



Agenda Item No. 2

To: Transportation Committee/Committee of the Whole  
Meeting of November 18, 2010

From: Ron Downing, Director of Planning  
Z. Wayne Johnson, Deputy General Manager, Administration & Development  
James P. Swindler, Deputy General Manger, Ferry Division  
Joseph M. Wire, Auditor-Controller  
Denis J. Mulligan, General Manager

Subject: **APPROVE CHANGES TO GOLDEN GATE FERRY FARES FOR PASSENGERS USING THE CLIPPER<sup>SM</sup> CARD PROGRAM AND CHANGES TO WEEKDAY SCHEDULES**

The Transportation Committee recommends that the Board of Directors approve the following actions relative to changes to Golden Gate Ferry fares for passengers using the Clipper<sup>SM</sup> Card Program and changes to weekday ferry schedules, as called for in Initiatives 13 and 9 of the *FY 09/10 Financial Plan for Achieving Long-Term Financial Stability*:

1. Changes to Golden Gate Ferry Fares for Passengers Using the Clipper<sup>SM</sup> Card Program
  - a. Adopt a 10% increase in Clipper fares for ferry passengers using Clipper<sup>SM</sup> cards (formerly referred to as “Frequent Rider” fares available through the Clipper Program);
  - b. Authorize the filing of Notices of Exemption in the counties of Marin and San Francisco; and,
  - c. Amend the Master Ordinance accordingly. **Ordinance**
  
2. Changes to Golden Gate Ferry Schedules
  - a. Approve schedule changes to weekday Golden Gate Ferry service to improve operational efficiencies and generate cost savings, as outlined in this report; and,
  - b. Authorize the filing of Notices of Exemption in the counties of Marin and San Francisco. **Resolution**

**Summary**

On August 6, 2010, the Board authorized staff to proceed with a public review process for proposed changes to Golden Gate Ferry fares and schedules in response to Initiative 9 (eliminate trips with low ridership) and Initiative 13 (reduce Ferry Fare Discount for Translink riders from 40% to 30%) of the *FY 09/10 Financial Plan for Achieving Long-Term Financial Stability* (Plan) to respond to the District’s then five-year \$132 million shortfall that is currently projected at \$89 million.

The originally proposed reduction in the Translink/Clipper discount from 40% to 30% corresponds to a \$1.40 increase (31.8%) in the one-way Sausalito fare and a \$0.65 increase (12.6%) in the one-way Larkspur fare.

After extensive public outreach and a careful consideration of the over 400 public comments received staff is proposing a revised, more modest fare increase as follows:

	Current Clipper Fare	Original Proposed Clipper Fare	Revised Proposal
Larkspur	\$5.15	\$5.80 or a \$0.65 increase	\$5.70 or a \$0.55 increase
Sausalito	\$4.40	\$5.80 or a \$1.40 increase	\$4.85 or a \$0.45 increase

This revised proposal corresponds to a 10 percent increase in the Clipper fare for both Larkspur and Sausalito customers. Staff is proposing this smaller change within the context that next spring staff will evaluate and present to the Board analysis and proposals regarding Initiative 15 (Charge for Parking at Larkspur Ferry) and Initiative 25 (Renew Transit Fare Increase Plan: Annual 5% Fare Increases) of the *Plan*.

The originally proposed schedule changes included modifying five Sausalito trips as well as extensive changes to Larkspur service. The originally proposed Larkspur changes included rescheduling 13 trips (including using a slower Spaulding for the first weekday morning trip from Larkspur), the elimination of three year-round crossings and the elimination of two additional trips from October 1<sup>st</sup> through March 31<sup>st</sup>.

The revised proposal makes no schedule changes to Sausalito service and introduces a two-season schedule for Larkspur with no changes in the summer season (April 1<sup>st</sup> – September 30<sup>th</sup>). Ferry ridership is lower in the wintertime, so the revised schedule proposes the following changes for the winter season schedule (October 1<sup>st</sup> – March 31<sup>st</sup>): eliminate one mid-day round trip, eliminate the 5:20 p.m. Spaulding trip from San Francisco to Larkspur, and eliminate one late evening round trip. The proposed revised Larkspur ferry winter season schedule is shown in Attachment C.

