



Agenda Item No. 3

To: Finance-Auditing Committee/Committee of the Whole
Meeting of January 10, 2008

From: Alan R. Zahradnik, Director of Planning
James P. Swindler, Deputy General Manager, Ferry Division
Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **APPROVE AN INCREASE IN THE 2008 SPECIAL EVENT FERRY FARE
BETWEEN THE LARKSPUR FERRY TERMINAL AND AT&T PARK**

Recommendation

The Finance-Auditing Committee recommends the Board of Directors approve an increase in the 2008 Special Event ferry fare from \$7.00 to \$7.50, effective March 1, 2008, subject to the results of the public hearing. The fare increase, if approved by the Board of Directors following both the public hearing and the presentation of staff report with responses to public comments to the Board on January 11, 2008, would become effective on March 1, 2008.

Summary

The Master Ordinance 2007 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 \$7.00 one way was set in 2005. The need to increase fares for this service is presented in this report since the first home game for the San Francisco Giants baseball team is March 28, 2008.

Staff estimates it will cost approximately \$510,000 to operate Special Event service to 80 Giants home games in 2008. Therefore, in keeping with the goal to “break even” and with an estimated average ridership per ferry trip of 425 passengers, the price of a one-way ferry fare ride would be \$7.50. The following table compares the current 2007 and proposed 2008 one-way Special Event ferry fares:

| | CURRENT 2007 SPECIAL EVENT ONE-WAY FARE | PROPOSED 2008 SPECIAL EVENT ONE-WAY FARE |
|--------------------|--|---|
| Larkspur-AT&T Park | \$7.00 | \$7.50 |

The proposal consists of a 7.1% fare increase for Special Event Larkspur-to-AT&T Park ferry service. No discounts are offered. Fare is not required for up to two children, ages 5 and under, per fare-paying adult.

A public hearing will be held prior to this Finance-Auditing Committee meeting. Assuming that no significant issues are raised that require additional staff analysis, the staff recommendation, along with a summary of key comments made by the public, will be presented at the Finance-Auditing Committee meeting of Thursday, January 10, 2008. The Finance-Auditing Committee's recommendation will be referred to the Board of Directors for action the following day at its regular meeting on Friday, January 11, 2008. Staff will incorporate any fare changes into new marketing materials for the first Giants home game on March 28, 2008.

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 to operate Special Event service to 80 Giants home games in 2008 will be approximately \$510,000 and require a fare increase. It is also estimated that approval of the fares at the "break even" level of \$7.50 per passenger will generate revenue of approximately \$510,000 in 2008.