, and all other activities that create a brand image for WETA operations.

Vallejo has been successful in designing a “Baylink” brand, extending it to its Web site, printed schedules and brochures, advertisements, highway signs, and public outreach activities. WETA will take the same approach to ensure that the WETA brand is established in the public’s consciousness as a reliable and efficient transportation option, even if the Baylink and East Bay Ferries branding is retired.

This branding also represents an opportunity to reintroduce ferries to the Bay Area and remind the public that they exist and operate daily. The branding will extend from the boats to the terminals to the connecting transit services.

Capital Asset Transfer and Use Agreements

With the cities concurrence, WETA will assume control and responsibility of ferry system assets through either direct transfer of the assets or long-term lease agreements. Specific transfer details are in the process of being developed and will vary depending upon the type of asset, specific ownership details and city preferences. To the extent that local, non-transportation, funds were used to purchase any assets to be transferred, WETA is working with the cities to determine fair compensation for the transfer and use of these system assets. It is anticipated that any financial compensation for local commitments to these assets would be provided as a part of a comprehensive set of agreements related to system transfer and future operation. Potential assets for transfer, lease or use by WETA are summarized in Appendix A and are described as follows:

- **Ferry Vessels:** All ferry vessels would be transferred to WETA, and WETA would assume full responsibility for maintaining, rehabilitating and replacing these assets in the future, consistent with a regular rehabilitation and replacement schedule.
- **Waterside Terminal Facilities:** All waterside terminal facilities including such items as floats, gangways and pilings would be transferred to WETA, and WETA would assume full responsibility for maintaining, rehabilitating and replacing these assets as needed.

- **Landside Terminal and Parking Facilities:** WETA would expect that all landside terminal facilities associated with the ferry system would be made available to WETA for use as they are today under a long-term lease agreement with the Port and cities. For Vallejo, such agreements will be subject to existing Disposition and Development Agreements, or other commitments made by the city and/or the Vallejo Redevelopment Agency. Honoring the cities preferences, and, in some cases legal restrictions, these facilities would remain under the Port’s and each city’s jurisdiction and control. However, WETA would expect that any long-term lease and/or maintenance agreement would be structured to provide WETA, and, thus, ferry patrons, with the same system access as provided today, and that lease terms would be set to emulate reasonable rates consistent with charges currently assessed to the ferry system today. Additionally, WETA would expect that system revenues currently realized through existing lease or advertising agreements associated with ferry facilities, and applied to off-set system costs, would remain with the ferry system. WETA will request these terms in order to ensure that the ferry system and passengers are not assessed substantial “new” costs or revenue losses to the ferry system, as this would result in a direct impact on WETA’s ability to maintain existing services and service levels at the outset. In the event that either the Port or the city requires new fees for the use of facilities required to serve ferry customers, and additional subsidies cannot be secured to cover these costs, WETA would reserve the right to consider options for raising revenues or reducing operating costs to off-set this new expense.

- **Maintenance Facilities:** Machinery and other assets purchased by Vallejo to provide maintenance on Vallejo’s vessels and waterside terminal facilities would be transferred to WETA. Vallejo would work with WETA and the property owner, Lennar Mare Island, Inc, to include WETA as a third party beneficiary in any facility lease agreements for existing and planned facilities. Alameda currently relies on its service contractors to provide maintenance facilities and equipment. However, the City of Alameda would work with WETA to help secure a long-term lease for Port or city-owned property for WETA development of a maintenance/operations facility to support Alameda/Oakland, Alameda Harbor Bay and other expansion services in the Central Bay.

- **Spare Parts:** Spare parts purchased by Vallejo and Alameda to provide maintenance of the cities vessels and waterside terminal facilities would be transferred to WETA. WETA would reimburse the cities for the current value of such parts to the extent that they were originally purchased with local city funds and have not been reimbursed by transit funds.

Other Agreements

WETA will also work with the cities to consider any non-asset transfers, such as documented financial obligations generated from the operation of the water transportation services system. Any final agreements will be subject to Board action.

Continuing Partnerships and Port and City Participation

While the Legislature created a regional ferry system, it still intended for local communities to participate as a partner in the development and support of water transit services. As local jurisdictions control local development, it is important that the cities become a vital partner in future development around water transit service. Port and city responsibilities could include:

- Ownership, management, supervision and maintenance of the Port and city-owned ferry terminals, with support from the WETA ferry program;
- Active participation in joint marketing and promotional efforts related to the ferry services;
- Development of land use plans that reinforce the importance of the ferry terminal and its "gateway" effect on the city; and
- Support for use and passage of local sales tax measure, or other local, funds to support ongoing operating expenses.

Five Year Financial Plan

This section provides a five-year financial plan for WETA's proposed program of existing and expansion ferry transportation services. It includes a description of the proposed services and a balanced five-year operating budget.

System Assumptions

As summarized in Table 4.1, WETA is committed to assuming operational responsibility for the existing ferry services currently provided by the cities of Alameda and Vallejo and to increase water transit services to expand emergency response capacity on San Francisco Bay.

Existing Services: The financial plan assumes WETA will continue to provide existing ferry services in Vallejo, Alameda/Oakland and Alameda Harbor Bay without any significant changes in service patterns or resources. Current service routes will continue to be provided with the same number of daily trips, so long as ridership levels warrant and revenue and expenses remain within projections described in the Financial Plan. Changes in ridership patterns will be carefully monitored and evaluated and attempts will be made to increase ferry use before service modifications are made.

- **Vallejo:** Service levels are assumed to be maintained at 24 trips each weekday and weekend service would remain the same. Bus transfers and supplemental bus service would continue to be provided to ensure regularly scheduled service during the midday period and at night.
 - **Alameda/Oakland:** Service levels are assumed to be maintained at 26 trips each weekday and weekend service would remain the same. Bus transfers will continue to be provided.
 - **Alameda/Harbor Bay:** Service is assumed to be maintained at 12 trips each weekday. Bus transfers will continue to be provided.
- There are no plans to change the routing of these services or to decrease the daily number of trips. To the maximum extent feasible WETA is committed to making this transition without any reduction in services. The agency also expects the changeover will occur in such a way that patrons will not experience any days of lost service. In essence, the plan is to have the services under city domain one day and under WETA domain the next.

Regional Service Expansion: Two new WETA funded services are assumed to be implemented in the five- year period as follows:

- **South San Francisco:** This new service is proposed to start in late FY 2010/11 and will provide 10 peak period trips during the weekday and no weekend service
- **Berkeley:** This new service is proposed to start in late FY 2011/12 and would provide 22 trips during the weekdays and weekend service

The City of San Francisco, Treasure Island Development Authority, the San Francisco Redevelopment Agency, and their development partners are interested in working with WETA to identify regional, state, and/or federal funding for the new facilities at Trasure Island and Hunters Point Shipyard.

Financial Projection - Operating

The operating financial plan includes a projection of the costs and revenues associated with implementing WETA's regional ferry transportation services over a five-year period. This projection is based upon existing service budgets for Alameda/Oakland, Alameda Harbor Bay and Vallejo services, and projected service costs for new South San Francisco and Berkeley services. The five-year operating projection is summarized in Table 4.2 and provided in more detail in Appendix B. Key cost inflation assumptions included in the plan include a 5% annual inflation factor for fuel and 3% for most other expenses. Fare revenues are projected to increase annually at 2.5% over the five-year period. This projection will be updated periodically as WETA moves through the five-year period, taking into account

WETA's actual experience once services are transitioned. It is anticipated that the consolidation of these operations, combined with the proposed system expansions to other parts of the Bay Area will eventually realize an economy of scale that may partially offset the projected deficits for the three existing systems

Operating Expenses

Over the next five years, with existing services held constant and new South San Francisco and Berkeley services coming online in FY2010/11 and FY 2011/12, respectively, WETA is estimated to spend \$147 million over the five-year period to support system operation and development and will establish an operating reserve of \$19 million by Year 5. These expenditures will support operation of five service routes and a fleet of 14 vessels providing 94 ferry trips per weekday and carrying 1.7 million passengers per year.

Total operating expenses in the plan are made up of Service, Terminal, Other costs associated with each service route and WETA agency costs as described below.

Service Route Expenses

Services: Service costs make up 67% of the five-year operating expenses. These costs consist of a variety of items including vessel labor, maintenance, fuel, service and contractor oversight, administration and profit. Maintenance expenses are assumed to grow at 3%, and fuel is assumed to increase at 5% annually. Fuel and contract labor/management are the largest cost drivers for the system and make up 86% of the Service category expenses.

WETA Regional Routes						
WETA REGIONAL ROUTES	START DATE	PEAK HOUR FREQUENCY	TRIP LENGTH (MILES)	DURATION (MINUTES)	WEEKDAY FERRY TRIPS	WEEKDAY RIDERS
Alameda Oakland Ferry Service	January 2010	60	5	28	26	1,700
Harbor Bay Ferry Service	January 2010	60	8	25	12	500
Vallejo Ferry Service	July 2010	60	24	55	24	2,300
South San Francisco Ferry Service	January 2011	45	12	28	10	600
Berkeley Ferry Service	September 2012	30	7	22	22	1,130
Total					94	6,230

Table 4.1 WETA Regional Ferry System Routes

WETA Five - Year Financial Plan - Systemwide

OPERATING EXPENSES	BUDGETED FY 08/09	ESTIMATE FY 09/10	ESTIMATE FY 10/11	ESTIMATE FY 11/12	ESTIMATE FY 12/13	ESTIMATE FY 13/14	FIVE YEAR TOTAL
Alameda/Oakland	4,168,577	3,841,257	3,976,500	4,116,802	4,262,367	4,413,404	20,610,330
Alameda Harbor Bay	1,681,960	1,596,302	1,653,401	1,712,696	1,774,278	1,838,241	8,574,917
Vallejo	14,660,867	13,881,162	14,397,398	14,934,054	15,491,988	16,072,096	74,776,698
South San Francisco	-	-	748,071	3,212,206	3,332,558	3,457,726	10,750,560
Berkeley	-	-	-	1,629,322	5,272,944	5,475,185	12,377,451
WETA	4,350,000	6,500,000	3,750,000	3,300,000	3,300,000	3,300,000	20,150,000
Total Operating Costs	24,861,404	25,818,721	24,525,369	28,905,080	33,434,135	34,556,652	147,239,956
OPERATING REVENUES							
Fares	9,714,316	8,988,000	9,491,609	11,123,237	12,606,709	13,179,122	55,388,678
Subsidies	15,801,045	16,830,721	15,033,760	17,781,843	20,827,425	21,377,530	91,851,278
Total Revenues	25,515,361	25,818,721	24,525,369	28,905,080	33,434,135	34,556,652	147,239,956
OPERATING RESERVES							
Annual	280,013	280,013	8,382,724	5,670,542	2,662,296	2,151,022	
Cummulative Reserves	-	280,013	8,662,737	14,333,280	16,995,576	19,146,598	

Table 4.2 Five Year Operating Projection

Terminals: The majority of terminal expenses included in this plan relate to landing fees for destination terminals, such as those at the San Francisco Ferry Building, which are owned by the Port of San Francisco, and maintenance and security service contracts at service origination sites. These expenses are assumed to increase at 3% annually, and represent just over 3% of the five-year operating cost.

