Seaplane Lagoon Ferry Service Project Memorandum of Understanding

April 11, 2016

Term, Parties

General	This document establishes the framework for development of a future Seaplane Lagoon ferry terminal and new ferry service connecting Alameda Point and San Francisco that may be implemented as early as FY 2020.
Term	This agreement shall commence on April 7, 2016 and shall remain in effect from the first day of operations through the first 10 years of Seaplane Lagoon Ferry service operations.
Parties	This agreement is between the San Francisco Bay Area Water Emergency Transportation Authority (WETA) and the City of Alameda (City). WETA was established in 2008 as the successor agency to the Water Transit Authority with a mission to consolidate and operate certain existing publicly operated ferry services on San Francisco Bay, expand new routes, and coordinate ferry services in the event of an emergency. The City of Alameda is a charter city and municipal corporation located within Alameda County. The City is an island jurisdiction and acknowledges ferry service as an important mode of regional transit access and traffic congestion relief and desires to initiate new ferry service between Seaplane Lagoon and San Francisco in support of its plans to develop the western area of Alameda commonly referred to as Alameda Point.
Transition Agreement	The City and WETA executed a Transition/Transfer Agreement on February 25, 2011 and the Alameda/Oakland and Harbor Bay Ferry Services were transferred to WETA on April 29, 2011. The Agreement provides for continued operation of the existing ferry vessels and waterside facilities under the management of WETA, and continued operation of the City's landside ferry terminal assets by the City, with reimbursement from WETA. The Agreement also acknowledges the City's desire to have ferry service to San Francisco from Seaplane Lagoon at Alameda Point and sets forth that WETA and the City will work together in good faith to establish a Seaplane Lagoon ferry service and to explore the viability of such a service.
WETA System Expansion Policy	On June 4, 2015 the WETA Board of Directors adopted a System Expansion Policy to serve as a framework for evaluating the feasibility of new ferry projects. This MOU has been developed based on this framework and it is the intent of the City and WETA to further develop a future Seaplane Lagoon ferry service consistent with WETA's System Expansion Policy.

Seaplane Lagoon Ferry Service Plan

Western Alameda Service Strategy	This Agreement acknowledges the City's and WETA's intent to have ferry service to San Francisco from Seaplane Lagoon at Alameda Point and sets forth that WETA and the City will work together in good faith to establish a Seaplane Lagoon ferry service. The City is currently served by three ferry routes operated by WETA, including the Alameda/Oakland Ferry Service. The Alameda/Oakland Ferry Service, which originates at the Main St. Ferry Terminal, represents an effective and long-standing mode of regional transit access between the western portion of Alameda and San Francisco. Service is provided during weekday commute and midday periods, as well as weekends. During peak operating periods, the Alameda/Oakland Ferry Service is provided by the concurrent operation of two vessels. The Main St. ferry terminal is also served by the South San Francisco Ferry Service, which operates during weekday commute periods to and from Oyster Point Marina in South San Francisco. Approximately 800 parking spaces are available for ferry patrons at or in close proximity to Main St. ferry terminal. WETA and the City acknowledge that a future Seaplane Lagoon ferry terminal represents a strategically beneficial opportunity for enhancing ferry service between the western portion of Alameda, currently served by the Alameda/Oakland Ferry Service, and San Francisco. Furthermore, it is acknowledged that, during the commute periods, the existing Main Street ferry terminal service has limited ridership capacity. Continued ridership growth is anticipated not only from increasing residential and job growth at Alameda Point, but also from the rest of Alameda/Oakland. WETA and the City studied three ferry service expansion alternatives: • Adding a third vessel to the existing service at Main Street • Shifting all service to Seaplane Lagoon • Expanding service to Seaplane Lagoon while maintaining the existing Main Street service After evaluating the alternatives, expansion service to Seaplane Lagoon while maintaining the existing Main Street service was identified as a mutually beneficial approach to accommodate ongoing demand for ferry service in West Alameda. In response to existing and projected ridership demand, WETA and the City agree to make it a priority to establish a commute-oriented ferry service between Seaplane Lagoon and San Francisco. The Seaplane Lagoon ferry service will be initiated once operating funds and terminal and vessel assets are secured to operate the expansion service. The City and WETA agree that, at a minimum, the existing levels of service and current amenities, including both the quantity of on-street and off-street parking facilities, will be maintained at the Main St. ferry terminal irrespective of future Seaplane Lagoon ferry service being implemented.

