

MARINE DIVISION

MARINE CAPITAL PROGRAM

Introduction to Program, Goals and Highlights

The Marine Division Capital Program, through contracting with the Ferry District, provides for the infrastructure necessary to deliver safe, reliable and efficient passenger ferry service in King County. It accomplishes this by preserving existing and planning, designing and building new ferry terminals and vessels. This infrastructure gives the Ferry District the physical capability to deliver passenger-only ferry services to its customers.

The program began in 2008 with initial planning, environmental documentation, permitting and design activities for terminal repairs and improvements at Vashon, Seattle and West Seattle. Construction will occur at all three terminals in 2009.

Additionally, work began in 2008 to identify the most cost effective fleet of vessels that meets the operational needs of the Ferry District. In 2009, the Marine Division will lease passenger-only vessels for use on the Vashon route beginning in July, 2009 and in preparation for in-house, year-round service on the Elliott Bay Water Taxi.

The Marine Division utilizes the framework provided by the King County Department of Transportation's (KCDOT) Mission, Goals, and Objectives as outlined in the 2009 Business Plan. Specifically, the Marine Capital Program helps KCDOT achieve the following goals:

- Provide and maintain safe and secure transportation services and facilities.
- Efficiently move more people and goods throughout the region.
- Deliver transportation services in a way that protects and enhances the environment, advances equity and social justice, and promotes healthy and accessible communities.
- Manage costs and seek revenues to meet growing demand for services and facilities.
- Employ, support, and retain a highly skilled, diverse and productive workforce.
- Ensure that excellent internal and external customer service remains front-and-center for the department.

The division operates under an agreement with the King County Ferry District. The Capital Program will be funded directly by transfers from the Ferry District. The Ferry District's revenues that support the transfer will come from property tax revenues and state and federal grant resources. The 2009-2014 Marine Capital Program plan is projected to total \$126.9 million. This is in addition to \$1.4 million that has been requested for appropriation in a 2008 supplemental. The 2009 program focuses on leasing vessels on an interim basis; designing and developing an acquisition strategy for new vessels; and designing, repairing, preserving, improving and creating terminal facilities. The maintenance needs of the fleet will be provided for by acquiring interim and long term moorage and maintenance facilities.

During 2008 and the first half of 2009, the Marine Division will contract with Washington State Ferries (WSF) to provide service on the Vashon route. The Elliott Bay Water Taxi service will continue to be provided by contracting with Argosy for 2009. In the second half of 2009, the Marine Division will lease a vessel or vessels to provide service on the Vashon route. This vessel will be staffed with King County employees. Two additional vessels will be leased for service in December 2009 in preparation for Elliott Bay Water Taxi in-house, year-round service.

Concurrently, the division will be working to complete the design requirements for a contract or contracts to procure up to five new vessels.

In 2008 the division will begin terminal planning efforts for improvements at WSF's Seattle Pier 50. Planning activities will also begin at Vashon and planning and design will occur at West Seattle to preserve and improve existing facilities. The division will also acquire an interim moorage and maintenance site and develop a long term moorage and maintenance plan. Finally, the division will develop interim terminal facilities for the demonstration routes as they are identified. In addition to completing terminal construction projects and designing and acquiring vessels for the system, this program includes funding for infrastructure necessary to support fare vending, fare collection and to prepare for integration with the region's smart card program scheduled for implementation in 2009.

Project Prioritization Methodology

As the Capital Program is supporting a new service area for King County and the Ferry District, original priorities are for projects that allow the service to be offered and expanded as planned when the property tax levy was adopted. The program will be designed and prioritized under the direction of the Ferry District with emphasis on ensuring that the transition to county service is smooth and seamless. Maintaining the schedule commitments for the new demonstration route roll out will also be a priority. Of course, safety and security projects will be addressed as quickly as possible.

Consistent with these priorities, the largest portion of this program is associated with providing infrastructure. Roughly 49 percent of the total Capital Program is related to leasing or acquiring vessels. This includes the first and second flight of vessel purchases of five vessels each for a total of ten vessels. Forty percent will be devoted to improvements at existing terminals and developing terminals for the demo routes. Finally, 11 percent is devoted to interim and long term moorage and maintenance facilities. Table 1 below displays the Capital Program by Category.