The City of Vallejo staff has indicated that the Vallejo ferry system should anticipate seeing an increased cost associated with the operation and maintenance of Vallejo ferry parking as the result of the Vallejo Station project. This project will replace current above-ground parking with an underground lot and surface level development. Phase I of this project is scheduled to begin in Fall 2009 and should be completed in Spring 2011. The City of Vallejo has not yet developed a fee or parking policy related to this facility, therefore a cost impact was not assigned to the service in this financial plan.

However, WETA and Vallejo ferry patrons should anticipate an ongoing dialog on this issue over the next year, and a potential new cost to be added to the system operating budget.

Other: Other expenses included in the financial projection include historic expenses associated with transit transfer agreements, and city-based management and administrative expenses related to the ferry system. The financial projection assumes WETA would incur similar costs, and projects these expenses to increase at around 3% annually. Other expenses make up 19% of the five-year operating cost.

WETA Expenses

WETA expenses include continuation of core planning, development and administration activities carried out by WETA management staff and consultants. These costs are not escalated over time, as it is

anticipated that a portion of staff expenses will be assigned directly to support service operations in lieu of city-based administrative expenses. This line item also includes costs associated with transitioning services in FY 2009/10, as well as costs associated with spare vessel storage and operation. Once WETA is a service operator, these vessels will be integrated into the overall fleet and operating service budgets. WETA expenses make up 9% of the five-year operating cost.

Operating Revenues

Up to \$24 million in operating subsidies are available annually to support WETA operating expenses, including \$21.2 million in Regional Measure 1 and 2 bridge tolls and \$2.8 million from a variety of federal, state and local fund sources. Most of these revenue sources are fixed, and do not escalate over time, requiring careful planning and accumulation of reserves in early years to help ensure service sustainability over the long-run. These subsidies are augmented by fare revenues paid by ferry passengers, which have historically represented a significant (40% or higher) local commitment to the service operation.

Various operating revenues available to WETA are described below:

- **Fare Revenues:** Passenger fares are projected to provide \$55 million in revenues to support system operation over the five-year period. To ensure that fares marginally keep up with system cost inflation, fares are projected to increase at 2.5% annually beginning in FY 2010/11. In FY2008/09, budgeted fare revenues were \$9.7 million for the combined services, which reflects an overall fare recovery ratio of 44%.
- **Regional Measure 1 – 5% Program:** These funds are derived from an increase in tolls on the Bay Area's state-owned bridges that was approved by voters in November 1988. Approximately \$2.9 million in RM1-5% funds administered by MTC were used in FY 2008/09 to support Alameda and Vallejo services. The plan assumes that these funds do not escalate over time, consistent with MTC projections. WETA supports direct allocation of these funds by MTC to the cities until services are transferred to WETA in 2010.
- **Regional Measure 1 – 2% Program:** These toll bridge funds are available to support capital projects for Vallejo and Alameda

services. Alameda has historically used these for capital projects. However, Vallejo has regularly flexed these funds to operating for capitalized maintenance activities. The FY 2008/09 budget includes RM1–2% funds to support Vallejo service operations. However, the five year plan assumes that these funds are used for capital, and does not include these revenues in the operating program. WETA supports direct allocation of these funds by MTC to the cities until services are transferred to WETA in 2010.

- Regional Measure 2:** \$18.3 million Regional Measure 2 funds are available annually to support existing city-based services and fund WETA's service expansion plans. \$3 million of this amount is specifically available to support WETA planning and administration, and \$15.3 million is available to support service development and operation. Although approved by the voters in 2004, the full \$18.3 million approved to support regional ferry expansion services has not yet been allocated to WETA by MTC. This plan assumes the full flow of RM2 funds to WETA beginning in FY 2010/11 to support WETA's regional ferry program. As indicated in this financial projection, it is anticipated that approximately \$12 million of these funds will be required to support system expenses in FY 2009/10. This annual subvention is projected to grow to \$16 million in Year 5. This projection assumes RM2 expansion funds are used to both support new South San Francisco and Berkeley services and to fund projected operating deficits for existing AOFs, AHBf, and Vallejo services. This amount will vary in reality based upon actual expansion ferry service costs and start dates as well as actual service levels and operating needs of the AOFs, AHBf, and Vallejo services.

- Alameda Measure B:** Measure B funds are administered by the Alameda County Transportation Improvement Authority (ACTIA), and allocated annually to support the Alameda ferry services. \$863,000 is available in FY 2008/09, including \$718,000 to support the Alameda/Oakland service and \$145,000 to support the Harbor Bay ferry service. This plan assumes a 4% annual escalation of this revenue source per year based upon ACTIA estimates. WETA will use Alameda Measure B revenue for the AOFs and AHBf only.

- Local Alameda Funds:** The City of Alameda has historically utilized Transportation Improvement Funds and Lighting and Landscape Assessment District monies to support annual operat-

2008 Fuel Price Experience

Fuel prices have been a major concern for ferry operators over the past year as they represent approximately 40% of the cost of delivering ferry services. The Alameda boats burn about 60 gallons of fuel hourly, while the Vallejo boats, due to their higher speed and greater payload, burn 175 to 200 gallons per hour. A \$2 swing in fuel prices adds between \$120 and \$400 to the hourly cost of operations. As a result, when prices increased dramatically in early 2008, the cities were forced to consider a variety of fare increase and service reduction options. In Vallejo, these actions had a detrimental impact on system ridership, resulting in a revenue decrease which further exacerbated the system funding shortfall. WETA's new vessels are estimated to burn about 75 gallons per hour, and the Plan's financial estimates assume this consumption level. Establishment of an operating reserve will allow WETA's ferry services to absorb temporary swings in fuel prices that may be experienced in the future.

ing expenses associated with Alameda/Harbor Bay ferry service operation. This includes approximately \$265,000 TIF funds and \$65,000 LLAD funds. This financial projection assumes continued commitment of these funds to the service. However, the City of Alameda has indicated a desire to phase out this commitment over the five year period.

- Harbor Bay Business Park Association:** The Harbor Bay Business Park Association provides a private subsidy of approximately \$120,000 annually to support Harbor Bay ferry operations. This plan assumes a continued commitment of these funds to support the services, however WETA will need to negotiate with the Harbor Bay Business Park Association for the continued commitment of these funds.

- Port of San Francisco:** The Port of San Francisco manages, secures, and maintains the downtown ferry terminals Gates B and E at the Ferry Building as well as the China Basin Ferry Terminal at AT&T Park. The Port estimates annual maintenance and operating costs for these three facilities to be \$250,000 with annual revenue earned through landing fees to be approximately \$107,000. The Port's 10 year capital plan includes an additional \$1 million for deferred maintenance on these ferry floats. The Port also is responsible for security as detailed in the Maritime Transportation Security Act. In FY 2006/07 the Port's ferry facilities handled close to 1.5 million passengers (on/off) and 13,300 ferry boat landings at Gates B and E. At China Basin Ferry Terminal, 121,750 passengers were accommodated on 181 ferry landings during FY 2006/07.

- Port of Oakland:** The Port of Oakland provides both in-kind and direct financial support for the Alameda/Oakland ferry. In-kind contributions include free or reduced parking for ferry passengers, with validation, in the Jack London Square lot and free access, maintenance and security services for the Clay Street float and landing. In addition, the Port of Oakland provides an annual contribution of \$70,650 to support service operation. This financial projection assumes a continued commitment of these funds and in-kind services. However this is a point of discussion between WETA, the City of Alameda and the Port.

- FTA Section 5307 Preventative Maintenance:** Vallejo regularly flexes FTA 5307 capital funds to support preventative maintenance activities funded in the operating budget for both ferry and bus. In FY 2008/09 Vallejo utilized \$1 million 5307 funds for to support ferry operations. The financial projection assumes continued use of this contribution from the Vallejo Urbanized Area formula program. However, these funds are not necessarily intended to be used as a long term operating subsidy, and MTC has suggested that an alternative local subsidy may be required over the five-year period.

- State Transit Assistance:** State Transit Assistance (STA) funds are available on a formula basis, based upon local and passenger revenues made available to support transit operations. Currently, none of the city-based systems receive and utilize STA funds to support ferry operations. As a new operator, WETA will qualify as an STA recipient and services are estimated to generate ap-

approximately \$600,000 revenue based funds annually for WETA. However, it appears at this time as though STA funds will not be available to transit operators in the near future, as they have been used to help balance the state budget deficit. As a result, STA funds are not included as a revenue source in this financial projection.

- Transportation Development Act:** As a transportation service provider in the State of California, WETA would be eligible to receive a share of state Transportation Development Act operating revenues from the counties in which services are provided. However, given that there is limited history in utilizing TDA funds to support existing ferry services, and this revenue source has been adversely impacted with the recession and state budgetary issues, this plan assumes that TDA funds would not be available to WETA to support provision of services in the five-year period. However, these funds could be a part of the overall service funding program in the future. In particular, in the event that there are regional or statewide efforts to increase the overall pot of TDA funds, WETA would seek to be included in this program as a recipient of new TDA funds.

- Other Miscellaneous:** Other miscellaneous revenue sources historically used to support City of Vallejo services, such as concession and rent revenues are assumed to continue to be available to support system operations over the five-year period.

Operating Reserves

This financial plan supports creation of an operating reserve for WETA to support core business needs and functions. This reserve would be funded with additional Regional Measure 2 or other system funds, as deemed allowable by MTC, programmed to WETA but not spent in a given year. By the end of the five-year period, if untapped for emergency or unanticipated expenses, this reserve is estimated to total \$19 million, which would cover operating expenses for approximately seven months.

WETA's ability to quickly mobilize waterborne resources to respond to a disaster situation, and to sustain emergency response services over a period of time, requires the agency to have direct access to cash reserves to fund such services. FEMA and State emergency response funds often are not available to reimburse cash outlays for emergency services for 90 days or more. Therefore, cash reserves are required by WETA to ensure that it can fund and sustain an adequate response when needed.

