



July 11, 2017

Nick Josefowitz, Chair
Programming and Allocations Committee
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

**Re: Regional Measure 2 (RM2) Program Amendments and Associated Revisions to the FY 2017-18
RM2 Operating Program**

Dear Chair Josefowitz:

In response to unprecedented levels of congestion across the region, the Bay Area Council has been advocating for the development of a comprehensive regional ferry service that will serve the growing needs of commuters throughout the Bay Area. Governor Brown appointed me to serve on the WETA Board due to our commitment to advocate for a robust and integrated system.

Ridership across the Water Emergency Transportation Authority (WETA) system has skyrocketed in recent years, and there is great opportunity to further scale operations to strengthen regional mobility. Ferries offer one of the only near-term capacity enhancement opportunities to help alleviate the region's transportation crisis and sustain future economic growth, and we must ensure that the WETA operating subsidy is not jeopardized in the future.

WETA is dependent on Regional Measure 2 (RM2) bridge toll funds to subsidize its operations, and the agency does not have access to other sources of state or local transit revenue that support other transit agency operations. Thus, it is extremely important to maintain the existing funding commitment as allocated in RM2 to sustain and expand ferry services to meet growing demand.

The Bay Area Council was concerned to learn of the recent proposal to program \$5 million annually in RM2 operating funds to two new projects without assurance that previous commitments for ferry service contained in the original RM2 Expenditure Plan will be available. We support WETA's request that when projected revenues are not sufficient to meet all project needs in the future, the original RM2 projects will be given the first priority for funds. WETA must have access to its full RM2 operating subsidy to ensure that the agency can maintain its existing service obligations and support future system expansion.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Wunderman'.

Jim Wunderman
President and CEO

INTERNATIONAL ORGANIZATION OF MASTERS, MATES & PILOTS

PACIFIC MARITIME REGION / UNITED INLAND GROUP

548 Thomas L. Berkley Way ★ Oakland, CA 94612 ★ Phone 415-543-5694 ★ Fax 415-543-2533

**Via Electronic Mail**

July 11, 2017

Mr. Nick Josefowitz, Chair
and Members
Programming and Allocations Committee
Metropolitan Transportation Commission
375 Beale Street, Suite 800
Sacramento, CA 94105-2066

RE: Please preserve RM2 Operating funds for WETA's Ferry System

Dear Chairman Josefowitz and Committee Members:

On behalf of the two professional maritime unions that work on the WETA's ferry system, including the Inlandboatmen's Union of the Pacific (IBU), Marine Division of the ILWU, I am writing to express our serious concern over the depletion of RM2 operating funds by \$5 million dollars. This proposal may result in service cuts and WETA's ability to start new ferry routes (i.e. Richmond Ferry service in 2018).

RM2 operating funds pay for labor costs to operate and repair vessels. Over 115 union members and their families working on the WETA system depend on RM2 operating dollars for their livelihood. Less toll money could result in job reductions for union workers on board ferries and at WETA's two maintenance facilities: currently in Vallejo and the Alameda Facility under construction.

Our unions worked very hard to get RM2 passed in 2003 and we are disappointed by this proposal. Substituting in two new projects, not designated in RM2, undermines the will of the California Legislature and Bay Area voters who supported an expanded ferry system. Our crews have proudly contributed to the 74% growth in WETA's ferry ridership by providing safe, reliable and good customer service to ferry riders. While ridership is going up, it is not advisable to consider proposals that will decrease funding for WETA's operating costs.

We ask that your agency carefully evaluate the impact of reducing the pool of RM2 operating funds. The other projects should not be funded until **MTC can commit to maintaining a stable and secure source of operating funds for WETA's current and expanded system.** Thank you for your kind attention.