The revised fare and schedule proposal has been discussed with the Ferry Passengers Advisory Committee (FPAC) and they passed a resolution supporting the revised proposal. Staff's outreach efforts and detailed breakdown of the revised fare and schedule proposal can be found in Attachment A. Details regarding the public comments received relative to the proposals as of close of comment period, October 7, 2010 at 4:30 pm, are attached as Attachment B.

## **Title VI Analysis**

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color and national origin in programs and activities receiving federal financial assistance. In accordance with FTA guidelines, staff has examined the impact of the proposed service and fare changes on minority, low income and disadvantaged communities and documented its analysis and findings in a written report that will be submitted to FTA. Both ferry routes are oriented toward trips to and from San Francisco rather than towards local trips. The users of these routes are

predominantly non-minority, from middle to upper income communities. Based upon a review of available Census and ridership data, staff has concluded that no disparate impact to minority, low income, or disadvantaged communities under Title VI will result from the implementation of these changes.

### **California Environmental Quality Act (CEQA) Analysis**

Staff analyzed the proposed ferry and fare changes for possible impacts under the California Environmental Quality Act (CEQA). An overview of the staff analysis is shown in Attachment D. The schedule changes as proposed do not fall under the definition of a “project,” and fare changes are categorically exempt as per CEQA statute. As a result, no further actions or analysis will be required at this time under CEQA, and a “Notice of Exemption” will be filed if the proposed changes are approved by the Board.

### **Fiscal Impact**

The originally proposed changes authorized for public review would have created a combination of cost savings and new revenues totaling and annualizing between \$700,000 and \$1,080,000. The revised package of a ferry fare increase for passengers using Clipper and schedule adjustments would generate an estimated \$421,000 to \$591,000 annually that will contribute toward the cost savings and revenue enhancements identified in Initiatives 9 and 13 of the *FY 09/10 Financial Plan for Achieving Long-Term Financial Stability*. This amount may be augmented by other fare and parking charge initiatives that could be developed under the Five-Year Fare Program that will be presented to the Board in the first half of 2011.

- Attachment A: Additional Information
- Attachment B: Summary of Public Comments and Staff Responses
- Attachment C: Proposed Revised Larkspur/San Francisco Ferry Winter Season Schedule
- Attachment D: Analysis of Possible California Environmental Quality Act (CEQA) Impacts

## Additional Information

### Public Outreach

In order to educate the public about the District's financial condition and receive comments and feedback about the proposed Golden Gate Ferry fare and schedule changes, staff pursued a comprehensive public outreach campaign. Public outreach included the following:

- A formal public hearing notice and associated staff report was posted to the District's web site on September 4 announcing the October 7, 2010, date for the hearing.
- The proposal was presented to the Ferry Passenger Advisory Committee on August 9, 2010.
- A press release was issued to various Bay Area news media outlets by the Public Affairs Director on August 13, 2010, and was posted to the District's web site on the same date.
- Seat drops were distributed on all Larkspur and Sausalito Ferry morning commute trips on September 1 and 15.
- Posters announcing the open houses and the public hearing were displayed on all vessels and in terminals beginning the week of September 1, and on all buses starting September 14. Sandwich boards were put up at terminals the week of September 7.
- Notices for the open houses and the public hearing were placed in various area newspapers; including the *San Francisco Chronicle (North Bay Zone)*, *Marinscope Newspapers (Sausalito Marinscope, Ross Valley Reporter, Mill Valley Herald, Twin Cities Times, San Rafael News Pointer)*, *Marin Independent Journal*, *La Voz*, *Commuter Times* and the *Bay Crossings*, between September 2, 2010 and September 30, 2010.
- Two open houses were held on September 21 and 22 at the SF Ferry Terminal. Additional outreach was conducted at the monthly Ferry Management session at the SF Ferry Terminal on September 7. Display boards and comment forms were translated into Spanish to reach residents from communities of concern.
- During the August to October timeframe, information regarding the open houses and public hearing was posted on the District's web site and broadcasted via the District's social media accounts. Posters announcing the open houses and public hearings were also displayed in transit vehicles. Finally, a series of emails was sent to opt-in subscribers informing them of the open houses and public hearings.
- Information was tweeted via Twitter on August 11, September 24, and October 5 and placed on Facebook on September 24 and October 5.
- A public hearing was held at the Board Room, Administration Building at the Golden Gate Bridge Toll Plaza Building on October 7, 2010.