WETA also requires an operating reserve to support other basic, but critical, business needs that impact operating expenses. One such need is the inherent requirement for cash reserves when implementing grant-funded capital projects. It is estimated that implementation of the South San Francisco Ferry Terminal construction project alone could require cash reserves of \$6 million to \$8 million to support construction expenditures in advance of grant reimbursements, which can take from five to 90 days, depending upon the granting agency. Reserve funds also would be used and available to ensure continuity of services in the event of an unforeseen increase in operating expenses, such as was experienced in 2008 when fuel prices increased dramatically, or, conversely, unanticipated revenue losses.

This reserve would be created by accessing currently unused Regional Measure 2 funds authorized by the voters in 2004, and later amended in Senate Bills 976 and 1093, for use to support implementation and operation of WETA's regional ferry system.

System Sustainability

The five-year operating projection recognizes the need to maintain existing services while also embarking on WETA's role to grow the regional network of ferry services to support expanded emergency response capacity on the Bay. Due to escalating costs, and largely fixed operating resources, ferry service expenses are projected to grow to \$34.5 million in Year 5 of the plan, funded with \$13.2 million in fare revenues and \$21.3 million in operating subsidies. By Year 5, operating expenses are estimated to near projected maximum revenue levels, requiring WETA to consider options for cutting expenses or increasing revenues in the following years in order to sustain services over the long run.

As a matter of practice, WETA will plan to conduct regular review and oversight of system operating revenues, expenses, ridership trends and operating statistics and make service and fare adjustments required to ensure the continued health and viability of the system. This overview will be conducted in conjunction with annual budget discussions or as a part of the regular development of an agency Short Range Transit Plan. As a part of this review, WETA will compare ridership demand with service levels and consider service modifications in the event that service levels are substantially out of line with passenger demand. This review will be necessary to ensure that system expenses are in line with available revenues, and to moderate the subvention of WETA RM2 expansion service funds to existing services over time. Any service or fare changes would be vetted through a public review process with relevant financial information and analyses made available to the public prior to any Board action.

In addition, WETA is committed to working with MTC and the Bay Area Partnership to participate in the newly initiated Regional Transit Sustainability Study.

Capital Improvement Plan

The CIP consists of a \$214.6 million five-year program of capital improvements, covering FY 2009/10 through FY 2013/14, that WETA plans to implement to support its regional program of public transit and emergency response ferry services. This program includes both one-time expansion and cyclical rehabilitation and replacement needs for the combined WETA capital assets. This program provides a basis for the long term financial planning, development of grant programs and annual capital budgeting for 5 years.

Program Development

The program of projects included in the CIP has been developed through consultation and coordination with the cities to ensure existing system needs are captured. System expansion needs also have been included in the plan as identified in WETA's prior plans and programs. All projects contained in the plan support WETA's state-mandated mission to operate a comprehensive water transportation system and serve to coordinate and operate the water transportation response to regional emergencies.

Capital projects have been identified for inclusion in this plan through an evaluation of existing facilities and assets and consideration of expansion needs. The rehabilitation and replacement needs of existing facilities and assets are determined differently depending upon the type of asset. Some assets, such as vessels and terminal basins, require a program of periodic rehabilitation to support and extend their use over time. The capital rehabilitation cycles of these assets have been identified in this plan and the cost associated with this cyclical work has been included in the financial program. Other capital project needs included in this plan represent more specific one-time projects, such as the construction of new ferry terminals and vessels or the acquisition of new mooring floats, required to support existing services and build and support WETA's regional water emergency transportation capability. All cost estimates included in this plan are based upon the actual experience of Vallejo and Alameda services or cost estimates developed as a part of WETA's system design and development processes.

Program Of Projects

The CIP is organized to reflect the multi-year nature of capital projects and the recurring cycles of many capital improvements that will assist WETA in providing its regional program of ferry transportation and emergency response services.

Project categories included in the CIP program are summarized in Table 4.3.

Capital Program Description	DESCRIPTION
PROGRAM	
Vessel Rehabilitation	Rehabilitation of ferry boats used to transport passengers.
Vessel Expansion	New ferry boats needed to provide ferry service on the San Francisco Bay.
Facilities Rehabilitation	Rehabilitation or replacement of passenger ferry facilities (terminals, floats, docks, etc.).
Facilities Expansion	Ferry terminals that assist to provide increased ferry service on the San Francisco Bay and operations and maintenance facilities to support exiting and expanded services.
Miscellaneous	Includes general and emergency response system equipment.

Table 4.3 Capital Program Description

Projects

Ferry Vessels

WETA's combined ferry fleet will consist of 14 vessels, including eight existing vessels from the Vallejo and Alameda services and six new vessels as summarized in Table 4.4.

These revenue vehicles combined have the capacity to carry 3,424 passengers and will be used to deliver 77 daily service trips and operate approximately 24,400 vessel hours annually. They also will provide an emergency response fleet of vessels that is prepared and ready to serve the Bay Area's transportation needs in the event of an emergency.

Approximately half of this fleet is made up of 25 knot vessels that can carry 150 to 250 passengers. This sub-fleet of similar vessels would allow for vessel interchangeability which would provide WETA with future opportunities to achieve service operating and capital efficiencies and minimize service interruptions.

WETA Vessels				
VESSEL	CAPACITY	SERVICE SPEED	YEAR BUILT	SERVICE
Enchinal	400	25	1985	AOFS
Peralta	318	25	2002	AOFS
Bay Breeze	250	25	1994	AHBF
Harbor Bay Express II	149	28	1995	AHBF
Intintoli	300	34	1997	Vallejo
Mare Island	300	34	1997	Vallejo
Solano	300	34	2004	Vallejo
Vallejo	300	34	1994	Vallejo
Gemini	149	25	2008	Spare
Pisces	149	25	2008	Spare
Scorpio	199	25	2009	SSF
Taurus	199	25	2009	SSF
Berkeley 1	199	25	2012	Berkeley
Berkeley 2	199	25	2012	Berkeley

Table 4.4 – WETA Vessel Fleet

Vessel Rehabilitation

Vessel rehabilitation needs include projects to provide periodic rehabilitation and replacement of ferryboat components such as haul-outs, engines, generators, propulsion systems, and other major components required to keep the vessels in service. These types of projects are implemented on a cyclical basis and are included in this plan as described below.

- **Major Component Rehabilitation/Replacement:** Ferry vessels are required to undergo periodic haul-out and rehabilitation work to remain in working order over their 25-year life. Major compo-

ment rehabilitation/replacement life-cycles can be planned, such as engine overhauls, which are generally required every 12,000 hours of operation, while other major component work is determined by the preventative maintenance program and inspection process. Major component rehabilitation and replacement work have been identified for existing Vallejo and Alameda vessels.

- » **AOFS/AHBF:** Planned work includes haul-outs and hull and machinery overhauls for the ferry vessels *Erincal*, *Peralta*, *Harbor Bay Express II* and *Bay Breeze*.
- » **Vallejo Baylink:** Planned work includes haul-outs and hull and machinery overhauls for the ferry vessels *Intintoli*, *Mare Island*, *Solano* and *Vallejo*.
- » **New Vessels:** This plan assumes shaft and propeller replacements in FY 2012/13 and FY 2013/14 for new WETA vessels. However, actual rehabilitation needs will be better defined during future CIP updates, based upon actual vessel operating hours and experience.

This plan assumes that 80% federal formula funds and 20% local RM1/AB664 funds will be used to pay for this work.

- **Mid-Life Repower/Refurbishment:** A mid-life overhaul is scheduled when a ferry reaches approximately 12.5 years of service life. This work generally includes replacement of major vessel systems, such as engines, electronics, propulsion systems and refurbishment of the passenger cabins. Equipment service hours and specific vessel needs may affect the timing of the projects.

During the five years of this plan, two Vallejo vessels will require mid-life refurbishment based upon engine hours and replacement cycles. This project will also advance CARB mandated ferry repower requirements. The estimated cost of the projects is \$19 million, or \$9.5 million per vessel. Vallejo has indicated a need to secure a contract to begin this work prior to service transition to allow for the long lead-time associated with new engine purchases. This timing will be further complicated by the fact that only \$2 million has been secured to date to support this project. This plan assumes a coordinated approach to project delivery, whereby WETA and the city will work together to secure funds and sufficient contract obligations to move this project forward within the next year, ensuring there are no disruptions to the Vallejo ferry services.

- Work currently is under way to secure funds for this project. This plan assumes that the project will be funded with a combination of \$2 million federal Economic Recovery funds, federal formula, AB 664 and Carl Moyer Repower program funds.

The Alameda vessel, the *Bay Breeze*, is due for a mid-life refurbishment. This project is scheduled to be implemented in FY 2009/10 and may be completed before the transition date. The full vessel refurbishment cost is estimated to be up to \$2 million. Work currently is under way to secure additional Carl Moyer Re-power Program funds for main engine replacement. Alameda may fund this project with a combination of TIF, RM1 -2%, RM2 and already secured Carl Moyer Re-power program funds.

Vessel Expansion

WETA's expansion vessel program includes purchase of six new ferry vessels over the five-year period, costing a total of \$60.6 million (including \$33.3 million spent in prior years and \$27.3 million in the five-year plan). These vessels will be funded with \$41 million RM 2 funds and \$19.6 federal and state Proposition 1B funds. The expansion program is as follows:

- **2 Spare Vessels:** This project includes construction of two 149-passenger spare vessels for use to support existing and planned expansion services and to be available to support emergency response needs and services. Vessel construction will be completed before the CIP timeframe, but final payment, due one-year from vessel delivery and acceptance, will fall into the first year of the CIP's financial program. These vessels are fully funded with \$17 million Regional Measure 2 funds.
- **2 South San Francisco Vessels:** This project will construct two 199-passenger ferry vessels for use in South San Francisco expansion service. These vessels currently are under construction and will be utilized in other regional services until the South San Francisco terminal is constructed and service is operational. These vessels are to be funded with \$12 million Regional Measure 2, \$3 million Proposition 1B and \$6.5 million federal grant funds.
- **2 Berkeley Vessels:** This project will construct two 199-passenger ferry vessels for use in Berkeley expansion service. These vessels would be funded with \$12 million Regional Measure 2

funds and \$11.1 million federal Ferry Boat Discretionary and Proposition 1B funds.

Ferry Facilities

- **Facilities Rehabilitation And Replacement:** These projects are to provide rehabilitation or replacement of existing facilities that are used to support passenger ferry service.