Sincerely,

Captain Raymond W. Shipway
Regional Director, MM&P

Marina V. Secchitano
Regional Director, IBU



City of Alameda California

July 11, 2017

Nick Josefowitz, Chair
Programming and Allocations Committee
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105-2006

VIA EMAIL: KWard@mtc.gov

RE: Request Not to Reduce Transit Operations Monies that Will Affect Operating Funds for Regional Ferry Service

Dear Chair Josefowitz and Commission Members:

Thank you for the opportunity to provide public comment on your proposal to add two new projects to the Regional Measure 2 (RM2) operating program. The City of Alameda is an active supporter and implementer of regional transbay congestion relief through WETA's existing ferry system and connections with AC Transit. As an island community of 80,000 residents, Alameda has limited crossings to the mainland and does not have direct access to a BART station or freeway and at the same time is actively redeveloping the 900-acre former Naval Air Station, one of the few remaining large-scale housing and job priority development areas in the Bay Area. Our residents' commutes to the Bay Bridge and BART through the Webster/Posey Tube, our four bridges and two ferry terminals are at or beyond capacity and cause congestion into feeder streets and highways on transbay routes. City staff believes our ferries are one of the most efficient means of transportation in the congested Bay Bridge corridor and current funding for existing and future planned ferry operations is a critical necessity for existing Alamedans and for redeveloping the former Naval Air Station.

For these reasons, the City is concerned that the new proposal for two new programs totaling \$5 million to be added to the Regional Measure 2 (RM2) operating funds may dilute or supplant crucial operating funding for already committed existing and future regional ferry service. With a new service expansion planned at the Seaplane Lagoon in Alameda at the 900-acre former Naval Air Station, and the new

Office of the City Manager

2263 Santa Clara Avenue, Room 320
Alameda, California 94501
510.747.4700 • manager@alamedaca.gov

Nick Josefowitz, Chair
Programming and Allocations Committee
Metropolitan Transportation Commission

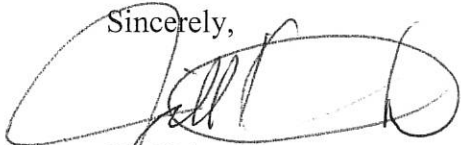
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maintenance facility in Alameda and other plans for expansion in Richmond, Berkeley and the Peninsula, additional operating revenue beyond what is available today will be needed. Without the expected \$20.3 million in operating support, the ferry service may be forced to limit or even reduce critically needed service and could affect the City's ability to redevelop the former Navy base.

While Alameda supports both the Clipper Card and Transbay Terminal projects, we request that alternative funds be identified for those programs that preserve the essential operational funds for regional ferry service. City staff requests that the funding of the Clipper program and Transbay Terminal projects come from funds that do not impact overly prescribed operational sources.

We are happy to discuss our recommendation with you further. If you have any questions, please feel free to contact Jennifer Ott, Base Reuse and Transportation Planning Director at (510) 747-4747.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jill Keimach', written over a large, loopy, handwritten 'J' that extends across the line.

Jill Keimach
City Manager

JK/jo



PRADEEP GUPTA, PH.D., MAYOR
LIZA NORMANDY, VICE MAYOR
MARK ADDIEGO, COUNCILMEMBER
RICHARD A. GARBARINO, COUNCILMEMBER
KARYL MATSUMOTO, COUNCILMEMBER

MIKE FUTRELL, CITY MANAGER

OFFICE OF THE MAYOR

July 11, 2017

Nick Josefowitz, Chair
Programming and Allocations Committee
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105-2006

VIA EMAIL: KWard@mtc.gov

Dear Chair Josefowitz:

The City of South San Francisco supports ferry service as an efficient means of transportation in the congested Bay Bridge corridor and as a means of supporting sustainable development goals. Today, ferries are close to full in the peak hours and more service is needed to address expected growth in the Bay Area.

For these reasons, the City was concerned to learn of the recent proposal to program \$5 million annually in Regional Measure 2 (RM2) operating funds towards two new projects without assurance that previous commitments for ferry service contained in the original RM2 Expenditure Plan will be available. With a new service in Richmond opening in 2018, a new maintenance facility in Alameda and plans for expansion in Alameda, Berkeley and the Peninsula, additional operating revenue beyond what is available today will be needed. Without the expected \$20.3 million in operating support, the ferry service may be forced to limit or even reduce critically needed service.

