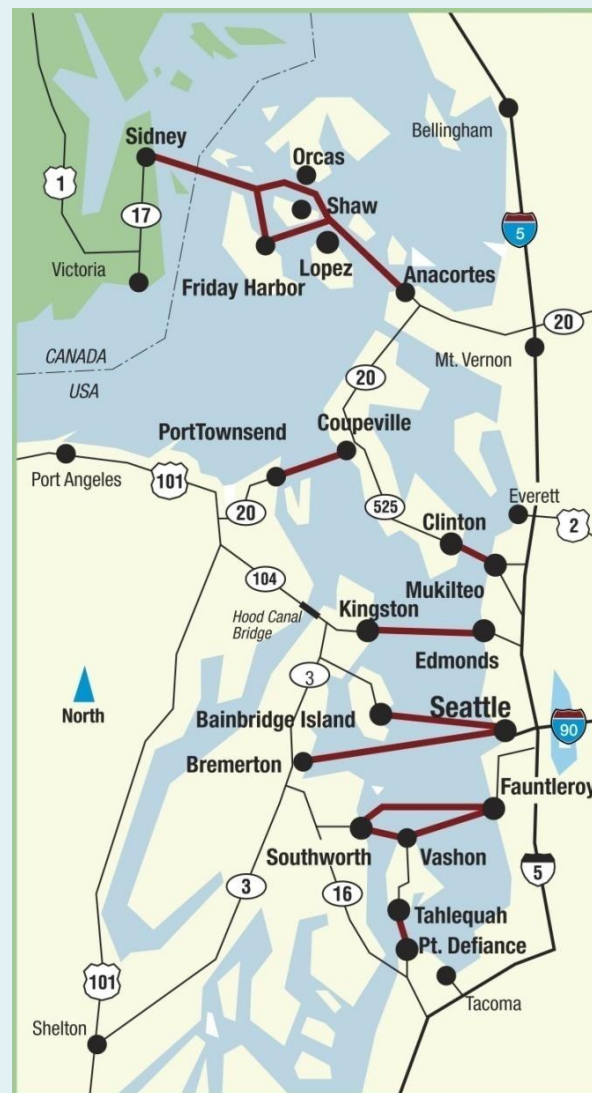


Washington State Ferries Presentation to T2040 Finance Working Group December 8, 2016



System Overview

- 24 million riders per year
- Over 10 million vehicles per year
- Fleet of 23 auto-passenger ferries, 64-cars to 202-cars
- 20 terminals on 10 routes
- 450 departures per day
- 93% on-time performance in 2015



Many things, to many people

WSF wears many hats:

- Marine highway
- Transit agency
- Link in region's multimodal connections
- Mover of freight and goods
- Tourist attraction



Route Characteristics

Route	Commuter	Tourist	Island link	Commercial
Anacortes/Sidney		✓		
Anacortes/San Juan Islands		✓	✓	✓
Port Townsend/Coupeville		✓	✓	✓
Mukilteo/Clinton	✓	✓	✓	✓
Edmonds/Kingston	✓	✓		✓
Seattle/Bainbridge Island	✓	✓		
Seattle/Bremerton	✓	✓		
Fauntleroy/Vashon/Southworth	✓		✓	✓
Point Defiance/Tahlequah	✓		✓	