Dredging

- **Vallejo Terminal Basin:** The Vallejo ferry basin requires dredging every four years to remove silt build-up that would otherwise keep ferries from operating in this area. Dredge work will next need to take place in FY2012/13, requiring funds to be secured in FY2011/12. This plan assumes that the dredge will cost \$1 million, to be funded with 80% federal formula funds and 20% local RM1/AB 664 funds.
- **Harbor Bay Channel:** A multibeam survey of the entrance to the Harbor Bay dock was completed in 2008 and a maintenance dredging project was identified to accommodate the use of PIs in the AHBF service. The City of Alameda expects to dredge the Harbor Bay Channel during FY 2009/10. In order to ensure that the channel remains clear over time, a hydrographic survey of the channel is planned to take place in FY2011/12. Dredging will occur as necessary in FY2012/13; this dredging project will widen and deepen the existing channel. WETA estimates this project to cost \$325,000 and funded with 80% federal formula and 20% local RM 1/AB664 funds.

Floats and Gangways

Floats and gangways provide passenger access and facilities to moor out of service WETA ferriboats. Projects provide for the rehabilitation and/or replacement of passenger and mooring ferry docks/floats and gangways. Periodic haul-out, inspection and repair of existing floats are scheduled to occur as a part of this plan.

- **Vallejo:** Consistent with current practice, the Vallejo float and gangway will be removed from service every four years, coinciding with the ferry basin dredge project. Haul-out, maintenance and repair of the float will occur every 8 years after every other dredging episode in the ferry basin.

- **Clay Street, Oakland:** The Clay Street float in Oakland was acquired and installed by the Port of Oakland after the Loma Prieta earthquake. The Clay Street float currently requires a short-term replacement while planning for a permanent replacement float is under way. This facility will specifically be built to enhance emergency response capabilities including increasing capacity. WETA estimates the temporary float will cost \$750,000, and the design and construction of the permanent float will cost approximately \$10 million and be completed in FY 2013/14. These projects will be funded with a combination of federal formula, RM1, AB 664 and Proposition 1B funds.

- **Harbor Bay, Alameda:** The Harbor Bay float requires approximately \$500,000 in facility upgrades including emergency response and passenger enhancements. This project is expected to take place in FY2011/12 and will be funded with a combination of federal formula, RM1, AB 664 and Proposition 1B funds.
- **Main Street, Alameda:** The Main Street float, currently in use, is leased by the City of Alameda and owned by the Alameda Re-use and Redevelopment Authority (ARRA). Based on comparable floats, WETA has budgeted approximately \$750,000 to either purchase the existing float, or purchase and rehabilitate a used float for use at this facility.

- **Pier 9, San Francisco:** Vessel mooring is an immediate requirement. Two mooring berths are planned at WETA's leased facility at Pier 9, owned by the Port of San Francisco, to accommodate the addition of WETA's new boats. The scope of this project may be adjusted to be a temporary mooring facility in light of the transition and current WETA plans to construct a central bay operations and maintenance facility. Currently this project is estimated to cost \$2.5 million dollars funded with Regional Measure 2 funds. Any formal change to the project scope would be subject to Board and MTC (as the project funding agency) approval.

Terminal Rehabilitation

Terminal facilities, including terminal buildings, parking lots and shelters, require periodic rehabilitation and replacement work to support ongoing ferry operations. Rehabilitation work reflected in this plan is based upon Port and city-identified projects required over the next five years.

\$510,000 in terminal facility repairs is identified in this plan, to be funded with 80% federal formula and 20% local RM1/AB 664 capital funds. This includes parking lot rehabilitation projects for the Harbor Bay and Main Street lots.

The City of Vallejo has indicated that there are no immediate rehabilitation needs associated with the existing street level parking lots. However, the City of Vallejo is in the process of seeking full funding for the Vallejo Station parking project, which is currently slated to be constructed in phases. WETA can work with the city to support efforts to secure funds for this project, although project implementation is tied to the larger downtown transit-oriented redevelopment project, and will be administered by the City of Vallejo.

Expansion Facilities

These projects provide for passenger ferry terminals that allow WETA to fulfill its mandate and mission of providing ferry service on the San Francisco Bay.

Expansion Service Studies

Preliminary environmental studies for terminals in Redwood City, Hercules, Antioch, Martinez and Richmond are under way. These projects were identified in the WTA's Implementation and Operations Plan and WETA's Disaster Response and Proposition 1B programs as projects that would serve to expand ferry transportation assets and facilities on the Bay and boost disaster response capabilities in the area. Development of the environmental documents is the first step required in expanding the regional ferry system terminal sites. This work will examine all physical, environmental, social, transportation, air and energy impacts of locating ferry terminals/services at specific locations and will be completed by consultants, with WETA as the project manager, and WETA and local jurisdictional agency staff project input and involvement.

New Terminals and Berthing Facilities

Two new passenger ferry terminals are proposed at Berkeley and South San Francisco and a berthing facility is planned at the San Francisco Ferry Building that will support the provision of ferry service.

- **South San Francisco Terminal:** WETA has worked for the last four years to establish a ferry terminal in Oyster Point to provide access to biotech jobs in South San Francisco for East Bay residents. WETA is poised to begin construction of the Oyster Point Terminal in South San Francisco in 2009, utilizing \$15 million San Mateo Measure A transportation sales tax funds, \$4 million Proposition 1B funds and \$7 million in federal funds.

- **Berkeley Terminal:** WETA is conducting an environmental review of a proposed Berkeley Ferry terminal (four sites are considered). Assuming there are no issues that cannot be resolved, the Berkeley-to-San Francisco service will provide an important link between Berkeley and downtown San Francisco. The terminal is estimated to cost \$34.2 million and would be funded with future Proposition 1B and federal funds.

- **San Francisco Ferry Building Terminal:** WETA is working closely with the Port of San Francisco to prepare an environmental and design documents related to the development of three new ferry-docking facilities expanding the existing two ferry landings to a total of five at the downtown San Francisco terminal. The project also would include new passenger-waiting amenities, an intermodal terminal for connecting bus services and an emergency staging area for patrons to congregate if a disaster occurs and ferry services assume their roles as emergency responders. This project would be phased to meet available funding, and is included in this plan at a cost of \$36 million, funded with \$19 million RM2 and \$17 million Proposition 1B funds.

Operation And Maintenance Facilities

Two new operations and maintenance facilities are proposed for the North and Central Bay that will support the provision of current and planned expansion ferry services and emergency response functions.

- **North Bay Operations and Maintenance:** Vallejo Baylink ferry services currently utilize an operations & maintenance facility on Mare Island leased by the City of Vallejo. The current Mare Island development plans require this facility to be relocated. WETA and City of Vallejo staff are currently working to jointly determine the new facility location and design, and to move forward with

construction. Facility components would include mooring floats, fuel storage, maintenance and operations building. The cost estimate to implement this project in its entirety is currently \$25 million. To date, approximately \$16 million has been secured to fund this project, including \$5.2 million in federal funds, \$4.2 million STIP \$1.6 million state and local funds and \$5 million Proposition 1B funds (through WETA). It is anticipated that this project will be implemented in phases to allow adequate time to secure project funding.

- Central Bay Operations and Maintenance:** City of Alameda ferry services currently rely upon contract operators to provide operations and maintenance facilities for its services. For AOFs, Blue & Gold Fleet currently provides maintenance and operations support out of its Port of San Francisco leased facilities at Pier 39 and Pier 9. For AHBF, Harbor Bay Maritime currently provides operations & maintenance activities at their leased facility on Pier 48 at the Port of San Francisco. As a part of creating a regional ferry transportation and emergency response system, WETA is looking to consolidate and coordinate maintenance and operations of the Alameda services at one facility. As planned, this facility also would include capacity to support South San Francisco, Berkeley and Treasure Island expansion service needs and ultimately serve as an emergency response operations center. Facility components would include mooring floats, fuel storage and a maintenance and operations building. This project is in the early planning stages and WETA is in the process of investigating and evaluating potential East Bay sites. Depending upon the site selected, existing services could achieve operating cost savings

due to reduced deadhead hours and contractor costs. Facility costs are assumed to be similar to those developed for the North Bay facility. Project implementation is assumed to be phased to meet system needs as they exist and grow over time. This project is budgeted to cost \$25 million and anticipated to be funded largely with Proposition 1B dollars.

Miscellaneous

The overall WETA system of existing and new passenger water transportation services, along with the rehabilitation of critical infrastructure, will promote emergency response. These projects provide both general system equipment and facilities and those that enhance WETA's ability to provide emergency response service coordination and delivery.

- Vessel Mooring Equipment:** Mooring floats and gangways will be required for interim use until the Central Bay Operations & Maintenance facility is completed. Two mooring floats and gangways will be acquired to meet vessel support needs. Floats and gangways also could be used to provide temporary terminal facilities to help meet surge demands for emergency response. Proposition 1B funds will be used to support these projects.
- Communications Equipment:** During an incident, communication between WETA, transit agencies and emergency response coordinators will be critical. WETA will require mobile and base station radios and satellite phones to meet this communication need. RM2 and Proposition 1B funds will be used to support these projects.

- General Equipment Replacement:** This project provides funds to replace maintenance and operating equipment required to support service operation. Specific needs will be identified annually. The plan assumes that equipment will be funded with local RM1 or other local funds.

Additional Ferry-Related Projects

In addition to the WETA projects described above, the following two development-based projects, to be implemented by external organizations within the five-year CIP period, will be important to WETA ferry service operations. WETA will work with the City of Vallejo and the City of San Francisco to support efforts to develop these projects and secure funds to support project implementation.

Vallejo Station Project, City of Vallejo

The Vallejo Station Project consists of a multimodal transportation facility and privately funded transit-oriented residential and commercial improvements. This is an external project to be implemented by the City of Vallejo as a part of a larger city redevelopment project. This project is currently estimated to cost \$99,476,000. Components of the project include a 1,200 space parking structure which has the potential to significantly impact parking available to ferry patrons, a pedestrian paseo and park, Vallejo Transit Center Bus Terminal, a two story 4,100 square foot administration building to house the Vallejo Transportation Division, a "Kiss & Ride" drop-off/pick up Area and modifications to Santa Clara Street. The proposed parking garage is intended to provide parking for Vallejo Ferry patrons and will replace the heavily used surface parking on various lots in downtown Vallejo. The garage will be designed to accommodate future retail and/or commercial space, additional parking as well as a potential hotel and conference center on a vertical subdivision to be created on the top deck of the garage. The Vallejo Station is proposed to be constructed in 2 phases. Phase A includes construction of the Bus Transit Center, one-half of the parking structure with the pedestrian paseo and park, interim parking, and various streetscape projects, and is scheduled to go out to bid in FY 2009/10. Phase B will include the second half of the parking structure as well as the remaining streetscape projects, and is not yet fully funded. WETA will work with the City of Vallejo and others to support efforts to secure funds to implement this phase of the project.