Seaplane Lagoon Service Plan	Commute-oriented Seaplane Lagoon ferry service will include AM peak period departures to San Francisco and PM peak period returns trips to Seaplane Lagoon. Reverse-commute service will also be offered, primarily to reposition the vessel to make the maximum and optimal number of peak trips. At the outset, service will operate approximately 253 days per year. Weekend or holiday service is not anticipated initially, but may be provided as demand increases. Special event service may be considered on a case-by-case basis and subject to WETA's board policy for special event service cost recovery. Due to dock capacity constraints at AT&T Park, the service plan does not envision AT&T ballgame service from the Seaplane Lagoon Ferry Terminal. WETA will endeavor to link Seaplane Lagoon service to other terminals in the WETA network in an effort to find cost efficiencies through interlining, vessel sharing and crew sharing. Non-WETA vessel operators will be permitted to call on the Seaplane Lagoon Ferry Terminal provided they do not interfere with regularly scheduled WETA service and sign WETA's standard landing rights agreement.
Initial Ferry Service Level	The Initial Ferry Service Plan defined herein represents the minimum level of service required to operate an effective commuter service and shall be provided upon the initiation of Seaplane Lagoon ferry service and throughout the 10-year operating plan, consistent with WETA's System Expansion Policy. **Peak Period Service** A minimum of three departures between the hours of 6-9 AM from Seaplane Lagoon and two reverse peak departures from San Francisco between the hours of 6-9 AM. A minimum of three departures between the hours of 4-8 PM from San Francisco and two reverse peak departures from Seaplane Lagoon between the hours of 4-8 PM. **Midday Service** Initially, none anticipated. Midday service will continue to be provided from the Main Street ferry terminal and may be added to the Seaplane Lagoon service level as demand warrants. **Weekend Service** Initially, none anticipated. Weekend service will continue to be provided from the Main Street ferry terminal and may be added to the Seaplane Lagoon service level as demand warrants.

Expansion of Schedule and Service Plan	The Initial Ferry Service Level defined for Seaplane Lagoon service may be expanded as necessary. All service adjustments, including possible 30-minute or faster headways in the peak hour and initiation of midday or weekend services, shall be consistent with the WETA System Performance Targets Policy adopted by the WETA Board on June 4, 2015 and other WETA service planning policies in effect at the time of adjustment, as applicable.
Fares	The fares for the proposed Seaplane Lagoon service will be the same as those approved for the Alameda/Oakland Ferry Service by the FY2015-FY2020 Fare Program adopted by the WETA Board. It is anticipated that the WETA Board will adopt a new 5-year fare program in Fiscal Year 2020 that will set fare rates for the period FY2021 – FY2026.
Emergency Response and Recovery	In the event of a natural disaster or disruptive regional event, WETA ferries may be called upon by the California Office of Emergency Services (Cal OES) to provide service from the Seaplane Lagoon ferry terminal for both emergency response and recovery after the event. In the immediate aftermath of an event, Cal OES will determine how to allocate regional transportation resources including ferries. The Seaplane Lagoon terminal will be an asset in this emergency network however it will be a state and regional decision as to how this asset will be used. In the weeks and months following an event as the Bay Area recovers, ferry service will play a critical role as a component of the regional transit network that can be quickly operationalized at terminals like Seaplane Lagoon. Decisions regarding funding and asset deployment during the recovery phase will also likely take place at the state and regional level.

Operations Funding

Estimated Operating Expenses	Operating Expenses are defined as those expenses required to operate and maintain a primary vessel and a pro rata allocation of a spare vessel from WETA's fleet for the initial service level as defined in this agreement. General maintenance and repair of vessels, as well as terminal and berthing facilities, such as parking lots, signage, ticketing facilities, floats, piles, gangways and other service equipment will also be considered operating expenses. Finally, a portion of WETA administrative staff time and expense is included in the estimate of operating expenses. **Attachment A** presents a conceptual estimate of annual vessel operating expenses and revenues based on existing FY 2015 costs and assumptions regarding regulatory requirements, fuel and labor rates for commute-only services as described in Initial Ferry Service Level above. Actual expenses may vary from this estimate and would be updated as services are developed and operation is implemented. Significant or structural changes to the regulatory environment governing crew levels will cause a revision of this agreement.
Operating Funding	An operational subsidy will be required to initiate and sustain Seaplane Lagoon ferry service. The operational subsidy is defined as the amount required to fund the excess of operating expenses over revenue generated by passenger fares, parking fees or other service-generated revenue. Seaplane Lagoon ferry service shall be initiated when sufficient operational funding has been secured for a minimum service period of ten years. As of the time of this MOU's execution, no sufficient operating funding is available. WETA and the City agree to collaborate in seeking regional and other funding sources for operational subsidies for WETA ferry service at Seaplane Lagoon, including any funding from a potential regional funding measure. WETA and the City will actively advocate for Seaplane Lagoon ferry service, and will support one another's efforts to obtain regional and other funding.

