



Agenda Item No. 3

To: Finance-Auditing Committee/Committee of the Whole
Meeting of January 13, 2005

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

Subject: **AUTHORIZE THE SETTING OF A PUBLIC HEARING RELATIVE TO
ESTABLISHING SPECIAL EVENT FERRY FARES TO SBC PARK FOR
2005**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize setting a public hearing on Thursday, February 10, 2005, at 9:30 a.m., in the Golden Gate Bridge Toll Plaza, Administration Building, Board Room, for the purpose of receiving public comment relative to increasing the 2005 Special Event one-way ferry fare to \$7 from the 2004 fare of \$6.50.

This matter will be presented to the Board of Directors at its January 14, 2005, meeting for appropriate action.

Summary

The need to address fares for Special Event ferry service from Larkspur Ferry Terminal (LFT) to SBC Park (formerly known as PacBell Park) is herein presented since the beginning of the professional baseball season will begin in early April.

The District's Short-Range Transit Plan (SRTP) describes transit goals, objectives, measures, and standards in the context of the District's Mission Statement. The SRTP specifically states a fiscal objective is to maintain transit fares at levels so that users make a reasonable, financial contribution to meeting the operating costs of the service, and at least 33% of operating expenses should be covered by fare revenue.

In the case of new transit services and discretionary transit services, the Board has adopted a financial policy to encourage outside funding or full user funding to avoid increasing the transit subsidy required from toll revenues. Past practice regarding Special Event fares has been to set the fare at a level that will assure full cost recovery, i.e., a break-even fare.

Special Event ferry services are discretionary trips, and it is recommended that the Special Event ferry fares to SBC Park continue to be set so as to achieve full cost recovery for this service. A proposal for Special Event bus fares for 2005 (to Candlestick Park) will be presented at a future meeting of this Committee.

Methodology to Establish Special Event Fares to SBC Park

The following describes the methodology used by staff to establish Special Event ferry fares to SBC Park at a break-even level.

1. Review Existing SBC Park Special Event Ferry Fare Structure

The District’s Master Ordinance 2004 establishes fares between LFT and SBC Park for professional baseball games and other special events at this location to cover the **total cost of service** and calls for fares to be updated as needed by the Board.

The base fare applies to ferry passengers ages 6 and up with no discounts to employees, elderly, or disabled persons. Children under the age of 6 will be carried at no charge if accompanied by an adult paying full fare, with a maximum number of two children per adult.

There is no proposal to change the current fare structure.

2. Review Quality of Special Event Service

Staff considers the potential of establishing new Special Event fares not solely from the perspective of operating the service, but also in terms of the value provided and costs associated with alternative modes of travel to SBC Park.

Staff compared the quality of service provided for transit customers to SBC Park to regularly scheduled services. The following table shows that Special Event ferry service affords significantly higher level of service compared to regularly scheduled transit services.

	Special Event LFT – SBC Park Ferry Service	Regularly Scheduled GGT Bus and SF Muni Bus Services	Regularly Scheduled Ferry and SF Muni Bus Services
<i>Convenience</i>	Direct “door-to-door” service	Indirect service	Indirect service
<i>Convenience</i>	No transfers	Transfer required	Transfer required
<i>Walking Required</i>	Very little	Yes, at transfer point and possibly near stadium	Yes, at transfer point and possibly near stadium
<i>Travel Time</i>	50 minutes	74 minutes plus waiting time for connecting service	74 minutes plus waiting time for connecting service
<i>Guaranteed Boarding</i>	Yes	No	No

	Special Event LFT – SBC Park Ferry Service	Regularly Scheduled GGT Bus and SF Muni Bus Services	Regularly Scheduled Ferry and SF Muni Bus Services
<i>Purchase Tickets Online</i>	Yes (a)	No	No
<i>Schedules Coordinated with Start and End Times at SBC Park</i>	Yes	No	No
<i>2004 Round Trip Fare</i>	\$13.00	\$10.00 (b)	\$12.30 (c)
Notes:			
(a) A \$6.00 fee is assessed by tickets.com for a round trip ticket purchase. Less than 20% of customers purchase tickets online and pay this fee			
(b) Regularly scheduled Golden Gate Transit (GGT) bus with full Muni fare			
(c) Regularly scheduled ferry with free Muni transfer or walk			

Staff also compared Special Event fares with costs associated with driving to and from SBC Park. The following table demonstrates that Special Event transit service is less expensive than driving alone and competitive with carpooling to a stadium, except in the case of larger groups.

	2004 Special Event Round Trip Fare	Estimated Per- Person Driving Costs: 1 person	Estimated Per- Person Driving Costs: 2 people	Estimated Per- Person Driving Costs: 3 people
<i>LFT – SBC Park</i>	\$13.00	\$20.75	\$10.38	\$6.92
Note: Driving costs include Golden Gate Bridge toll, parking fees at stadium, driving costs per mile, and round trip mileage, as follows:				
(1) Bridge toll = \$5				
(2) SBC Park parking = \$12 assumed (range: \$5 - \$20)				
(3) Driving operating costs = \$0.138/mile				

Staff believes the high quality of service and the competitive costs with driving to the stadium is adequate justification to continue setting Special Event fares to fully cover ferry service cost.

3. Review Overflow Parking Cost

The City of Larkspur has received a proposal to develop property owned by the Ross Valley Sanitary District (Sanitary District) near the LFT. This underdeveloped property has been utilized for LFT overflow parking during weekday afternoon events at SBC Park (approximately 10 events per season) since the opening of this stadium in 2000 and at no cost to the District. The proposed development is required to obtain City of Larkspur Planning Commission approval, City of Larkspur Town Council approval, a General Plan Amendment, various permits, and provide a 90-day notification to the District that the property will no longer be available. Following discussions with Larkspur City staff, District staff estimates it will be able to utilize

the Sanitary District site for at least four out of eight scheduled weekday afternoon games at SBC Park during the 2005 season. In anticipation of project approval, District staff has identified alternative sites to accommodate an average weekday afternoon overflow parking demand of 200 vehicles. Based on preliminary discussions with Marin Airporter, District staff believes it will incur nominal costs during the 2005 baseball season to provide overflow parking and these costs have been included in the fare calculation.

4. Review Cost to Operate Special Event Ferry Service

Direct operating cost estimates provided by the Ferry Division include labor, fuel, docking fees, ticket vendor commissions, security, and maintenance. Indirect costs include overflow parking, administrative support, and an allowance for general administration.

For the 2005 baseball season, staff estimates SBC Park ferry service will cost about \$0.5 million.

5. Review Break-Even Fare and Revenue

The cost estimate determined under item 4 above is also the amount of fare revenue required to break even. Dividing this amount by the estimated patronage yields the fare. Patronage is based on the number of tickets sold during previous baseball seasons and the outlook for the next season.

For the 2005 baseball season, staff estimates SBC Park ferry service will have ridership of about 450 passengers per ferry trip. Therefore, the service will cost \$7.02 per passenger per one-way trip, or \$14.04 per passenger per round trip. Proposed ticket prices are rounded to the nearest quarter.

The following table compares the 2004 and proposed 2005 one-way Special Event ferry fares:

	2004 Special Event Ferry Fare	Proposed 2005 Special Event Ferry Fare
<i>LFT – SBC Park</i>	\$6.50	\$7.00

Fiscal Impact

The policy and intent of the District’s Special Event fare program is to set fares at a “break-even” level. Based on this premise, it is estimated that costs in 2005 will increase and require a fare increase. It is also estimated that approval of fares at the “break-even” level will generate revenue of approximately \$510,000 in 2005.