CIP Summary						
CIP CATEGORY	5 YEAR TOTAL	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
Vessel Rehabilitation	\$26,385,000	\$13,060,000	\$9,710,000	\$300,000	\$1,195,000	\$2,120,000
Vessel Expansion	\$27,300,000	\$4,200,000	\$0	\$7,700,000	\$15,400,000	\$0
Facilities Rehabilitation	\$14,035,000	\$1,500,000	\$8,050,000	\$4,250,000	\$35,000	\$200,000
Facilities Expansion	\$146,439,000	\$34,439,000	\$43,200,000	\$37,350,000	\$22,700,000	\$8,750,000
Miscellaneous	\$456,000	\$176,000	\$70,000	\$70,000	\$70,000	\$70,000
TOTAL	\$214,615,000	\$53,375,000	\$61,030,000	\$49,670,000	\$39,400,000	\$11,140,000

Table 4.5 – CIP Summary

Treasure Island Ferry Terminal and Vessels, City of San Francisco

The Treasure Island Ferry Terminal project is an external project to be implemented by the City of San Francisco and its Treasure Island developer. The redevelopment of Treasure Island Navy Base consists of 6,000 residential units, 250,000 square feet of commercial and retail space, a ferry terminal and service, parks, open space and a variety of other amenities. The city/developer is expected to fund the construction of the ferry terminal and the purchase of system vessels. Costs will vary depending upon the type, size and number of vessels utilized for this new service. WETA will work with the City of San Francisco and others to support efforts to develop and secure funds to implement this project.

Program Costs

The CIP identifies WETA implemented projects requiring a total investment of \$214.6 million over the five-year plan period. Table 4.5 provides a summary of project expenses, by project category, over the five-year CIP period by category. A detailed project listing can be found in Appendix C.

Program Revenues

A variety of federal, state and local funding sources are programmed and available to support the \$214.6 million capital improvement program contained in this plan. These include the following:

- **Regional Measure 1 – 2% Program:** In November 1988, Bay Area voters approved Regional Measure 1 (RM 1), authorizing a \$1 toll increase for all seven state-owned Bay Area toll bridges. Approximately \$820,000 RM 1 – 2% funds are available annually from this program, through MTC, to support capital expenses associated with the Vallejo and Alameda ferry services. WETA supports direct allocation of these funds by MTC to the cities until services are transferred.

- **Regional Measure 2 Program:** In 2004, voters passed Regional Measure 2 (RM2), raising the toll on the seven State-owned toll bridges in the San Francisco Bay Area by \$1. RM2 capital funds totaling \$84 million are available to WETA to support specific capital projects, including system environmental and design studies, construction of new vessels for South San Francisco and Berkeley, construction of spare vessels, and development and construction of expanded berthing capacity in San Francisco.
- **Federal Grants:** WETA has secured approximately \$20 million in federal ferryboat discretionary and high-priority project grants over the past several years and anticipates an additional \$10 million to support construction of South San Francisco and Berkeley terminals and vessels. Additional federal funds assumed in this plan include \$25.8 million from Federal 5307 and 5309 funds to support capital rehabilitation and replacement projects for existing Vallejo and Alameda system assets. These funds are programmed annually by MTC based upon regional criteria.
- **AB 664:** Assembly Bill 664 funds are programmed annually by MTC to provide partial local match to Federal Section 5307 and 5309 formula grant funds. This plan assumes WETA eligibility for these funds for ferry rehabilitation and replacement projects.
- **San Mateo Sales Tax:** In 2004, San Mateo County voters approved an extension of the existing Measure A transportation sales tax measure, providing funding for continued and new transportation projects in the county. This program included \$30 million to support development of new ferry services to South San Francisco and Redwood City. The CIP assumes use of \$15 million of these funds to support South San Francisco terminal construction.
- **Proposition 1 B:** The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act, approved by voters in 2006, allows the state to sell up to \$1.475 billion in bonds for security and disaster preparedness projects throughout the state. If fully implemented, this program would provide WETA with \$250 million in Proposition 1B funds to support implementation of its regional emergency response ferry system. This plan assumes use of just over \$90 million of Proposition 1B funds to construct terminal, float and gangway access projects, construct system maintenance and emergency operations facilities and construct new vessels.

- **Other Miscellaneous:** Other grant funds assumed to be available to support WETA projects include Carl Moyer grant funds to support ferry vessel repower projects and a small mix of state and local funds secured by Vallejo to support the North Bay maintenance facility project.

V NEXT STEPS

Transition Plan Implementation Activities

Transitioning existing services provided by the cities to WETA will expedite WETA's move from a planning organization to an operating entity. Development of service transition details and agreements is an involved process requiring significant city and WETA staff time, and will ultimately require a series of city and WETA policy Board actions over the next six months. An overview of transition implementation activities identified as a part of this plan is provided below and are summarized in Table 5.1.

Appendix D lists the tasks and subtasks necessary to transition WETA to an operating agency.

Appendix E provides a schedule with critical paths as a companion to Appendix D.

Service Delivery

- Re-assignment and acceptance of Alameda Ferry Service and Vallejo Baylink's operating and support contracts to WETA in January 2010 and July 2010 respectively, and eventual WETA re-bid and award of these services under one contract operator in January 2011; and
- Development of a contract bus service agreement between WETA and the City of Vallejo for continued city operation of the Route 200 bus service designed to augment the Vallejo ferry service schedule. Service would be provided by the City of Vallejo but funded by WETA with ferry operating revenues. The Vallejo Ferry service was charged \$1.7 million in FY 2008/09, to support these services.

Transfers and Use Agreements

- Development of asset transfer and/or lease and maintenance agreements for system assets, and any related grant and fund transfer agreements between the cities and WETA that result in the continued availability and use of city-owned assets in current services.
- Establish landing rights and operating agreements with the Port of San Francisco for the Downtown and China Basin Ferry Terminals and with the Port of Oakland for the Clay Street Terminal.

- Discussion and development of potential financial obligation transfer agreements associated with prior documented obligations generated from the ferry system operations.

Fare and Transfer Policies

- As an operator, WETA will need to establish fare policies for its services consistent with Federal Transit Administration and other regulatory requirements. The financial component of the transition plan utilizes the existing fare structure, and assumes an annual inflation factor of 2.5% beginning in FY2010/11 for purposes of projecting system fare revenues; and
- WETA would need to develop transfer agreements with connecting and feeder bus systems including San Francisco MTA, AC Transit and Vallejo Transit. The transition plan assumes WETA would adopt existing transfer agreements already in place between the cities and connecting operators and would develop a new transfer agreement between WETA and the City of Vallejo that reflects existing passenger transfer practices between the city's bus and ferry systems.

Ticketing and Fare Arrangements

- Development of an agreement with the City of Vallejo for joint ticket sales of bus and ferry tickets at the Ferry Terminal building;
- Establishment of other fare medium distribution and collection agreements, as necessary; and
- Request to the TransLink consortium for early WETA inclusion in the TransLink regional fare collection program.

System Communications and Marketing

- Development of a marketing program to communicate system transfer information to the customers and to promote interconnectivity between the ferry services and surrounding services; and
- Development and implementation of a marketing program to create awareness about WETA and develop the "WETA Brand" to make ferry service uniform, understandable and comfortable to the public.

Institute Management Oversight Plans

- Develop maintenance and asset management plans and internal oversight procedures to ensure timely and orderly maintenance

- of WETA's assets utilized by outside contractors; and
- Identify cash handling procedures to be utilized by contractors and appropriate WETA oversight of this function to ensure compliance with FTA requirements.

Organizational Structure and Staffing

- Develop a staffing and consultant support program that provides sufficient system oversight to effectively administer the existing and expansion services in a means that complies with federal, state and regional requirements.

Month	2009	2010	2011
July 1	<ul style="list-style-type: none"> WETA begins negotiations with SFMTA for Muni transfer agreement WETA requests Translink to prioritize ferry routes for implementation 		
September 1	<ul style="list-style-type: none"> WETA begins developing new regional ferry system Best Value Award operating contract RFP. Tentative Schedule: Draft RFP due Dec. 1, 2010 for industry review, advertised Feb. 2010, all addendums completed March 2010, Submit proposals June 2010, Award contract Aug 2010. Transfer to new operator Jan 1, 2011 WETA and Alameda Agree to Transfer of Assets and Schedule of Transition WETA and Alameda Agree to Terminal Lease & Use Principles and "Term Sheets" 		
October 1	<ul style="list-style-type: none"> WETA Board approves Lease/Use Agreements with Alameda, Port. WETA Board Approves Maintenance Agreement with Contractor for waterside facilities. Release draft RFP for Industry Review WETA begins paperwork for the transfer of vessel/asset ownership from Alameda to WETA, effective Jan 1, 2010 		
January 1	<ul style="list-style-type: none"> WETA assumes (Assignment) Alameda and HBM contracts; Alameda formally assign service to WETA WETA assumes title to Alameda vessels WETA-Alameda Lease & Use Agreements Implemented Review Industry Comments on RFP WETA assists Vallejo in oversight of operating contracts (six month period) WETA, Vallejo and Port agree to Terminal Lease & Use Principles and "Term Sheets" Vallejo and WETA agree to Transfer of Assets and Schedule of Transition 		
February 1	<ul style="list-style-type: none"> WETA Board Authorizes RFP RFP issued WETA begin paperwork for the transfer of vessel/asset ownership from Vallejo to WETA effective July 1, 2010 		
March 1	<ul style="list-style-type: none"> Responses to Official Bidder Comments WETA Board/City of Vallejo agree to final service and transfer details 		
June 1	<ul style="list-style-type: none"> WETA received Proposals WETA to extend the Alameda B&G and HBM Operating Contracts month-to-month through December 2010 		
July 1	<ul style="list-style-type: none"> WETA assumes (Assignment) Vallejo Baylink Contracts WETA assumes Title to Vallejo vessels/assets WETA - Vallejo Lease Use Agreements implemented 		
August 1	<ul style="list-style-type: none"> WETA Board Awards Operating Contract (protest period commences) 		
January 1	<ul style="list-style-type: none"> New Operating Contract in Effect 		