Staff presented information and received feedback regarding the proposed ferry fare and schedule changes at all of the open houses and public hearings listed above.

### Revised Golden Gate Ferry Frequent Rider Fare Increase Proposal (Initiative 13)

#### *Evaluation of Comments Received*

After careful review of the comments received on the proposal to reduce the discount rate from the adult cash fare for ferry riders using the Clipper card program, staff has revised the proposal. Concern was expressed by riders that the earlier proposal would, in effect, raise Larkspur fares by 12.6% and Sausalito fares by 31.8%. While Larkspur passengers were more concerned about

the impact of the proposed schedule changes, many of those riders suggested that they would be willing to pay a higher fare in return for many of the trips proposed for adjustment not being changed and a more reliable high-speed ferry schedule. In contrast, the largest number of comments from Sausalito riders expressed opposition to the proposed fare change, indicating that they felt that the proposed percentage increase was excessive.

***Revised Fare Proposal Recognizes That Need for New Revenues Has Not Changed***

Initiative 13 of the Plan has a revenue generation target of \$1.1 million per year. Recognizing that the current five-year deficit of \$89 million still needs to be addressed, a revised proposal has been developed. The proposal would raise the Clipper fares (formerly the frequent rider discount fare) on the Sausalito and Larkspur ferry routes by 10% above the current Clipper fares. The revised proposal is estimated to generate between \$186,000 and \$306,000 in new revenues during the last six months of the fiscal year. These amounts are less than the estimated amount of new revenues that might have been generated by the earlier proposal (\$420,000 to \$600,000 annually), and the new proposal would fall short of the target in Initiative 9 (\$500,000 annually). The proposed new fares would be effective January 1, 2011, are shown in the table below.

**PROPOSED REVISIONS TO THE FERRY FREQUENT RIDER DISCOUNT FARE  
AVAILABLE THROUGH THE USE OF CLIPPER CARDS**

	<b>Current Clipper Fare</b>	<b>Proposed Clipper Fare Effective January 1, 2011</b>	<b>Percentage Increase</b>
<b>Larkspur</b>	<b>\$5.15</b>	<b>\$5.70</b>	<b>+10%</b>
<b>Sausalito</b>	<b>\$4.40</b>	<b>\$4.85</b>	<b>+10%</b>

***Other Revenue Generation Ideas Suggested and Evaluated***

Staff considered other comments on the proposed fare changes as well. Some commenters suggested that cash fares be increased so that frequent riders did not bear the burden of the need to reduce the deficit. Others suggested separate fees for bringing a bicycle on board the ferry or advised that the District generate revenue by charging for parking at the Larkspur Ferry Terminal, increase FasTrak tolls on the Golden Gate Bridge, or implement a bicycle/pedestrian toll on the Bridge. Staff considered these comments carefully. However, the proposal that was approved by the Board for public review focused only on fare adjustments for passengers who use Clipper cards, not cash paying passengers, and these other suggestions fell outside what was approved by the Board for public hearing. Staff will bring forward consideration of possible increases in ferry cash and future Clipper Card fares or possible parking fees as part of the new Five-Year Fare Program (Initiative 25). The Five-Year Fare Program will be brought forward to the Board during the first half of 2011, with an anticipated implementation date of July 1, 2011.

**Revised Weekday Schedule Times to Save Fuel and Increase Crew Efficiencies (Initiative 9)**

***Evaluation of Comments Received***

Public comment was received on almost all of the elements of the proposed revisions to Golden Gate Ferry schedules. The large number of comments received on some of these elements caused staff to re-examine the proposed changes to minimize the impacts on large numbers of passengers.

Normally, schedule changes are not advanced to the public hearing process unless they affect more than 25% of the trips or passengers on a route. In this case, the potential existed to affect more than 25% of the passengers using the Larkspur service, and staff recommended a conservative approach that would include the proposed schedule changes in the outreach process.