2015-17 Budget

Operating \$484.3 million

- \$359.0 million from fares

Capital \$ 406.0 million from state and federal sources

- \$8.0 million from capital surcharge

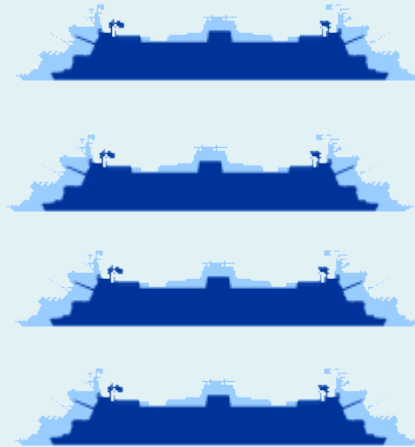
Total \$ 890.3 million

Washington State Ferry Fleet

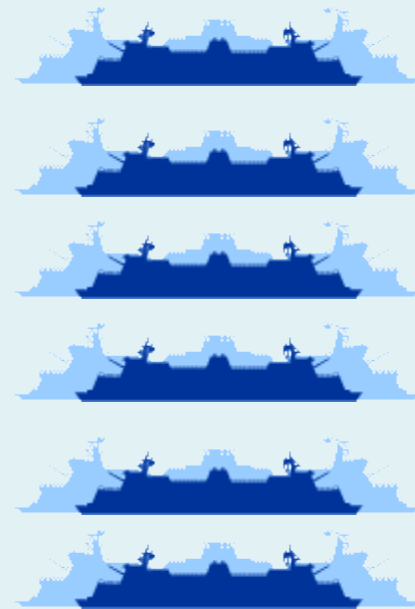
Jumbo Mark II



Super Class



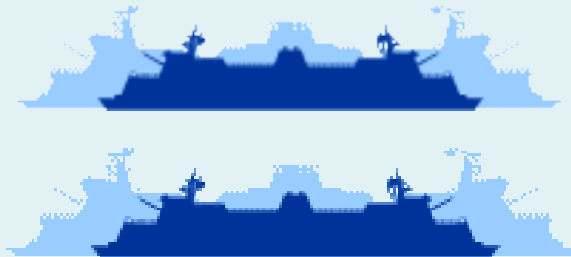
Issaquah Class



Jumbo Class



Olympic Class



Evergreen State



Kwa-di Tabil Class



WSF 2009 Long Range Plan Vessel Replacement Timeline

Procurement #1	Vessel	Replaces
2014	144-car vessel #1	Evergreen State
2014	144-car vessel #2	Hiyu Restore standby/service relief capacity
Procurement #2	Vessel	Replaces
2027	144-car vessel #3	Tillikum
2028	144-car vessel #4	Klahowya
2028	144-car vessel #5	Elwha
2029	144-car vessel #6	Kaleetan
2029	144-car vessel #7	Yakima

Implications:

1. Tillikum retires 9 years past 60 yrs service and 34 yrs past the last re-build
2. Klahowya retires 10 years past 60 yrs service and 33 yrs past the last re-build
3. Elwha retires 1 year past 60 yrs service and 37 yrs past the last re-build
4. Kaleetan retires 2 years past 60 yrs service and 30 yrs past the last re-build
5. Yakima retires 2 year past 60 yrs service and 29 yrs past the last re-build

WSF 2009 Long Range Plan Vessel Replacement- Actual and Potential

Procurement #1	Vessel	Replaces
2014	144-car vessel #1 (Tokitae)	Evergreen State
2015	144-car vessel #2 (Samish)	Hiyu (Restore standby/service relief)
2017	144-car vessel #3 (Chimacum)	Klahowya
2018	144-car vessel #4 (Suquamish)	Hyak
Procurement #2 ?	Vessel	Replaces
20??	144-car vessel #5	Tillikum
20??	144-car vessel #6	Elwha
20??	144-car vessel #7	Kaleetan
20??	144-car vessel #8	Yakima