Table 5.1 - Implementation Activities

SYSTEM ASSETS FOR TRANSFER, LEASE OR USE

	Current Ownership	Potential Transfer to WETA	Potential Lease/Use Agreement
ALAMEDA SERVICE			
Vessels			
Bay Breeze	City of Alameda	X	
Harbor Bay Express II	City of Alameda	X	
Encinal	City of Alameda/Port of Oakland	X	
Peralta	City of Alameda/Port of Oakland	X	
Facilities			
Harbor Bay Ferry Terminal /Shelter	City of Alameda	X	X
Main Street Ferry Terminal/Building	City of Alameda	X	X
Harbor Bay Parking Lot	City of Alameda	X	X
Main Street Parking Lots	City of Alameda	X	X
Ferry Landing Facilities			
Harbor Bay Gangway and Float	City of Alameda	X	X
Alameda Main Street Gangway and Pier	City of Alameda	X	X
Alameda Main Street Float	City of Alameda - ARRA	X	X
Clay Street Pier, Float and Gangway	Port of Oakland	X	X
San Francisco Ferry Building/Giants Ballpark	Port of San Francisco		X
Miscellaneous			
Spare Parts	City of Alameda	X	
System Equipment	City of Alameda	X	

SYSTEM ASSETS FOR TRANSFER, LEASE OR USE (CONTINUED)

	Current Ownership	Potential Transfer to WETA	Potential Lease/Use Agreement
VALLEJO SERVICE			
Vessels			
Vallejo	City of Vallejo	X	
Intintoli	City of Vallejo	X	
Mare Island	City of Vallejo	X	
Solano	City of Vallejo	X	
Facilities			
Vallejo Maintenance Facility (Gangways, Floats, Building)	City of Vallejo	X	X
Vallejo Ferry Terminal Building	City of Vallejo		X
Ferry Parking Lots	City of Vallejo		X
Ferry Landing Facilities			
Vallejo Ferry Terminal Gangways & Floats	City of Vallejo	X	X
San Francisco Ferry Building/Giants Ballpark	Port of San Francisco		X
Miscellaneous			
Ferry Spare Parts	City of Vallejo	X	
Ferry System Equipment	City of Vallejo	X	

WETA Five Year Operating Plan - Systemwide

Operating Costs	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Alameda/Oakland							
Services	3,516,758	3,171,493	3,286,738	3,406,445	3,530,799	3,659,991	17,055,465
Terminals	225,710	267,947	275,985	284,265	292,793	301,577	1,422,567
Other	426,109	401,817	413,777	426,092	438,775	451,836	2,132,298
Subtotal	4,168,577	3,841,257	3,976,500	4,116,802	4,262,367	4,413,404	20,610,330
Alameda Harbor Bay							
Services	1,356,000	1,234,000	1,280,620	1,329,119	1,379,576	1,432,077	6,655,391
Terminals	96,000	96,870	99,776	102,769	105,852	109,028	514,296
Other	229,960	265,432	273,005	280,808	288,849	297,136	1,405,229
Subtotal	1,681,960	1,596,302	1,653,401	1,712,696	1,774,278	1,838,241	8,574,917
Vallejo							
Services	13,297,499	12,764,000	13,242,960	13,741,091	14,259,208	14,798,162	68,805,421
Terminals	352,546	365,000	375,950	387,229	398,845	410,811	1,937,835
Other	1,010,822	752,162	778,488	805,735	833,935	836,123	4,033,443
Subtotal	14,660,867	13,881,162	14,397,398	14,934,054	15,491,988	16,072,096	74,776,698
South San Francisco							
Services	-	-	623,724	2,690,171	2,795,091	2,904,369	9,013,354
Terminals	-	-	56,250	241,590	248,837	256,303	802,980
Other	-	-	68,097	280,446	288,630	297,054	934,226
Subtotal	-	-	748,071	3,212,206	3,332,558	3,457,726	10,750,560
Berkeley							
Services	-	-	-	1,448,554	4,698,300	4,883,744	11,030,598
Terminals	-	-	-	80,530	265,125	273,079	618,733
Other	-	-	-	100,238	309,520	318,362	728,120
Subtotal	-	-	-	1,629,322	5,272,944	5,475,185	12,377,451
WETA							
Planning & Development	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Transition	600,000	2,500,000	-	-	-	-	2,500,000
Spare Vessels	750,000	1,000,000	750,000	300,000	300,000	300,000	2,650,000
Subtotal	4,350,000	6,500,000	3,750,000	3,300,000	3,300,000	3,300,000	20,150,000
Total Operating Costs	24,861,404	25,818,721	24,525,369	28,905,080	33,434,135	34,556,652	147,239,956

WETA Five Year Operating Plan - Systemwide (Continued)

Operating Revenues	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Fares	9,714,316	8,988,00	9,491,609	11,123,237	12,606,709	13,179,122	55,388,678
Regional Measure 1	3,298,784	2,798,900	2,798,900	2,798,900	2,798,900	2,798,900	13,994,500
Regional Measure 2	8,948,165	11,683,762	9,917,276	12,629,458	15,637,704	16,148,978	66,017,177
Federal 5307 Preventative Maint	1,068,032	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Measure B (AOFHS/HB only)	1,104,000	927,995	897,520	933,421	970,758	1,009,588	4,739,281
Miscellaneous Other	1,382,064	420,064	420,064	420,064	420,064	420,064	2,100,320
Total Revenues	25,515,361	25,818,721	24,525,639	28,905,080	33,434,135	34,556,652	147,239,956

Operating Reserves	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14
Annual Operating Reserves		280,013	8,382,724	5,670,542	2,662,296	2,151,022
Cummulative Reserves		280,013	8,662,737	14,333,280	16,995,576	19,146,598

Operating Statistics	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14
Passengers	1,265,725	1,213,600	1,264,880	1,511,142	1,734,323	1,771,038
Annual Vessel Hours	15,570	15,570	15,570	16,415	20,770	24,410
Farebox Recovery Ratio	44%	47%	46%	43%	42%	42%

Harbor Bay Ferry Service

Operating Costs	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Vessels							
Service Contract	554,000	610,000	628,300	647,149	666,563	686,560	3,238,573
Maintenance	132,000	144,000	148,320	152,770	157,353	162,073	764,516
Fuel & Lubes	570,000	390,000	409,500	429,975	451,474	474,047	2,154,996
Vessel Insurance	100,000	90,000	94,500	99,225	104,186	109,396	497,307
Subtotal	1,356,000	1,234,000	1,280,620	1,329,119	1,379,576	1,432,077	6,655,391
Terminals							
Landing Fees/Rent	90,000	92,700	93,596	96,404	99,296	102,275	482,441
Insurance	6,000	6,000	6,180	6,365	6,556	6,753	31,855
Subtotal	96,000	96,870	99,776	102,769	105,852	109,028	514,296
Other							
Local Transit Transfers	23,912	31,000	31,620	32,252	32,897	33,555	161,325
Administration	206,048	234,432	241,385	248,555	255,852	263,581	1,243,904
Subtotal	229,960	265,432	273,005	280,808	288,849	297,136	1,405,229
Total Operating Costs	1,681,960	1,596,302	1,653,401	1,712,696	1,774,278	1,838,241	8,574,917

Harbor Bay Ferry Service (Continued)

Operating Revenues	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Fares	710,000	675,000	698,794	723,426	748,927	775,327	3,621,474
Regional Measure 1	450,000	393,500	393,500	393,500	393,500	393,500	1,967,500
Alameda County Sales Tax (Measure B)	144,400	144,400	150,176	156,183	162,430	168,928	782,117
Measure B Reserves	41,000	125,000	-	-	-	-	125,000
Transportation Improvement Funds	265,560	257,415	257,415	257,415	257,415	257,415	1,287,075
Miscellaneous Other	185,000	71,000	71,000	71,000	71,000	71,000	355,000
Total Revenues	1,795,960	1,666,315	1,570,885	1,601,524	1,633,272	1,666,169	8,138,166

Revenues to Maintenance/ Reserve	114,000	70,013	-	-	-	-	70,013
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Operating Surplus/(Defecit)*	-	-	(82,516)	(111,171)	(141,005)	(172,071)	(506,764)
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Operating Statistics	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14
Cost per Vessel Hour	\$797	\$757	\$784	\$812	\$841	\$871
Farebox Recovery Ratio	42%	42%	42%	42%	42%	42%
Annual Vessel Hours	2,110	2,110	2,110	2,110	2,110	2,110

* Deficit potentially funded with additional WETA RM2 or other system funds

Alameda/Oakland Ferry Service

Operating Costs	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Vessels							
Service Contract	1,709,758	1,856,493	1,912,188	1,969,553	2,028,640	2,089,499	9,856,373
Maintenance	307,000	310,000	319,300	328,879	338,745	348,908	1,645,832
Fuel & Lubes	1,350,000	900,000	945,000	992,250	1,041,863	1,093,956	4,973,068
Vessel Insurance	150,000	105,000	110,250	115,763	121,551	127,628	580,191
Subtotal	3,516,758	3,171,493	3,286,738	3,406,445	3,530,799	3,659,991	17,055,465
Terminals							
Landing Fees/Rent	133,710	121,947	125,605	129,374	133,255	137,252	647,433
Maintenance and Utilities	29,000	83,000	85,490	88,055	90,696	93,417	440,658
Security	63,000	63,000	64,890	66,837	68,842	70,907	334,476
Subtotal	225,710	267,947	278,985	284,265	292,793	301,577	1,422,567
Other							
Local Transit Transfers	17,267	19,000	19,475	19,962	20,461	20,972	99,870
Administration	408,842	382,817	394,302	406,131	418,314	430,864	2,032,427
Subtotal	426,109	401,817	413,777	426,092	438,775	451,836	2,132,298
Total Operating Costs	4,168,577	3,841,257	3,976,500	4,116,802	4,262,367	4,413,404	20,610,330

Operating Revenues	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Fares	2,387,000	1,993,000	2,093,896	2,199,899	2,311,269	2,428,277	11,026,341
Regional Measure 1	1,056,045	1,049,000	1,049,000	1,049,000	1,049,000	1,049,000	5,245,000
Alameda County Sales Tax (Measure B)	718,600	718,600	747,344	777,238	808,327	840,660	3,892,169
Measure B Reserves	200,000	220,008	-	-	-	-	220,008
Port of Oakland	83,117	70,649	70,649	70,649	70,649	70,649	353,245
Miscellaneous Other	63,772	-	-	-	-	-	-
Total Revenues	4,508,534	4,051,257	3,960,889	4,096,786	4,239,245	4,388,586	20,736,763

Revenues to Maintenance/ Reserve	339,957	210,000	-	-	-	-	210,000
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Operating Surplus/(Deficit)*	-	-	(15,611)	(20,016)	(23,122)	(24,817)	(83,567)
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* Deficit potentially funded with WETA RM2 or other system funds

Alameda/Oakland Ferry Service (Continued)