While over 200 comments were received on the proposed schedule changes, none were received on the proposed modifications to midday Sausalito trips. For the proposed Larkspur schedule adjustments, the largest number of comments expressed opposition to the proposal to shift the 5:50 a.m. and 7:50 a.m. departures from Larkspur to San Francisco to operate 15 minutes earlier. Passengers currently using the 5:50 a.m. departure were especially concerned about a change in the vessel type from a high-speed ferry to a slower Spaulding ferry, which would mean leaving Larkspur earlier to arrive in San Francisco at the same time. Smaller numbers of passengers commented on the proposed Larkspur midday and evening schedule adjustments. Several passengers who commented on the schedule proposals suggested that they would be willing to pay a higher fare in return for not having times adjusted on either the 5:50 a.m. or 7:50 a.m. trips.

### ***Revised Ferry Schedule Proposal***

The large number of comments from ferry passengers on the proposed schedule changes caused staff to re-examine the entire proposal to revamp Larkspur ferry schedules. The proposal to move the 5:50 a.m. and 7:50 a.m. departures to operate 15 minutes earlier was based on previous customer expressions of interest in earlier service at these times. While there were a number of comments received in support of changing the departure times earlier on these two trips, the majority of comments expressed opposition. As a result, the revised proposal retains the current departure times on these two schedules, and they would remain at 5:50 and 7:50 a.m., respectively. Because the earlier proposed changes to Sausalito service were dependent on changes to the Larkspur schedule that are no longer being considered, staff is now proposing that no changes be made to Sausalito schedules.

Recognizing that there is still an interest in developing cost savings to close the five-year deficit, the revised recommendation contains three elements to modify the Larkspur weekday winter (October 1<sup>st</sup> – March 31<sup>st</sup>) schedule in order to generate costs savings, as follows:

Under the revised proposal, the midday Larkspur ferry trips that depart from Larkspur at 11:40 a.m. and from San Francisco at 12:25 p.m. would be eliminated due to low ridership (averaging 65 and 33 passengers, respectively). Capacity is available to absorb those riders on adjacent departures. Because these are off-peak crossings, the riders that would be affected are likely to be leisure travelers who have more flexibility in their travel times. It is anticipated that 80% of midday patrons on the 11:40 a.m. and 12:25 p.m. trips will use adjacent ferry departures while the remaining 20% would utilize single-occupancy vehicles for travel to San Francisco. This represents 17 additional single occupancy vehicle trips per day (8.5% when annualized) during the six-month period (October 1<sup>st</sup> – March 31<sup>st</sup>).

Similarly, the departure from Larkspur at 7:20 p.m. and the departure from San Francisco at 8:10 p.m. would be eliminated during the winter (October 1<sup>st</sup> – March 31<sup>st</sup>). Like the midday trips proposed for elimination in the winter season, the evening trips that would be eliminated carry primarily leisure travelers. The evening trips average 8 and 70 passengers respectively, and capacity is available on adjacent schedules to absorb those passengers. Of the two evening trips proposed for cancellation, it is estimated up to 50% of those taking the 7:20 p.m. southbound trip

and up to 20 percent of those taking the 8:10 p.m. northbound trip will drive instead. This represents approximately 18 new automobile trips generated per day on an annual basis.

During the winter season (October 1<sup>st</sup> – March 31<sup>st</sup>), the 5:20 p.m. San Francisco to Larkspur trip would be eliminated. Currently, a Spaulding vessel is put into service only to operate this one peak trip. Staff has looked at the capacity of the high-speed ferry trips before and after this trip and found that seats are available to absorb riders on the 5:20 departure by slightly modifying the schedule. Instead of the 5:20 p.m. departure on a slower Spaulding vessel, passengers would have a high-speed ferry at 5:30 p.m., and the net effect would be that they would arrive at Larkspur at the same time.

