



Agenda Item No. 5

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of February 26, 2009

From: Alan R. Zahradnik, Director of Planning  
James P. Swindler, Deputy General Manager, Ferry Division  
Celia G. Kupersmith, General Manager

Subject: **APPROVE AN AMENDMENT TO THE MASTER ORDINANCE  
RELATIVE TO AN INCREASE IN THE SPECIAL EVENT FERRY FARE  
BETWEEN THE LARKSPUR FERRY TERMINAL AND AT&T PARK**

**Recommendation**

The Finance-Auditing Committee recommends that the Board of Directors authorize an increase in the Special Event one-way ferry fare between the Larkspur Ferry Terminal and AT&T Park to \$8.00 from the current \$7.50, effective March 1, 2009. The fare increase is in response to the need to raise operating revenues to meet operating expenses.

**Summary**

Master Ordinance 2008 contains current policy for providing Special Event Larkspur-to-AT&T Park ferry service and setting the fares for the service. The District requires that fares be set to generate sufficient passenger revenues to cover the cost of providing the service. The current fare of \$7.50 one way was set in 2008. Board action to set fares for this service is needed since the first game for the San Francisco Giants baseball team at AT&T Park is April 2, 2009.

Staff estimates it will cost approximately \$551,000 to operate Special Event service to 79 Giants home games in 2009. Therefore, in keeping with the goal to “break even” and with an estimated average ridership per ferry trip of 436 passengers, the price of a one-way ferry fare ride would be \$8.00. The following table compares the current 2008 and proposed 2009 one-way Special Event ferry fares:

<b>Larkspur to AT&amp;T Park</b>	<b>CURRENT 2008 SPECIAL EVENT ONE-WAY FARE</b>	<b>PROPOSED 2009 SPECIAL EVENT ONE-WAY FARE</b>
Adults and Children over 5 yrs. of age	\$7.50	\$8.00
Children 5 yrs. old and under	FREE	FREE

The proposal consists of a 6.7% fare increase for Special Event Larkspur-to-AT&T Park ferry service. District policy is that no youth, senior and disabled discounts are offered for special event services. Fare is not required for up to two children ages 5 and under per fare-paying adult.

Staff issued public notice of the proposed fare increase on January 27, 2009, initiating a public comment period that ended with a public hearing at 9:30 a.m. in the Board Room prior to the Board of Directors meeting on Friday, February 13, 2009. During the public comment period, one comment was received stating that the total fare for family groups would be more expensive than driving and requesting consideration of a 25% discount for groups of 3 or more persons. No comments were received at the public hearing.

After considering the public comment, staff continues to recommend the proposal without modification because offering a discount for groups of riders would necessitate a higher fare increase than \$8.00 for individuals in order to obtain sufficient fare revenue to cover service cost unless the discount increases ridership enough to offset the discount, which is unlikely considering the relatively low price sensitivity of public transit customers.

### **Fiscal Impact**

The policy and intent of the District's Special Event services is to set fares at a "break even" level. Based on this premise, it is estimated that costs in 2009 will be approximately \$551,000 and require a fare increase. It is also estimated that approval of the one-way fare at the "break even" level of \$8.00 per passenger will generate revenue of approximately \$551,000 in 2009.