Operating Statistics	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14
Cost per Vessel Hour	\$829	\$764	\$791	\$818	\$847	\$877
Farebox Recovery Ratio	57%	52%	53%	53%	54%	55%
Annual Vessel Hours	5,030	5,030	5,030	5,030	5,030	5,030

Vallejo Ferry Service

Operating Costs	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Vessels							
Service Contract	4,608,548	4,747,000	4,889,410	5,036,092	5,187,175	5,342,790	25,202,468
Route 200	1,712,456	1,712,000	1,763,360	1,816,261	1,870,749	1,926,871	9,089,241
Maintenance	1,459,000	1,503,000	1,548,090	1,594,533	1,642,369	1,691,640	7,979,631
Fuel & Lubes	5,183,495	4,458,000	4,680,900	4,914,945	5,160,692	5,418,727	24,633,264
Vessel Insurance	334,000	344,000	361,200	379,260	398,223	418,134	1,900,817
Subtotal	13,297,499	12,764,000	13,242,960	13,741,091	14,259,208	14,798,162	68,805,421
Terminals							
Landing Fees/Rent	38,000	40,000	41,200	42,436	43,709	45,020	212,365
Maintenance and Utilities	250,737	259,000	266,770	274,773	283,016	291,507	1,375,066
Security	63,809	66,000	67,980	70,019	72,120	74,284	350,403
Subtotal	352,546	365,000	375,950	387,229	398,845	410,811	1,937,835
Other							
Local Transit Transfers	-	-	-	-	-	-	-
Administration	1,010,822	752,162	778,488	805,735	833,935	863,123	4,033,443
Subtotal	1,010,822	752,162	778,488	805,735	833,935	863,123	4,033,443
Total Operating Costs	14,660,867	13,881,162	14,397,398	14,934,054	15,491,988	16,072,096	74,776,698

Vallejo Ferry Service (Continued)							
Operating Revenues	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Fares	6,617,316	6,320,000	6,487,000	6,772,749	7,046,199	7,330,689	33,947,637
Regional Measure 1	1,792,739	1,356,400	1,356,400	1,356,400	1,356,400	1,356,400	6,782,000
Regional Measure 2 - Vallejo	2,735,501	2,740,500	2,740,500	2,740,500	2,740,500	2,740,500	13,702,500
Regional Measure 2 - WETA	1,862,664	-	-	-	-	-	-
Federal 5307 Preventative Maint	1,068,032	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Solano County	300,000	-	-	-	-	-	-
Miscellaneous Other	284,615	21,000	21,000	21,000	21,000	21,000	105,000
Total Revenues	14,660,867	11,437,900	11,595,900	11,890,649	12,164,099	12,488,589	59,537,137
Operating Surplus/(Defecit)*	-	(2,443,262)	(2,801,498)	(3,043,405)	(3,327,890)	(3,623,507)	(15,239,561)

Operating Statistics	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14
Cost per Vessel Hour	\$1,739	\$1,647	\$1,708	\$1,772	\$1,838	\$1,907
Farebox Recovery Ratio	45%	46%	45%	45%	45%	46%
Annual Vessel Hours	8,430	8,430	8,430	8,430	8,430	8,430

* Defecit to be funded with WETA RM2

South San Francisco Ferry Service

Operating Costs	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Vessels: Operating Costs			303,219	1,255,327	1,292,987	1,331,776	4,183,308
Vessels: Maintenance			54,134	224,113	230,837	237,762	746,845
Vessels: Fuel & Lubes			234,678	1,079,517	1,133,493	1,190,168	3,637,855
Vessel Insurance			31,694	131,214	137,775	144,663	445,346
Subtotal	-	-	623,724	2,690,171	2,795,091	2,904,369	9,013,354
Terminals: Operating Cost			31,250	138,590	142,747	147,030	459,617
Terminals: Maintenance/ Utilities/Security			25,000	103,000	106,090	109,273	343,363
Subtotal	-	-	56,250	241,590	248,837	256,303	802,980
Other: Local Transit Transfers			5,597	22,946	23,405	23,873	75,819
Other: Administration			62,500	257,500	265,225	273,182	858,407
Subtotal	-	-	68,097	280,446	288,630	297,054	934,226
TOTAL OPERATING COSTS	-	-	748,071	3,212,206	3,332,558	3,457,726	10,750,560
Operating Revenues	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Fares			220,920	937,496	994,590	1,055,160	3,208,166
Regional Measure 2			527,151	2,274,710	2,337,968	2,402,565	7,542,394
Miscellaneous Other			-	-	-	-	-
Total Revenues	-	-	748,071	3,212,206	3,332,558	3,457,726	10,750,560
Cost per Vessel Hour	\$-	\$-	\$885	\$950	\$986	\$1,023	
Farebox Recovery Ratio	0%	0%	30%	29%	30%	31%	
Annual Vessel Hours	-	-	845	3,380	3,380	3,380	

Berkeley Ferry Service

Operating Costs	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Vessels: Operating Cost				675,945	2,098,810	2,161,774	4,936,529
Vessels: Maintenance				120,676	374,700	385,941	881,317
Vessels: Fuel & Lubes				581,278	2,005,411	2,105,681	4,692,370
Vessel Insurance				70,654	219,379	230,348	520,381
Subtotal	-	-	-	1,448,554	4,698,300	4,883,744	11,030,598

Terminals: Operating Cost				46,197	159,035	163,806	369,037
Terminals: Maintenance/ Utilities/Security				34,333	106,090	109,273	249,696
Subtotal	-	-	-	80,530	265,125	273,079	618,733

Other: Local Transit Transfers				14,405	44,295	45,181	103,880
Other: Administration				85,833	265,225	273,182	624,240
Subtotal	-	-	-	100,238	309,520	318,362	728,120

Operating Revenues	Budgeted FY 2008/09	Estimate FY 2009/10	Estimate FY 2010/11	Estimate FY 2011/12	Estimate FY 2012/13	Estimate FY 2013/14	Five Year Total
Fares				489,667	1,505,725	1,589,669	3,585,061
Regional Measure 2				1,139,655	3,767,219	3,885,516	8,792,390
Miscellaneous Other	-	-	-	-	-	-	-
Total Revenues	-	-	-	1,629,322	5,272,944	5,475,185	12,377,451

Cost per Vessel Hour	\$-	\$-	\$-	\$895	\$966	\$1,003
Farebox Recovery Ratio	0%	0%	0%	30%	29%	29%
Annual Vessel Hours	-	-	-	1,820	5,460	5,460

Capital Improvement Plan - Expense

Projects Category/ Description	5 Year Total	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
VESSEL REHABILITATION						
Major Component Rehab/Replacement						
Vallejo	\$1,590,000	\$730,000	\$0	\$0	\$0	\$860,000
Intintoli	\$0	\$0	\$0	\$0	\$0	\$0
Mare Island	\$0	\$0	\$0	\$0	\$0	\$0
Solano	\$835,000	\$0	\$0	\$0	\$835,000	\$0
Encinal	\$200,000	\$0	\$100,000	\$0	\$100,000	\$0
Peralta	\$850,000	\$280,000	\$110,000	\$170,000	\$110,000	\$180,000
Bay Breeze	\$160,000	\$0	\$0	\$80,000	\$0	\$80,000
Harbor Bay Express II	\$950,000	\$50,000	\$0	\$50,000	\$0	\$850,000
Pisces	\$75,000	\$0	\$0	\$0	\$75,000	\$0
Gemini	\$75,000	\$0	\$0	\$0	\$75,000	\$0
Taurus	\$75,000	\$0	\$0	\$0	\$0	\$75,000
Scorpio	\$75,000	\$0	\$0	\$0	\$0	\$75,000
Subtotal	\$4,885,000	\$1,060,000	\$210,000	\$300,000	\$1,195,000	\$2,120,000
Mid-Life Repower/Refurbishment						
Intintoli	\$9,500,000	\$9,500,000	\$0	\$0	\$0	\$0
Mare Island	\$9,500,000	\$0	\$9,500,000	\$0	\$0	\$0
Bay Breeze	\$2,500,000	\$2,500,000	\$0	\$0	\$0	\$0
Subtotal	\$21,500,000	\$12,000,000	\$9,500,000	\$0	\$0	\$0
VESSEL REHABILITATION TOTAL	\$26,385,000	\$13,060,000	\$9,710,000	\$300,000	\$1,195,000	\$2,120,000
VESSEL EXPANSION						
Spare Vessels*	\$200,000	\$200,000	\$0	\$0	\$0	\$0
2 SSF Vessels*	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0
2 Berkeley Vessels	\$23,100,000	\$0	\$0	\$7,700,000	\$15,400,000	\$0
VESSEL EXPANSION TOTAL	\$27,300,000	\$4,200,000	\$0	\$7,700,000	\$15,400,000	\$0

Capital Improvement Plan - Expense (Continued)

Projects Category/ Description	5 Year Total	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
FACILITIES REHABILITATION						
Dredging						
Vallejo Terminal Basin	\$1,000,000	\$0	\$0	\$1,000,000	\$0	\$0
Harbor Bay	\$325,000	\$0	\$75,000	\$250,000	\$0	\$0
Subtotal	\$1,325,000	\$0	\$75,000	\$1,250,000	\$0	\$0
Floats and Gangway						
Main Street	\$950,000	\$750,000	\$0	\$0	\$0	\$200,000
Clay Street	\$10,750,000	\$750,000	\$7,500,000	\$2,500,000	\$0	\$0
Harbor Bay	\$500,000	\$0	\$0	\$500,000	\$0	\$0
Subtotal	\$12,200,000	\$1,500,000	\$7,500,000	\$3,000,000	\$0	\$200,000
Terminal Rehabilitation						
Main Street Parking Rehabilitation	\$320,000	\$0	\$300,000	\$0	\$20,000	\$0
Harbor Bay Parking Rehabilitation	\$190,000	\$0	\$175,000	\$0	\$15,000	\$0
Subtotal	\$510,000	\$0	\$475,000	\$0	\$35,000	\$0
FACILITIES REHABILITATION TOTAL	\$14,035,000	\$1,500,000	\$8,050,000	\$4,250,000	\$35,000	\$200,000
FACILITIES EXPANSION						
Future Expansion Service Studies						
Complete Berkeley/Hercules Environmental	\$500,000	\$500,000	\$0	\$0	\$0	\$0
Other Expansion Svc Studies/Design	\$6,000,000	\$2,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Subtotal	\$6,500,000	\$2,500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Terminal/Berthing Expansion Construction						
Pier 9 Berthing	\$2,500,000	\$2,500,000	\$0	\$0	\$0	\$0
South San Francisco Terminal Construction	\$26,000,000	\$13,000,000	\$13,000,000	\$0	\$0	\$0
Berkeley Ferry Terminal Design & Constr	\$34,200,000	\$8,000,000	\$10,000,000	\$10,000,000	\$6,200,000	\$0
San Francisco Terminal	36,000,000	1,200,000	2,200,000	9,350,000	15,500,000	7,750,000
Subtotal	\$98,700,000	\$24,700,000	\$25,200,000	\$19,350,000	\$21,700,000	\$7,750,000
Maintenance and Operations Facilities						
North Bay Facility	\$16,239,000	\$2,239,000	\$7,000,000	\$7,000,000	\$0	\$0
Central Bay Facility	\$25,000,000	\$5,000,000	\$10,000,000	\$10,000,000	\$0	\$0
Subtotal	\$41,239,000	\$7,239,000	\$17,000,000	\$17,000,000	\$0	\$0
FACILITIES EXPANSION TOTAL	\$146,439,000	\$34,439,000	\$43,200,000	\$37,350,000	\$22,700,000	\$8,750,000