Marine Division Capital Program by Category

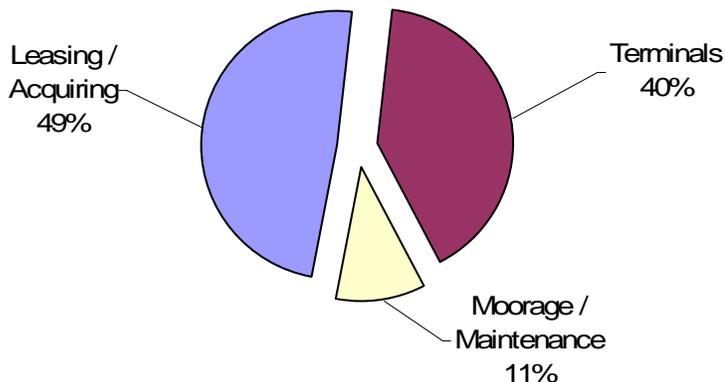


Table 1

Growth Management and Comprehensive Plan Issues

The division is working with the Ferry District to determine the Growth Management Act requirements for the new service.

Financial Planning and Policy Overview

The King County Council created the King County Ferry District in 2007. The Ferry District then imposed a property tax to support passenger only service in King County. The Ferry District will collect the tax and collect state and federal grants to support the service. The operating requirements for the service are to maintain the West Seattle and Vashon routes to downtown Seattle and establish five new routes over the next five years. The five new routes will each consist of a two year demonstration phase and a one year transitional phase leading to implementation of full-time, year-round service.

The proposed financial plan assumes that the Ferry District will subsidize Marine Division operations and maintenance. Ferry District fund balances combined with federal and state grants will be used to fund the Marine Division Capital Program. It is anticipated that bond sales will be required to meet the projected cash flow needs of the Capital Program. Debt service will be funded by the Ferry District from tax revenues.

In September, 2008, the Ferry District approved a capital budget of \$1.4 million. King County Council approval is anticipated to occur in October 2008. The 2009 proposed budget totals \$32.7 million in expenditure authority. The total 2009-14 Marine Division Capital Program appropriation request is \$126.9 million.

The proposed budget has a 2009-14 expenditure cash flow of \$122.8 million.

2009 Significant Project Highlights

The following table displays the projects with 2009 funding request.

Significant Projects Transit Capital Improvement Program	2009 Executive Proposed Budget	Continuation of Existing Project
Vessel Leases	\$3,805,000	X
Vessel Acquisition Phase 1	\$16,791,477	X
1 percent for art	\$169,611	
Interim Moorage / Maintenance Facility	\$890,847	X
Vashon Major Maintenance	\$500,000	
Seattle Terminal Improvements	\$5,839,280	X
Vashon Terminal Improvements	\$2,360,460	X
Seacrest Interim Improvements	\$2,358,270	X

Vessel Leasing for Vashon and Elliott Bay Water Taxi: \$3,805,000

This project provides for leasing vessels on an interim basis for the Vashon Island and Elliott Bay routes until such time as vessels suitable for purchase are identified or vessels are delivered from a new construction program. The use of leased vessels is recommended in the *King County Passenger-Only Ferry Service Implementation Plan* (November 2007). Three vessels will be

leased, one for the Vashon Island route, one for the Elliott Bay route, and one as a backup vessel. The first vessel is planned to be available in June, 2009 with the second and third vessels to be available in December 2009. Based on current scope and cost estimates, the projected total cost for this project is estimated at \$5,542,031 in the six-year capital plan.

The plan recommends the use of leased vessels for the Vashon Island route starting on July 1, 2009, when King County takes this route in-house, but potential improvements in operating efficiencies may justify executing a vessel lease for this route before the end of the current operating agreement with WSF. Terms and conditions of the interagency agreement with WSF were, in fact, developed to allow for the option of an early lease.

Additionally, leased vessels for the Elliott Bay route and a backup (to be shared by the two routes) are required to take operation of the Elliott Bay Water Taxi in-house. In-house operation is scheduled begin January 1, 2010 consistent with the *King County Passenger-Only Ferry Service Implementation Plan* (November 2007).

Vessel Design and Acquisition (first five vessels): \$16,791,477

With the passage of the 2008 supplemental request the Marine Division will begin developing options for the ultimate fleet configuration and vessel operating characteristics or capabilities. This project will fund the planning, development of owner's specifications, and shipyard contract to acquire new vessels for the Vashon Island and Elliott Bay routes built to the county's specifications as well as additional vessels for service on the demonstration routes as determined by the Ferry District. These vessels will replace the leased vessels used on these routes on an interim basis.

Acquisition costs, including design and other startup costs, are estimated at \$27,348,891¹ for a five vessel construction program. The first vessel is scheduled for delivery in 2011 and subsequent vessels delivered one every six months through 2013.