Cost savings would accrue through fuel savings from eliminating the midday and evening trips. More significant efficiencies would be generated by eliminating the 5:20 p.m. crossing during the winter season. This change will allow 228 hours of deckhand labor to be more effectively redeployed in the area of vessel repairs and concentrated evening cleaning of vessels. The revised schedule also eliminates a significant portion of the casual labor that is built into the budget to accomplish maintenance projects throughout the year. With the changes that result from the proposed revisions to the schedule, more intensive maintenance projects will instead be undertaken primarily during the winter season using these labor forces. Other staffing inefficiencies will be corrected as a result of the new schedules that will contribute additional savings.

The net effect of the revised proposal is to eliminate five trips out of the existing 41 trips, or 12% of the total number of weekday Larkspur trips operated. This change is below the 25% threshold required by Board policy for requiring a public process and a formal public hearing. The proposed revised Larkspur ferry schedule is shown in Attachment C. If these changes are approved by the Board, the District will publicize and undertake customer outreach activities during the latter part of November and into December.

If the three schedule revision elements are implemented along with the above-noted staffing efficiencies, an estimated annual savings of \$235,000 to \$285,000 could be achieved. This amount represents approximately \$120,000 to \$150,000 in labor savings, \$110,000 to \$120,000 in fuel savings, and \$5,000 to \$15,000 in maintenance savings. If the proposal is implemented on January 1, 2011, the savings during the fiscal year would range between \$235,000 and \$285,000. This amount is within the range of the estimated savings of \$280,000 in the earlier proposal that was advanced for public review.

**Summary of Public Comments & Staff Responses to  
General Categories of Public Comment  
as of Close of Comment Period (10/7/10, 4:30 PM)**

**Summary**

At the close of the public hearing on October 7, 2010, 413 unique comments were received by the District from 272 individuals. Individuals could comment on the fare proposal, the schedule proposal, or both, and many had multiple comments. As a result, the number of comments tallied exceeds the actual number of people who commented.

Of the 413 comments received, 159 comments were related to the proposal to reduce the discount amount for passengers using Clipper cards and 202 were related to the proposed schedule adjustments. Thirty-eight comments were made in opposition to the backup schedules operated with the Spaulding vessels that were used when a high speed ferry was out of service this summer or expressed general opposition to the use of Spaulding vessels in Larkspur service and were outside the scope of the proposal. Fourteen additional comments were received that were not related to the specifics of the current proposal.

Regarding the fare proposal, of the 159 comments received, 102 comments (64%) expressed opposition to some portion of the fare proposal. Forty-Four comments (28%) expressed general opposition to the proposal, and suggested that other means of generating revenues should be pursued instead of a fare adjustment. Thirteen comments (8%) supported the proposal to adjust the discount rate for Clipper card users.

For the schedule proposal, all of the comments received were from Larkspur riders; there were no comments on the proposed Sausalito schedules. Of the 202 comments received, 164 comments (81%) objected to some element of the proposed schedules. The two elements of the proposal that received the most opposition were changes to the departures from Larkspur to San Francisco at 5:50 am (60 comments of 202, or 30%), and 7:50 a.m. (57 comments out of 202, or 28%). Thirty-eight comments (19%) expressed support for various elements of the schedule proposal.

Finally, 49 comments (12%) were received that were not related to the specific proposal. These comments included topics such as the use of Spaulding vessels in Larkspur service, a desire for improved wi-fi, greener engines on ferries, or dissatisfaction with the time or location of the public hearing.

Attachment A provides a summary of these comments, aggregated by main topic, with a staff response below each topic. Based on the comments received, staff is proposing to modify the proposals that were brought forward on August 6. The revised proposals are described below.

**General Comments**

***Comment: Semantics: Call it a fare increase, Not a Discount Reduction (2)***

***Response:*** Comment is not relevant to the schedule and fare changes as proposed. Marketing campaign was deployed in a clear manner notifying the public via a variety of channels.

***Comment: Public Hearing is a Bad Time or Place (1)***

**Response:** Those unable to attend the public hearing were given the opportunity to comment during the open house as well as the opportunity to comment electronically during the comment period. These comments are given equal weight with those presented at the public hearing.

**Schedule Changes*****Comment: Against 5:50 am Larkspur Change (60)***

**Response:** Due to opposition to proposed schedule change, staff is proposing to leave the scheduled departure as is currently.