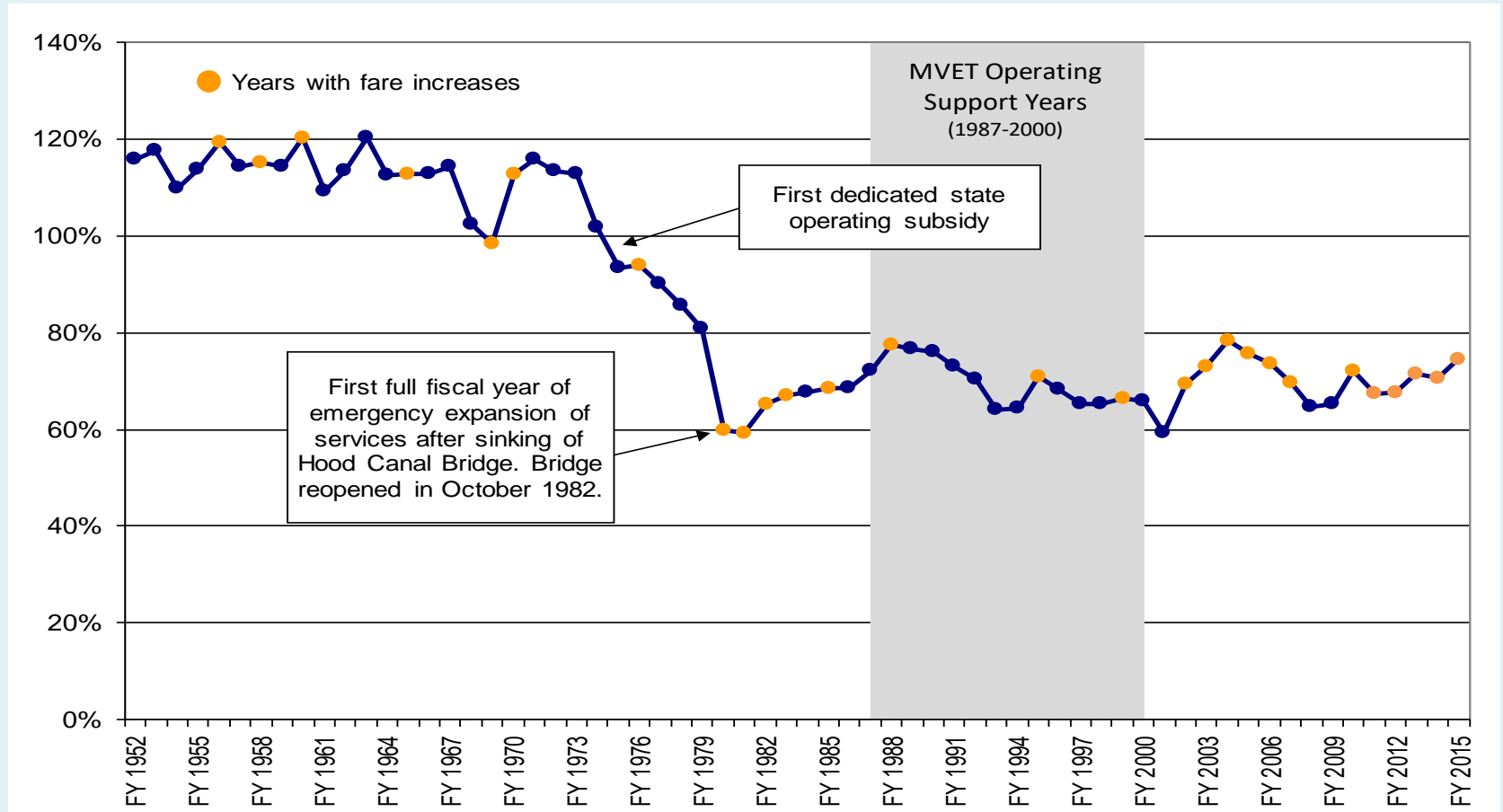
Financial Challenges

- Loss of Motor Vehicle Excise Tax in 1999, 20% of operating support and 75% of dedicated capital funds. Response:
 - Fare increases
 - Service Reductions } With resulting loss of ridership
 - Elimination of passenger only services
 - Transfers of \$1 billion from other transportation accounts
- 31 year average vessel age
- Aging terminals with preservation needs on key components