Seattle Terminal Interim Improvements: \$5,839,280

This project comprises the near-term repairs and improvements to the Seattle passenger-only ferry terminal identified in the *King County Passenger-Only Ferry Service Implementation Plan* (November 2007). The WSF passenger-only ferry terminal at Colman Dock needs upgrades and repairs, including: replacement of the tent installed in 1990; replacement of the existing steel float with a concrete float; ADA-related upgrades; work on the barge, gangway, and access pier; and improvements related to security, ticketing, signage, and emergency access. Based on current scope and cost estimates, the projected total project costs are estimated at \$6,146,280 in the six-year capital plan.

The 2008 supplemental includes planning funds to conduct due diligence to confirm terminal component condition. Additional coordination with potential regional passenger-only providers will be conducted to determine the final configuration of the Seattle facility and to determine the potential for regional coordination on funding for improvements.

Vashon Terminal Improvements: \$2,360,460

This project has two components, the first of which addresses maintenance and repair needs identified in the *2006 Washington State Ferries Terminal Structural Inspection Report* and confirmed via a site visit by the team that prepared the *King County Passenger-Only Ferry Service Implementation Plan* (2007). In particular, it includes work on the float, guide piles,

¹ Includes \$169,611 in 2009 plus \$103,318 for a total of \$272,929 over the life of the project for the "One percent for art" program.

fendering, and gangway at the Vashon Island passenger-only facility. The second component comprises improvements including ADA-compliant gangplanks, installation of ticket vending machines, a security gate, and passenger information and signage. Based on current scope and cost estimates, the projected total project cost is estimated at \$2,483,460 in the six-year capital plan.

The 2008 supplemental includes planning funds and budget to develop an RFP for the design of the Vashon improvements. As with Seattle, engineering due diligence will be conducted during 2008 at the Vashon site to confirm the condition of the terminal facility components.

Seacrest Interim Improvements: \$2,358,270

Currently, the Elliott Bay Water Taxi operates from late April through October 31 using a floating timber dock adjacent to the fishing pier at Seacrest Park. In 2009, service will begin roughly one month earlier. The dock is dismantled in the fall to prevent winter storm damage. This project replaces the existing wooden floats with a concrete float, provides a stronger piling system, and builds a new boarding platform, which will allow year-round service. In addition, it provides a new covered holding area, an ADA-compliant gangplank, and various lighting, utilities, ticketing, signage, and emergency access improvements. Year-round service will not be feasible without improving the float and boarding platform. Project planning and design will be coordinated with planning for the permanent facility. Based on current scope and cost estimates, the projected total project cost is estimated at \$2,778,270 in the six-year capital plan.

The 2008 supplemental request includes design funds and construction funding for some in-place replacement of piles. It is envisioned that the construction will be completed in 2009 in preparation for in-house, year-round service beginning January 1, 2010.

Interim Moorage / Maintenance Facility: \$890,847

To date, the county's contractors, WSF and Argosy, have been responsible for vessel maintenance and moorage on these routes under the terms and conditions of the contract and charter. When the Ferry District assumes direct responsibility for operating these routes using leased vessels in 2009, it will also be responsible for their moorage and maintenance, which will require development of a facility, at a location to be determined. Based on current scope and cost estimates, the projected total project cost is estimated at \$1,088,847 in the six-year capital plan.

Ultimately, a permanent moorage and maintenance facility with a concrete float large enough to moor all vessels with easy access for maintenance and outfitting is envisioned as part of the *King County Waterborne Business Plan* (April 3, 2007). The permanent facility is also planned to provide service vehicle and employee parking and maintenance facility offices. However, developing the permanent facility will require a substantial planning, design and construction effort over several years. As such, an interim facility (intended for three to seven years of use) is needed until the permanent moorage and maintenance facility becomes available.

Vashon Major Maintenance: \$500,000

From the period between July 1, 2008 through June 30, 2009, the Ferry District will contract with WSF for service to Vashon Island, which will entail using WSF-owned and operated terminals and vessels. This contingency would only be used in the event of an unexpected capital or major maintenance need on the vessel or terminal side. Funds could be used to make repairs or lease a substitute vessel.

CIP Program Accomplishments and Completion Lists

Projects to be Completed in 2009

359120	Interim Moorage / Maintenance Faciltiy
359160	Vashon Major Maintenance Contingency
359130	Seattle Interim Improvements
359140	Vashon Terminal Improvements
359160	Seacrest Terminal Improvements