***Comment: Against 7:50 a.m. Larkspur Change (57)***

**Response:** Due to opposition to proposed schedule change, staff is proposing to leave the scheduled departure as is currently.

***Comment: Against Following Larkspur Changes – 6:35 am (9); 9:10 a.m. and 10:10 a.m. (5); all a.m. Changes (11)***

**Response:** Due to opposition to proposed schedule change, staff is proposing to leave the scheduled departure as is currently.

***Comment: Against Midday Larkspur Trip Changes Due to Gap in Schedule (4)***

**Response:** Due to the need to conserve scarce fiscal resources and address the District's deficit, those trips with the lowest ridership are being considered for cancellation. The cancellation of the 11:40 a.m. southbound and 12:25 p.m. departure adds an additional 30 minute gap to the existing schedule. Numerous bus options exist during the midday, many of which are likely to be closer to the patron's trip origin point. Options to travel earlier or later on adjacent trips gives travelers an alternative should they wish to not utilize the bus system.

***Comment: Against Larkspur Evening Trip Cancellations (9)***

**Response:** The cancellation of the 7:20 p.m. southbound and 8:10 p.m. northbound departures will add an additional service gap of 30 minutes southbound and 25 minutes northbound. Numerous bus options exist during the commute period to provide alternate service. Cancellation of these departures allows the District to reinvest the revenue towards maintaining the more productive departures in the p.m. commute.

***Comment: Against Schedule Changes in General (8)***

**Response:** In order to sustain the operation of the heaviest patronized trips in the a.m. and p.m. peak periods, a number of cost saving measures affecting a small percent of casual and daily riders will be necessary. Reasonable bus and ferry alternative trips are available to patrons who are negatively impacted by the proposed changes.

***Comments: In Favor of Larkspur Schedule Changes in General (13)***

***In Favor of Larkspur Evening Schedule Changes (7)***

***In Favor of Larkspur Midday Schedule Changes (13)***

***In Favor of Elimination of Late Evening Larkspur Crossings (4)***

Those in favor of schedule changes total 37 commenting individuals.

**Response:** Staff has considered these comments but they are generally outweighed by comments opposed to the proposed changes.

***Comment: In Favor of Larkspur Schedule Changes but Against Fare Increase (1)***

**Response:** While the entire package of schedule change and fare change proposals is presented at the same time, both changes will not necessarily be adopted.

**Fare Changes*****Comment: In Favor of Discount Reduction (13)***

A total of 13 individuals were specifically in favor of the fare changes proposed by the District.

**Response:** Staff has considered these comments but they are generally outweighed by comments opposed to the proposed fare changes.

***Comment: Against Discount Reduction for Larkspur (61)***

**Response:** A total of 66 individuals were in opposition to the discount reduction for a variety of reasons. The proposed reduction has been revised and now represents a 10% increase in the Clipper fare. This discount reduction puts the rate more in line with the bus discount rate while generating revenue to meet the District's goals as outlined in the Financial Plan for Meeting Long-Term Financial Stability.

***Comment: Against Discount Reduction for Sausalito (41)***

**Response:** In total 41 comments were received in opposition to the Sausalito discount reduction. As a result, the reduction as revised will represent a 10% increase in the Clipper fare. Current Sausalito Clipper users receive a 46% discount, which is not in sync with the current bus discount of 20%. Such a discount has been identified as a significant contributing factor to the \$89 million 5-year shortfall.

***Comment: In Favor of Raising Sausalito Cash Fares for Tourists Instead of Commuters (10)***

**Response:** While tourists contribute significantly during peak season to Sausalito patronage and revenue, the proposal at hand does not address the cash fare rates. Future proposals may consider increasing the cash fares, which are disproportionately used by tourists. Although commuters represent a smaller share of the Sausalito market, the Clipper discount is not in line with the current bus Clipper discount.

***Comment: The Discount Rate for Clipper Card Users Should Not be Reduced; Parking Charges Should Be Implemented at Larkspur and Revenues Used to Support Restoring Ferry Feeder Bus Network (6)***

**Response:** A parking charge at Larkspur is not part of the present proposal but could be considered as part of the Five Year Fare Program. The District is not presently constructing a parking garage at the Larkspur Terminal and does not have any immediate plans to do so. As a result, current revenues are not sufficient to reinstitute a ferry feeder bus network at this time.