Fare Increases and Ridership

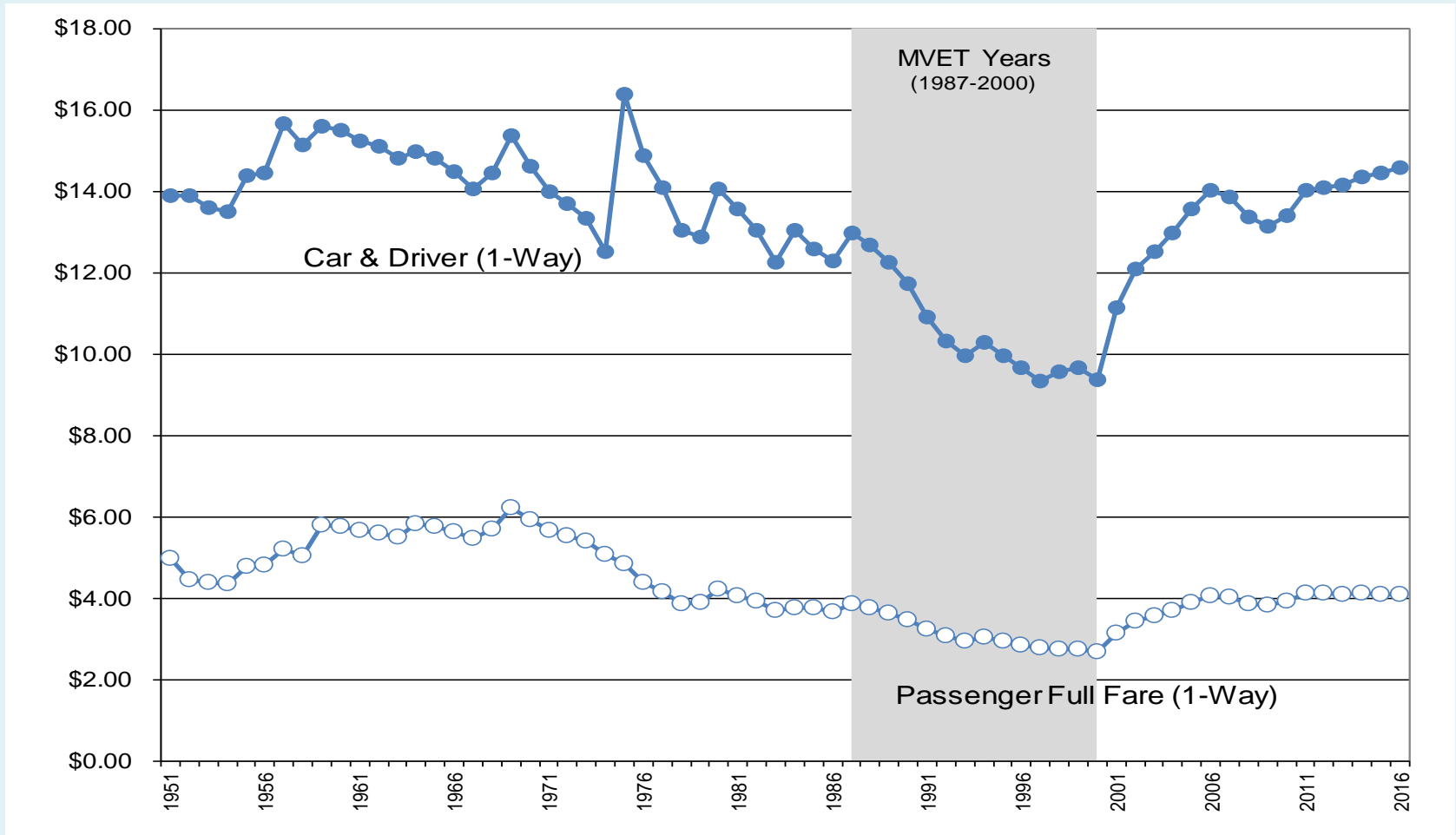
Year	Fare increase	Ridership
1999	4.4%	26,821,231
2000	0.0%	26,701,706
2001	20.0%	26,109,530
2002	12.5%	25,141,467
2003	5.0%	24,376,276
2004	5.0%	24,092,336
2005	6.0%	23,817,366
2006	6.0%	23,937,546
2007	2.5%	23,709,097
2008	0.0%	22,732,794
2009	2.5%	22,737,710
2010	0.0%	22,451,404
2011	(2) @ 2.5%	22,230,041
2012	3.0%	22,181,467
2013	2.5%	22,607,785
2014	2.5%	23,193,659
2015	2.5%	23,882,327

Farebox Recovery Rates over WSF History (1952-2015)