A future bridge toll measure will help realize the vision for expanded service but the near term needs of our City compel us to send this letter asking that the commitment of existing RM 2 funds be considered carefully. We request that MTC postpone any action to permanently amend the RM2 operating program until assurance can be provided that future ferry operating support will be available.

Sincerely,

Pradeep Gupta
Mayor, City of South San Francisco

Cc: City Council of South San Francisco



July 7, 2017

Nick Josefowitz, Chair
Programming and Allocations Committee
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

**Re: Regional Measure 2 (RM2) Program Amendments
and Associated Revisions to the FY 2017-18 RM2 Operating Program**

Dear Chair Josefowitz:

At its July 6, 2017 regular meeting, the Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority (WETA) reviewed the proposed MTC staff recommendation to program \$5 million annually in RM2 operating funds to two new projects:

1. \$2 million annually to Clipper® for operating support; and
2. \$3 million annually to the Transbay Transit Center for additional operating support.

Our board unanimously endorsed the position described in the June 28, 2017 letter to you from our Executive Director to oppose this proposal without a concurrent commitment from MTC to first fund the full operating commitment originally included in RM2, as contained in the RM2 Expenditure Plan, for WETA's ferry services in the amount of \$20,324,700 annually. As our primary operating subsidy, we cannot underscore enough how important this RM2 commitment is to WETA's ability to maintain, sustain and expand services to meet the growing demand for transbay ferry services. Our concerns with MTC's proposed action are threefold:

1. Process. The MTC process to add two projects to the statutory schedule of projects eligible for RM2 operating assistance provided minimal notice and opportunity for consultation or engagement with affected transit service providers. It is unclear under what authority additional projects may be appended in this manner for RM2 operating assistance. WETA learned of this proposal independently, and only after the public hearing notice was issued. It would have been appropriate and appreciated had MTC contacted WETA to advise of this new development.
2. Public Transit Service Impacts. This proposal, as written, has the consequence of impairing WETA's ability to meet its existing service obligations for all of its routes. The prospect that WETA may have to consider reduced ferry service is antithetical to WETA's mission to expand sustainable regional water transit service for the Bay Area. Richmond ferry service is planned to begin in 2018 and the imminent delivery of six new vessels and the construction of expanded operating facilities is also on the near horizon. The ramifications of the MTC proposal on WETA's ability to meet its existing and future

Nick Josefowitz, Chair
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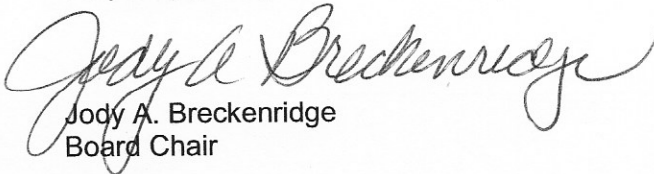
service obligations, should the proposal result in a take-away of funds originally committed in RM2 to support ferries, cannot be overlooked.

3. New Funding Needs. It is well appreciated that the proposed two projects – Clipper and Transbay Terminal Operations – are worthy of funding support. Yet, we feel strongly that RM2 assistance is not the appropriate funding source if the net result of adding these projects will result in a reduction to active projects originally contained in the RM2 legislation and program. We respectfully suggest that an alternate source be identified for these two projects, or, at a minimum, that the two new projects only be funded to the level of funds available after the original RM2 commitment to active projects is met.

Please note that the WETA board of directors took action at its July 6 meeting to support SB 595, the Regional Measure 3 bill to increase tolls on state owned bridges, even though the specifics for RM3 are still under discussion. A suggestion in the MTC staff report that RM3 may be used to backfill RM2 operating assistance commitments to WETA strikes us as going backward, not forward. Rather, RM3 should be the vehicle to ensure WETA has the capital and operating support necessary for a sustainable future. The WETA Board adopted the enclosed Regional Measure Three Principles and Investment Program at its June 2017 meeting that further articulates WETA's capital and operating needs.