**Trips Should Be Added Instead of Cut (Total = 7)*****Comment: In Favor of More Later Afternoon p.m. Larkspur Trips (3)***

**Response:** The District is not currently pursuing service expansion during late evening low productivity hours. Operating service during late hours requires an additional crew, which is not supported by the relatively low revenue generated from service expansion.

***Comment: In Favor of More Weekend Larkspur Trips (1)***

**Response:** No weekend trip expansion is planned at present. Such an expansion does not have the necessary ridership demand nor does funding exist. Weekend expansion would significantly contribute to the \$89 million 5-year shortfall.

***Comment: In Favor of More a.m. Larkspur Trips (3)***

**Response:** The District utilizes two high speed vessels currently in the a.m. period. The addition of a third vessel would require an additional operational crew. Such a service would be costly and cannot be supported given the current financial deficit. Current latent demand levels would not be sufficient to fill an entire additional vessel to levels meeting minimum fare recovery ratio standards. Existing backup bus service is currently meeting patron demand that exceeds vessel capacity.

**Other Revenue Ideas Should Be Pursued Instead of Fares*****Comment: In Favor of Paid Parking at Larkspur Ferry Terminal Instead of Fare Increase (6)***

**Response:** A number of strategies are being considered to effectively meet the parking demand at the Larkspur Ferry Terminal. Paid parking is not being considered at the moment but is listed in the “FY 09/10 Financial Plan for Achieving Long-Term Financial Stability” (#15). A parking garage remains part of the District’s long-term strategy, but will not be constructed in the immediate future.

***Comment: In Favor of Increased Bridge Toll/Elimination of FasTrak Discount (2)***

**Response:** A toll increase is included in the list of long-term financial stability cost saving measures (#28 & #29), but the current proposal does not include such an increase.

***Comment: In Favor of Bike/Pedestrian Tolls on Bridge (7)***

**Response:** While a toll on bicycle users and pedestrians crossing the Golden Gate Bridge has been considered in the past, it is not being considered in the current proposal. There is no revenue projection for such a proposal, however it is listed in the “FY 09/10 Financial Plan for Achieving Long-Term Financial Stability” (#31).

***Comment: In Favor of Charge for Bikes on Ferry Charge (16)***

**Response:** A bicycle charge is being considered; however, it is not being considered in the current proposal.

***Comment: In Favor of Coffee Kiosk at LFT to Generate Revenue (1)***

**Response:** At this time no coffee kiosk service is being considered, as it would be in competition with the onboard concessionaire.

***Comment: In Favor of Better On-Board Concessions to Generate Revenue (2)***

**Response:** At present no new concession vendor is anticipated. The quality of the existing service is continually monitored and as of recent, the District has imposed a higher set of standards on the vendor.

### **Complaints on Current Service**

***Comment: Against M.V. Sonoma or M.V. San Francisco Spaulding Vessel Use on 5:20 p.m. departure; Avoids Spaulding Vessels Because of Perceived Lack of Cleanliness and Appearance (16)***

***Response:*** Although capacity is increased on average 70% with Spaulding utilization, District is currently considering a Larkspur schedule that eliminates the need for a Spaulding vessel.

***Comment: Against Current Backup Schedule (17)***

***Response:*** It is anticipated that with a full fleet of four high speed vessels the likelihood of a slow boat backup schedule will be effectively eliminated.

***Comment: In Favor of Fare Discount if Spaulding Vessels are Used in Larkspur Service (1)***

***Response:*** District is not currently seeking any fare reduction programs due to the anticipated 5-year \$89 million District-wide budget deficit.

***Comment: Generally Against the Use of Spaulding Sausalito Vessels (2)***

***Response:*** District is not currently considering a lower capacity fast boat operation on the Sausalito route. Current passenger loads during peak Sausalito periods would require the utilization of two high speed vessels in order to accommodate all patrons, which would be cost prohibitive. Current docking facilities do not permit high speed vessel loading.