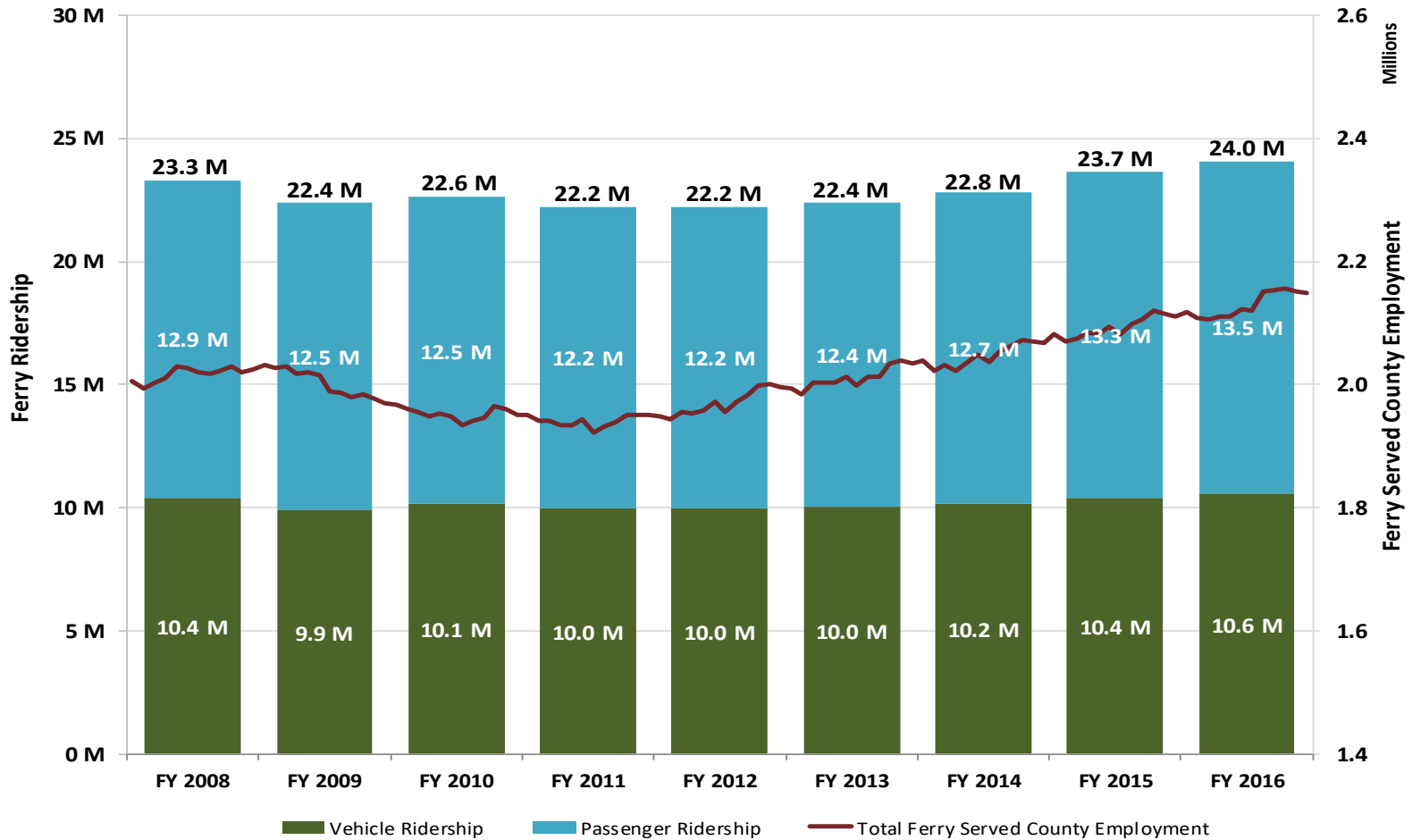
Source: WSF and BERK 2016.