We request that MTC postpone any action to permanently amend the RM2 operating program until appropriate understandings have been reached to assure that the proposed action will not reduce the full amount of operating funds available to WETA, as contemplated by the RM2 legislation and expenditure plan. We further propose that WETA have an opportunity to comment on any MTC proposals for RM3 at the earliest possible date.

Very truly yours,



Jody A. Breckenridge
Board Chair

Enclosure

cc: MTC Commissioners
Steve Heminger

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development

SUBJECT: Approve Proposed Regional Measure 3 Principles and Ferry Investment Program

Recommendation

Adopt the proposed Regional Measure 3 Principles and Ferry Investment Program as the basis for enhancing ferry service through a future bridge toll funding measure.

Background

Preparations are underway by the California State Legislature and the Metropolitan Transportation Commission (MTC) to bring a new bridge toll funding measure - Regional Measure 3 (RM3) - to Bay Area ballots in 2018. In anticipation of the new measure, regional agencies such as MTC and Congestion Management Agencies (CMAs) have begun discussions over priorities for programs and projects.

MTC held a workshop for its Commission in December 2016 and an initial meeting with stakeholders serving the Bay Bridge corridor in February 2017. There are likely to be many more discussions over the coming months aimed at developing the best mix of projects and programs to address congestion on the state-owned bridges. The Alameda County Transportation Commission adopted a list of priority projects that included the Berkeley and Seaplane Lagoon terminals along with additional vessels to support WETA service enhancement. The San Francisco County Transportation Authority adopted a list of RM3 projects that included both the Mission Bay and Treasure Island ferry terminals. Contra Costa, Solano and San Mateo counties will likely be developing priorities and conducting discussions with staff and elected officials over the coming year.

WETA adopted its Strategic Plan in October 2016. The Strategic Plan presents a vision for expanded and enhanced ferry service throughout San Francisco Bay. To date, staff has used the full program of projects contained in the Strategic Plan and *Appendix A – Cost Estimate for WETA Expansion and Enhancement Plan* as the basis for RM3 discussions. This program includes a set of projects that supports enhanced services on existing routes, establishing new routes and services and continuing to develop emerging projects. This program requires \$49 million in new annual operating funds and \$725 million in capital funds, including \$575 million to support new assets and \$150 million to provide local match for rehabilitation and replacement of existing system assets (all in \$2017). This plan also presents the case for greater support and flexibility from RM2 funds to support the continued operation of existing services.

Discussion

The State Legislature and MTC are currently meeting with stakeholders and will be developing project lists over the summer months with the goal of bringing a RM3 bill to the floor by September 1, 2017. The proposed principles and investment program contained in this item are intended to serve as an input to these discussions as WETA is asked to prioritize its Strategic Plan projects for inclusion in RM3.

The proposed Regional Measure 3 Investment Principles support development of a program of projects that can be delivered within the next 10 years and would offer near-term congestion relief to the Bay Area's congested bridge corridors. The Regional Measure 3 Investment Program calls for a \$600 million capital investment in the ferry network of the future. An annual operating subsidy of \$41 million would be required at full buildout of the proposed system. For simplicity, this investment is expressed in 2017 dollars. There would need to be an exercise conducted to escalate the dollars for their actual investment year.

At full buildout, the WETA system will offer 15-minute or 30-minute peak service frequencies and 29 vessels serving 14 terminals throughout San Francisco Bay. This level of investment would increase peak period ferry capacity by close to 80 percent, providing the equivalent of 19 BART trains or 474 transbay buses during the AM peak period. Ferry ridership would likely increase to more than 20,000 daily travelers, up from 9,000 today. The Investment Program also can be delivered relatively early, with the first phase of enhancements opening within two years of funding. The detailed breakdown of the Investment Program is included in Attachment A.

