

State of California  
Business, Transportation and Housing Agency  
Department of Transportation

PROGRAM AMENDMENTS  
Traffic Congestion Relief Applications  
Resolution TA-02-03

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CTC Meeting: February 28, 2002

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February 1, 2002

### **TRAFFIC CONGESTION RELIEF (TCR) PROGRAM APPLICATION APPROVAL**

At the February 28, 2002 California Transportation Commission (Commission) meeting, the Commission will be asked to consider the following Traffic Congestion Relief Program application for \$4,600,000 for the San Diego Unified Port District. A fact sheet describing the project is attached.

- Project #81 - \$4,600,000, Phase 4 for San Diego Ferry; acquire low-emission high-speed ferryboat for new off-coast service between San Diego and Oceanside in San Diego County.  
Applicant Agency: San Diego Unified Port District (SDUPD)  
Implementing Agency: SDUPD  
Advance Requested: \$4,600,000

Department and Commission staff are continuing discussions with the SDUPD. Additional information will be presented at the Commission meeting.

**TCR Program – Application Approval Request for Project # 81**

**San Diego San Diego Ferry; acquire low-emission high-speed ferryboat for a new off-coast service between San Diego and Oceanside in San Diego County.**

(\$ X 1,000)

<i>Estimated Project Cost:</i>	\$6,113	<i>TCRP Funds covered by the application:</i>	<b>\$4,600</b>
<i>Total TCRP Funds Available:</i>	\$5,000	<i>Phases(s) covered in application:</i>	4
<i>Lead Agency:</i>	San Diego Unified Port District (SDUPD)	<i>Implementing Agency:</i>	SDUPD

*TCRP Allocation requested concurrently with application:* **\$4,600** *for Phases(s):* 4  
*Advance requested:* **\$4,600**

**Project Summary:** The TCRP project is to implement a ferry service along the San Diego County coastal corridor that will help relieve traffic congestion on Interstate 5 between Oceanside and San Diego. The applicant is requesting that TCRP funding be used in conjunction with private funding to expand the ferry service to include Marina del Rey in Los Angeles County.

The new off-coast high-speed, low-emission commuter ferry service between San Diego and Oceanside is designed to augment existing ferry service in the San Diego Bay. In addition to ferry operations, land-side infrastructure improvements, including ticket booths, covered benches, dock improvements, and ADA accessibility improvements, will be developed as part of the project. The service would run once from Oceanside south to San Diego in the morning (approximately 46 miles) and return to Oceanside in the evening. The project will be evaluated based on on-going surveys looking at such factors as average number of passengers carried per trip, number of days of total operation, the trends of when passengers use the service, and the success of marketing strategies.

The Port of San Diego has proposed the service be initiated as a one-year demonstration project. The Port has determined that the best option to implement the new service is through a lease agreement with a private company. The demonstration service would be provided using a high-speed ferry capable of carrying 149 passengers. The private partner has developed a business plan that includes the one-year demonstration project between San Diego and Oceanside as a means to evaluate the feasibility and public acceptance of the off-coast ferry service. Once this feasibility has been demonstrated, the business plan includes the initiation of ferry service between San Diego, Oceanside and Marina del Rey for access to west Los Angeles and Los Angeles International Airport. The service to Marina del Rey will be funded through a private investment for operating expenses with additional support from the TCRP for lease costs of the vessel and other fixed expenses. The private company business plan strategy is to expand to an 11-vessel fleet that will provide perpetual service along the southern California coast line. Financial analysis contained in the business plan proposes that the service can operate without the need for on-going public subsidies. The foundation of the business plan is for the demonstration of service to entice private sector investments.

**Summary of Action:** This application requests a project change to use the vessel leased using TCRP funding to initiate the service to Marina del Rey and programs Phase 4 funding to construct landside improvements and initiate ferry operations. This application also includes a minor amendment to adjust the schedules and costs for Phase 1 and Phase 2.

**Cost and Schedule** (\$ X 1,000)

<b>Phase</b>	<b>Scope</b>	<b>Start</b>	<b>End</b>	<b>Cost</b>
1	Studies, Environmental Review and Permits	2/1/2001	<del>4/1/2002</del> <b>3/1/02</b>	<del>\$259</del> <b>\$759</b>
2	Plans, Specifications & Estimates	<del>10/1/2004</del> <b>1/1/02</b>	<del>4/1/2002</del> <b>3/1/02</b>	\$200
3	Right of Way Acquisition			\$0
4	Construct Landside Improvements	3/1/2002	5/1/2002	\$650
4	Implement Ferry Service	6/1/2002	6/1/2003	\$4,504
			<b>Total:</b>	<b>\$6,113</b>

**Funding Plan** (\$ X 1,000)

Source	Type		Phase 1	Phase 2	Phase 3	Phase 4	Total
TCRP	State	Committed	\$200	\$200		\$4,600	\$5,000
		Proposed					
SD Port	Local	Committed	\$59				\$59
		Proposed					
Private	Private	Committed	\$0				\$0
		Proposed	\$500				\$500
Fare-box	Fare-box	Committed				\$554	\$554
		Proposed					
<b>Totals:</b>		Committed	\$259	\$200		\$5,154	\$6,113
		Proposed	\$759				
		<b>Totals:</b>	\$259	\$200		\$5,154	\$6,113
			\$759				

NOTE: The funding table shown is for the one-year demonstration service. Additional private financing in the form of tiered investments of \$30 million is required to initiate the service to Marina del Rey, design and procure the 11 vessels, and establish the permanent service.

**Previous TCRP Action:** An application was approved on October 3, 2001 (Resolution TA-01-15) for Phase 1 and Phase 2.

**Status of Conditions:** Conditions set forth in Resolution TA-01-15 for an allocation of Phase 1 and Phase 2 funding have been met. The Port has submitted a Phase 1 Report that addresses several conditions related to approval of Phase 4 funding.

The outstanding conditions related to Phase 4 approval include:

- Duration of service that can be provided using all available funding.
- Establish performance measures and performance criteria to determine viability of continued service.
- Information to document that the selected ferry provides high-speed service, meets low emission requirements and meets all maritime regulations for intended use.
- Demonstrate that all permits to operate the service have been obtained.

The following conditions from Resolution TA-01-15 is still applicable - Upon completion of the first year of service, and annually thereafter, the Port of San Diego shall report to the Commission on:

- Results of the project as measured against established performance criteria.
- Estimated reduction in traffic on I-5 corridor.
- Viability of ferry service considering other transit modes between San Diego and Oceanside.
- Viability of continued service utilizing farebox revenue and other subsidies.
- Viability of expanded service between Oceanside and San Diego and other destinations.

**Issues / Discussion:** Department and CTC staff are continuing discussions with the Port. Additional information will be presented at the Commission meeting.