Historic One-Way Central Sound Fares (Adjusted for Inflation)



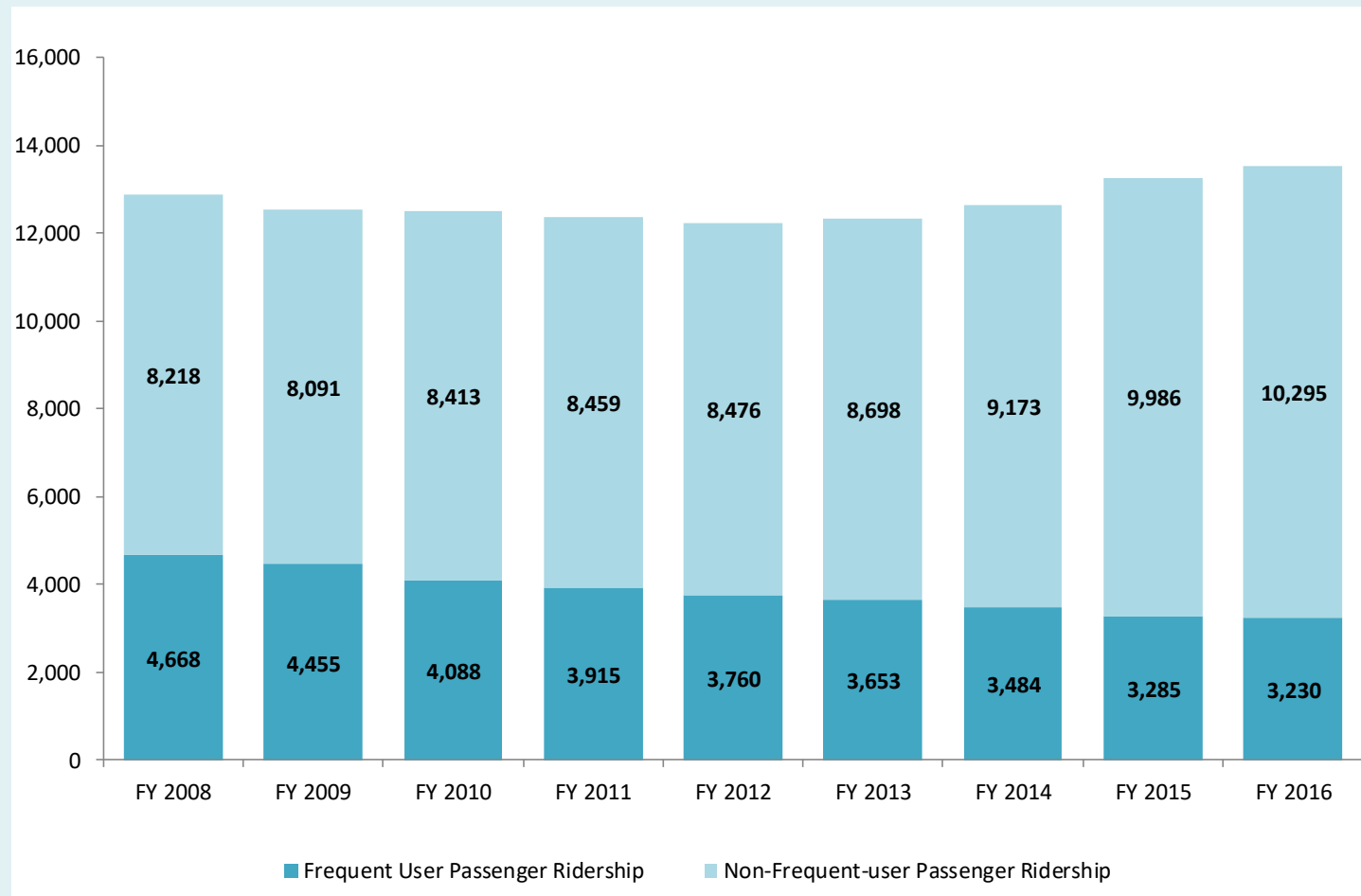
Source: WSF and BERK 2016.

Ferry Ridership and Employment in the Puget Sound region



Source: WSF, BERK, and ESD; 2016.

Passenger Ridership by Frequency



Source: WSF and BERK 2016.

Moving Ahead – T2040 Financial Plan

- Update of vessel replacement costs
 - Change in near-term construction sequence and update long-term estimate
- Update of terminal projects
 - Near-term: Colman Dock and Mukilteo
 - Longer term: Preservation
- Ongoing Coordination
 - WSF update of long-range plan in 2017/2018

Contact

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