***Comment: Against Elimination of Free Muni Transfer (3)***

***Response:*** While the elimination of the free Muni transfer presents an inconvenience for a number of riders, the decision to do so was made by Muni, not the District. This is not related to the current ferry fare proposal.

### **Other Comments Not Related to the Proposal**

***Comment: In Favor of Greener Engines (1)***

***Response:*** Current vessels meet California Air Resources Board (CARB) emissions standards. No new vessels are planned in the near-future due to the recent acquisition of two high speed ferry vessels. On a per passenger-mile basis, a full ferry provides a major reduction in environmental emissions compared with private automobile travel.

***Comment: In Favor of Wi-Fi Improvements (2)***

***Response:*** A new Wi-Fi vendor is currently being sought to provide an improved Wi-Fi service.

***Comment: In Favor of Installation of Sausalito Turnstiles (2)***

***Response:*** It is anticipated that Sausalito along with Larkspur will be equipped with turnstiles in early 2011. This will result in a reduction in the proposed 5-year deficit through the reduction of full-time equivalent positions.

***Comment: In Favor of Monthly Passes/Multi-Ride Discount (2)***

***Response:*** Utilizing Clipper as the form of fare payment provides the same level of deep discount as provided previously by the monthly ticket books. No other tiers of discount fare values are being considered at the moment, as this would significantly reduce revenue during peak periods.

***Comment: In Favor of Free-Ride Promotion for New Riders (1)***

***Response:*** Currently the District marketing department utilizes a variety of techniques to entice new riders, however a free ride promotion is not being considered. At this time a free ride marketing technique is not expected to generate a net increase in revenue. No room exists for new riders on trips already operate at capacity, particularly Larkspur a.m. peak trips, and Sausalito p.m. peak trips.

**Proposed Revised Larkspur/SF  
Winter Season Schedule  
(October 1<sup>st</sup> – March 31<sup>st</sup>)**

**All trips will be provided by a high speed ferry**

<u>Depart Larkspur</u>	<u>Depart San Francisco</u>
5:50 am	6:25 am
6:35 am	7:10 am
7:10 am	7:45 am
7:50 am	8:30 am
8:20 am	9:10 am
9:15 am	10:10 am
10:10 am	10:55 am
11:00 am	11:40 am
12:20 pm	1:05 pm
2:15 pm	2:50 pm
2:50 pm	3:30 pm
3:30 pm	4:10 pm
4:10 pm	4:50 pm
4:50 pm	5:30 pm
5:30 pm	6:10 pm
6:10 pm	6:50 pm
7:10 pm	8:00 pm
8:45 pm	9:30 pm

These times are only proposed and may shift slightly when actual implementation occurs.

**Analysis of Possible California Environmental Quality Act (CEQA) Impacts**

***Regulatory Context***

The California Environmental Quality Act (CEQA) defines a “project” in Section 21065 of the Public Resources Code as “an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” Thus, as a general rule, CEQA only applies to activities that have the potential to cause a significant effect on the environment.

***Service Changes***

Staff has reviewed the revised ferry schedule for possible significant environmental effects. In total, the revised schedule would generate an estimated 42 new daily automobile trips that would occur throughout the day. These patrons currently drive to the Larkspur ferry terminal and therefore already generate “cold start” emissions, which represent a significant amount of total emissions produced during a vehicle trip. The reduction in ferry vessel emissions due to the cancellation of underperforming ferry trips would be the only significant measurable result and would offset any additional automobile emissions. Thus, the relatively low amount of emissions from 42 vehicle trips to San Francisco, as offset by the reduction in emissions from the ferry trips, will be reduced to an insignificant amount. As a result, no foreseeable direct or indirect physical changes to the environment are anticipated due to the availability of convenient alternate scheduled departures. According to Section 15061(b)(3) of the CEQA Guidelines (Title 14, Article 20, California Code of Regulations), “where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.”

***Fare Proposal***

As per CEQA Code of Regulations 15273, *Rates, Tolls, Fares, and Charges*, “CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies (1) meeting operating expenses, including employee wage rates and fringe benefits.” As the proposed fare increases are for the purpose of meeting District operation expenses, they are statutorily exempt from CEQA.