Capital Improvement Plan - Expense (Continued)

Projects Category/ Description	5 Year Total	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
MISCELLANEOUS						
Communication Equipment	\$26,000	\$26,000	\$0	\$0	\$0	\$0
Vessel Mooring	\$250,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
General Equipment	\$180,000	\$100,000	\$20,000	\$20,000	\$20,000	\$20,000
MISCELLANEOUS TOTAL	\$456,000	\$176,000	\$70,000	\$70,000	\$70,000	\$70,000
GRAND TOTAL	\$214,615,000	\$53,375,000	\$61,030,000	\$49,670,000	\$39,400,000	\$11,140,000

Revenues

Projects Category/ Description	5 Year Total	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
FEDERAL	\$56,400,005	\$18,385,393	\$17,577,716	\$10,170,516	\$8,370,380	\$1,896,000
Federal 5307/5309	\$25,760,568	\$10,327,620	\$8,991,524	\$3,549,424	\$996,000	\$1,896,000
Federal Earmark/Ferry Boat Discretionary	\$30,639,438	\$8,057,773	\$8,586,192	\$6,621,092	\$7,374,380	\$0
STATE	\$95,361,383	\$16,603,640	\$31,079,413	\$29,385,961	\$14,076,620	\$4,215,750
Proposition 1B	\$90,031,053	\$15,868,705	\$28,781,715	\$27,088,263	\$14,076,620	\$4,215,750
Proposition 116/STIP	\$5,330,330	\$734,935	\$2,297,698	\$2,297,698	\$0	\$0
LOCAL	\$62,853,612	\$18,385,966	\$12,372,873	\$10,113,523	\$16,953,000	\$5,028,250
Regional Measure 1/AB664/Fares/Other	\$4,014,273	\$1,422,627	\$1,197,823	\$682,073	\$267,750	\$444,000
Regional Measure 2	\$39,645,538	\$7,293,938	\$1,659,400	\$9,431,450	\$16,676,500	\$4,584,250
Measure A San Mateo County Sales Tax	\$15,002,000	\$7,501,000	\$7,501,000	\$0	\$0	\$0
Carl Moyer	\$4,009,301	\$2,113,400	\$1,895,900	\$0	\$0	\$0
Measure B	\$182,500	\$55,000	\$118,750	\$0	\$8,750	\$0
TOTAL	\$214,615,000	\$53,375,000	\$61,030,000	\$49,670,000	\$39,400,000	\$11,140,000

List of Tasks and Subtasks - Existing Service Transition

1. WETA - Issue Draft Transition Plan
 - 1.1 Prepare Draft Criteria
 - 1.2 Identify IOP System and Available Resources
 - 1.3 Prepare Transition Plan Recommendations
2. WETA - Issue Draft Transition Plan Comment Period
 - 2.1 Develop Printed Materials and Website
 - 2.2 Conduct Public Hearing
 - 2.3 Summarize Results of Public Hearing
3. WETA - Adopt Transition Plan
 - 3.1 Board Hold Hearing
 - 3.2 Board Adopt Transition Plan
4. Vallejo, Alameda, WETA Begin Transfer Negotiations (Govt Code Section 66540.11(e)).
 - 4.1 Develop Principles of Negotiation
 - 4.2 Agree on List of Assets
 - 4.3 Agree on Value of Assets and any city share
 - 4.4 Agree on Structure and Principles of Transfer
5. WETA and Alameda Agree to Transfer of Assets and Schedule of Transition (Govt Code Section 66540.11(e)).
 - 5.1 WETA Legal to Draft Agreement
 - 5.2 City Attorneys to review Agreement
 - 5.3 City Councils/WETA Board Approve Agreement
6. WETA and Vallejo Agree to Transfer of Assets and Schedule of Transition (Govt Code Section 66540.11(e)).
 - 6.1 WETA Legal to Draft Agreement
 - 6.2 City Attorneys to review Agreement
 - 6.3 City Councils/WETA Board Approve Agreement
7. WETA assists Vallejo, Alameda and HBM in supervision and oversight of operating contracts (six month period)
 - 7.1 WETA seconds staff to city services.
 - 7.2 WETA staff develops list of RFP issues.
8. WETA begins negotiations with SFMTA/Vallejo/AC for local transit transfer agreements.
 - 8.1 Initiate staff contacts
 - 8.2 Share information
 - 8.3 Agree to overall transfer structure (towards Translink).
9. WETA requests Translink to prioritize ferry routes for implementation.
 - 9.1 Discuss with Translink members
 - 9.2 Propose water transit implementation schedule
 - 9.3 Initiate Translink; implement final bus transfer agreements.
10. WETA begins paperwork for the transfer of vessel ownership from cities to WETA, effective Jan 1, 2010
 - 10.1 WETA requests transfer per City-WETA Agreement
 - 10.2 Documents Created (USCG/FTA/CTC, etc).
 - 10.3 Documents Filed with USCG (title)
 - 10.4 Documents Filed with FTA/CTC, etc (ownership share)
11. WETA assumes title to vessels.
 - 11.1 Filing Completed with USCG
 - 11.2 FTA/CTC agree to transfer
12. WETA assumes (Assignment) Vallejo, Alameda and HBM contracts; cities formally assign service to WETA
 - 12.1 City sends notice of assignment to contractors
 - 12.2 WETA Board approves contract assignment
 - 12.3 Contracts booked in WETA accounting systems
 - 12.4 WETA hires and assigns staff to services/contract supervision
13. WETA Service Management Initiated
 - 13.1 WETA staff assumes management functions
 - 13.2 Public Information/Customer Service process begins
14. City of Vallejo - Extend B&G Contract to Dec 31, 2010. Contract provides for Assignment by City to WETA.
 - 14.1 Inform FTA of contract extension.
 - 14.2 Inform B&G of assignment.
15. WETA - Extend B&G Contract (for Alameda-Oakland service) to Dec 31, 2010. Contract Provides for Assignment by city to WETA.
 - 15.1 Inform FTA of contract extension.
 - 15.2 Inform B&G of assignment.
16. WETA - Harbor Bay Ferry ; contract expires July 1, 2010, extend to Dec 31, 2010."
 - 16.1 Inform FTA of contract extension.
 - 16.2 Inform HBM of assignment.

- | | | |
|--|--|---|
| <p>17. WETA, Alameda, Vallejo, & Port of SF & Port of Oakland Negotiate Terminal Lease and Use Agreements</p> <p>17.1 Agree on General Principles of Lease/Use Agreements.</p> <p>17.2 Develop model agreement</p> <p>17.3 Provide financial analysis of agreement.</p> <p>17.4 Finalize and Accept Agreement.</p> | <p>22.2 Review previous RFPs; review RFPs from other jurisdictions.</p> <p>22.3 Identify any local or state requirements to include.</p> <p>22.3 Develop basic guidelines for scope of work.</p> <p>22.4 Develop contract boilerplate.</p> <p>22.5 Complete draft RFP.</p> | <p>27. Official Comment Period</p> <p>27.1 Conduct Field Trip of Vessels and Facilities for Bidders</p> <p>27.2 Solicit RFI and comments.</p> <p>27.3 Close comment period.</p> |
| <p>18. Marketing/Branding Campaign</p> <p>18.1 Develop WETA brand image</p> <p>18.2 Develop distribution program</p> <p>18.3 Reinforce WETA brand</p> | <p>23. Release draft operating contract RFP for Industry Review</p> <p>23.1 Release draft for Industry Review.</p> <p>23.2 Solicit written comments.</p> <p>23.3 Meet to discuss any concerns with all potential bidders.</p> | <p>28. Comments Responded and Final Addendum Issued</p> <p>28.1 Review scope comments</p> <p>28.2 Review legal/contract provisions comments</p> <p>28.3 Issue Final Addendum</p> |
| <p>19. WETA Develops, Issues and Awards Waterside Terminal Maintenance Contracts</p> <p>19.1 Conduct analysis of need for separate agreement</p> <p>19.2 Consider separate contract or within ferry operating agreement.</p> <p>19.3 Either issue separate RFP or include in ferry service RFP.</p> | <p>24. Review Industry Comments on operating contract RFP</p> <p>24.1 Summarize comments and analyze.</p> <p>24.2 Revise RFP as appropriate.</p> <p>24.3 Develop Final Draft RFP</p> | <p>29. RFP Proposal Period</p> |
| <p>20. WETA-City (Port) Lease & Use Agreements Implemented</p> <p>20.1 Leases effective</p> | <p>25. WETA Board Authorizes operating contract RFP.</p> <p>25.1 Board Authorizes.</p> | <p>30. Proposals Received/Reviewed</p> <p>30.1 Close Solicitation Period</p> <p>30.2 Review Proposals</p> <p>30.3 Check References/Finances, etc.</p> <p>30.4 Establish Selection Committee</p> <p>30.5 Selection Committee Reviews Proposals and Makes Recommendation</p> <p>30.6 Staff Writes Recommendation Staff Report</p> |
| <p>21. WETA-Contractor Maintenance Agreement Implemented</p> <p>21.1 Contract effective.</p> | <p>26. RFP Issued</p> <p>26.1 Staff issues RFP.</p> <p>26.2 Deadlines and comment/RFI period identified.</p> | <p>31. WETA Board Awards Operating Contract</p> |
| <p>22. WETA RFP prep begins developing new operating contract RFP</p> <p>22.1 Document experience seconded to city ferry staffs.</p> | | <p>32. New Operating Contract in Effect</p> <p>32.1 Transition Period</p> <p>32.2 Inspection of Vessels, facilities to be transferred.</p> <p>32.3 Implementation.</p> |