Regional Measure 3 Investment Principles

The following draft Principles were developed by staff using the WETA Strategic Plan and subsequent Board discussions as a guide. The Principles are intended to communicate to legislators and other stakeholders the policy basis for the accompanying Ferry Investment Program.

1. Enhance Existing Ferry Services

With current peak occupancies on WETA services ranging from 80% to above 95%, there is a clear need to increase service for today's commuters. Over the past four years, WETA ridership has increased 74% and while other transit properties are seeing a leveling off or decline in ridership, ferry ridership continues to increase. However, the service has reached practical capacity limits in places such as Vallejo and Harbor Bay. The draft principle emphasizing the existing system means that investment will be targeted to the core WETA services first.

2. Add Key Expansion Terminals

The Strategic Plan identifies possible expansion throughout San Francisco Bay with the long-term goal of serving the entire Bay with water transit. However, in the near term, specific expansion sites will help to enhance opportunities for today's commuters and build a foundation for future ferry service. Seaplane Lagoon, Mission Bay, Berkeley and Redwood City are the four terminals that are ready for implementation and will expand ferry service to new markets. Treasure Island is also an important new terminal and service that WETA supports working in conjunction with the San Francisco County Transportation Authority (lead agency).

3. Create Fiscal Stability

Regional Measure 2 provides the backbone funding for WETA and has enabled the dramatic growth of ferry service since 2008. However, the fact that operating funds do not escalate over time and there is no stable source for capital rehabilitation creates a structural flaw in the agency's long term financial health that threatens to erode service over time. Regional Measure 3 represents an opportunity to correct this flaw and provide the needed stability for ferry service to grow.

4. Pursue Implementation-Ready Projects

WETA is completing an investment program largely funded by Proposition 1B that enables the agency to continue meeting demand while positioning WETA to expand and enhance ferry service throughout San Francisco Bay. Given the timelines for developing transportation solutions for other modes, ferries can offer the Bay Area the opportunity for transit enhancement in a relatively expedient period. As a result, new vessels, targeted terminal expansion or enhancement and additional operating funds can increase transit capacity in impacted corridors within 3-5 years. Longer-term projects such as those in the Carquinez Strait are potential opportunities that will require advances in technology to be financially and environmentally viable.

5. Continue Partner Development

Work with local communities to explore options for developing new WETA services.

Water Emergency Transportation Authority

June 8, 2017

Regional Measure 3 Principles and Investment Program

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Regional Measure 3 Ferry Investment Program

The following summary table presents the areas of capital and operating investment required to achieve enhancement and expansion of WETA's ferry service through RM3. Total capital investment is \$600 million while annual operating subsidy would be \$41 million. All estimates are expressed in 2017 dollars.

Description	Investment
Annual Operating Subsidy Operating subsidy assuming 50% farebox recovery at full buildout. Assumes 15- and 30-minute frequencies on all services with new terminals in Berkeley, Redwood City, Seaplane Lagoon and Mission Bay.	\$30 m
Vessels Assumes 17 new vessels, required to enhance existing service and expansion. Assumes a 50% spare ratio.	\$275 m
Terminals Assumes enhancements to existing terminals in Alameda, Oakland and downtown San Francisco along with new facilities in Alameda, Berkeley, Mission Bay and Redwood City.	\$175 m
Regional Measure 2 Escalation Amount needed by 2035 to maintain value of Regional Measure 2 operating funds.	\$11 m
Capital Rehabilitation Amount needed to provide local matching funds for federal and state rehabilitation funding programs over 20 years.	\$150 m

(All values expressed in 2017 dollars)

Projects that will require technological advances (either in vessels or dredging methods) to be viable – specifically those in the Carquinez Strait and the South Bay – are not included for construction in the Investment Program. However, planning should continue for these projects and WETA has a role to play as cities and Congestion Management Agencies consider water transportation in these jurisdictions.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

ATTACHMENT A
WETA Regional Measure Three Investment Program

Maintain Existing Service Levels, Escalation of RM2 Operating Funds

Operating Expenses	Existing Operating Subsidy	Increment Required for Escalation*	Total Subsidy Req'd in 2035*
Alameda/Oakland	\$ 5	\$ 3	\$ 8
Vallejo	\$ 9	\$ 5	\$ 14
Harbor Bay	\$ 2	\$ 1	\$ 3
South San Francisco	\$ 2	\$ 2	\$ 4
Total	\$ 17	\$ 11	\$ 28

(*) Based on additional subsidy required to maintain present value of funds in 2035

Maintain Existing Capital Assets

Capital Expenses	Existing Capital Rehab Need	Increment Required for Escalation*	Total Rehab Need in 2035*
WETA System	\$ 150	84	\$ 234

(*) Based on additional subsidy required to maintain present value of funds in 2035

RM3 Enhancement & Expansion, New Terminals & Terminal Improvements

Terminals	Total Costs	Committed Funding	Needed Funding
<i>Capacity Enhanceent Existing Terminals</i>			
Alameda Main Street	\$ 18	\$ -	\$ 18
Oakland	\$ 18	\$ -	\$ 18
Seaplane Lagoon	\$ 18	\$ -	\$ 18
Downtown North Basin	\$ 30	\$ -	\$ 30
Mission Bay	\$ 46	\$ 7	\$ 39
<i>Enhancement Subtotal</i>	<i>\$ 130</i>	<i>\$ 7</i>	<i>\$ 123</i>
<i>Expansion</i>			
Berkeley	\$ 35	\$ -	\$ 35
Redwood City	\$ 30	\$ 15	\$ 15
<i>Expansion Subtotal</i>	<i>\$ 65</i>	<i>\$ 15</i>	<i>\$ 50</i>
Total	\$ 195	\$ 22	\$ 173

ATTACHMENT A
WETA Regional Measure Three Investment Program

RM3 Enhancement & Expansion, Operating Expenses

Operating Expenses	Service Levels		Total Annual Operating Budget	Operating Subsidy Required	Committed Funding	Needed Funding
	Current	Enhanced				
<i>Enhance Existing Services</i>						
Alameda/Oakland	30	15	\$ 20	\$ 10	\$ 5	\$ 5
Vallejo	40	15	\$ 34	\$ 17	\$ 9	\$ 9
Harbor Bay	60	30	\$ 6	\$ 3	\$ 2	\$ 2
South San Francisco	60	30	\$ 8	\$ 4	\$ 2	\$ 2
Richmond	60	30	\$ 8	\$ 4	\$ 1	\$ 3
<i>Enhancement Subtotal</i>			\$ 76	\$ 38	\$ 18	\$ 20
<i>Expansion</i>						
Berkeley		30	\$ 8	\$ 4	\$ -	\$ 4
Redwood City		30	\$ 12	\$ 6	\$ -	\$ 6
<i>Expansion Subtotal</i>			\$ 20	\$ 10	\$ -	\$ 10
Total			\$ 96	\$ 48	\$ 18	\$ 30

RM3 Enhancement & Expansion, New Vessels

Vessels	Current Fleet	Enhanced Fleet	New Vessels Required	Total Cost	Committed Funding	Needed Funding
<i>Enhance Existing Services</i>						
Alameda/Oakland	3	6	3	\$ 54	\$ 36	\$ 18
Vallejo	4.5	7	3	\$ 59	\$ -	\$ 59
Harbor Bay	2	3	1	\$ 18	\$ -	\$ 18
South San Francisco	2.5	3.5	1	\$ 18	\$ -	\$ 18
Richmond		3	3	\$ 71	\$ 47	\$ 24
<i>Enhancement Subtotal</i>	12	23	11	\$ 219	\$ 83	\$ 136
<i>Expansion</i>						
Berkeley		3	3	\$ 45	\$ -	\$ 45
Redwood City		4	4	\$ 94	\$ -	\$ 94
<i>Expansion Subtotal</i>		7	7	\$ 139	\$ -	\$ 139
Total	12	29	17	\$ 358	\$ 83	\$ 275