Capital Funding, Maintenance and Rehabilitation

Vessels	The Seaplane Lagoon service will require a dedicated vessel to ensure reliable operations. It is estimated that a vessel will cost approximately $16 million (FY 2015 dollars). The utilization and cost allocation of a spare vessel could be shared between Seaplane Lagoon ferry service and other WETA services, subject to future availability. WETA is working to secure funds to expand its fleet to accommodate strong service demand in Oakland and Alameda. Fleet expansion would provide the opportunity to allocate a dedicated vessel and pro rata allocation of a spare vessel to Seaplane Lagoon ferry service. WETA will undertake the design and procurement of new vessels, which will require approximately a 2-year lead time prior to the anticipated start of Seaplane Lagoon ferry service. As necessary, the City commits to evaluate the feasibility of contributing to the cost of new vessels through fees and other potential revenues generated through the development of Alameda Point, subject to these fees and other revenues being available and eligible for such use. In the event an additional vessel becomes available prior to FY 2020, that additional vessel may be allocated to Seaplane Lagoon ferry service, at WETA's discretion, to initiate ferry service prior to 2020, provided that construction of the Seaplane Ferry Terminal is complete and operating subsidies are in place.
Ferry Terminal - General	The Seaplane Lagoon Ferry Terminal will be built along the eastern extent of the Seaplane Lagoon located at Alameda Point at a precise location to be proposed by the City and approved by WETA. The terminal shall be designed as an unmanned facility, only open when a vessel is at the terminal, generally for 5-10 minutes. Clipper™ will be primary fare media utilized for ticket sales. Ticket sales at a landside facility are not anticipated at this time; however, WETA commits to working cooperatively with the City and other stakeholders (AC Transit) to evaluate the feasibility of a terminal ticket and passenger information office as part of a potential ferry and bus intermodal terminal facility. The City will be responsible for funding and contracting for terminal construction, including both landside and waterside facilities. Anticipated sources of funding include developer contributions and other public and private sources of funds that WETA will cooperate with City in seeking.
Ferry Terminal Facilities	The Ferry Terminal Facilities of the Seaplane Lagoon ferry terminal is defined as all ferry-related facilities and amenities provided upland of the access control gate. At its discretion, the City may elect to phase construction of terminal facilities and amenities in a manner that is consistent with its overall development plans for Alameda Point, provided such facilities meet WETA's standard operating requirements, including but not limited to the provision of adequate passenger waiting areas, weather protection, security, and possible future ticketing facilities.

	The City shall retain ownership of and responsibility for the operation and maintenance of all landside assets constructed as part of the ferry terminal, including terminal parking, unless negotiated otherwise with WETA. Ownership and maintenance of waterside assets (pilings, piers, docks and floats) shall be retained by WETA as set forth below.
Terminal Access	The City agrees to provide parking facilities for a minimum of 400 cars within 1/4 of a mile from the access control gate with priority given to ferry patrons accessing the terminal during weekday commute periods. The full number of required parking spaces shall be made available upon the initiation of Seaplane Lagoon ferry service. The parking lot shall be owned, maintained, and operated by the City or its designated representative. The City will evaluate the possible implementation of parking fees, of which all proceeds, if any, would be committed back to support ferry parking, maintenance and operations. The City and WETA agree to work collaboratively to advocate for and coordinate with AC Transit and other potential local transit operators to provide frequent, reliable, and convenient bus service to the Main Street Terminal and future Seaplane Lagoon ferry terminal. Transit service required and implemented under the Transportation Demand Management Program for Alameda Point shall be designed to provide direct access to the future Seaplane Lagoon ferry terminal.
Berthing Facilities	The berthing facilities associated with the ferry terminal are defined as all ferry-related facilities extending bayward of, and including, the access control gate. These facilities will be designed and built by the City to WETA's standard operating specifications. It is the intent of the City and WETA to work collaboratively throughout the design process to ensure that facilities are designed to WETA's standards. WETA acknowledges the City's desire for a cost efficient design to stay within available funding estimates and avoid, if possible unnecessary cost due to non-essential design elements. Upon completion of the design and prior to the release of a Request for Proposals for construction, the City will provide WETA with a 30-day period to review design specifications and shall obtain written confirmation from WETA that the design meets WETA's standard operating specifications. The City will undertake any initial dredging required to ensure adequate depth within Seaplane Lagoon to support WETA operations, although none is currently expected. Upon completion of construction, and assuming that vessels and operating funds have been secured and WETA will begin operating a ferry service, WETA will assume control of all waterside assets through transfer of ownership with the City, whereby WETA will be responsible for operating and maintaining these facilities. WETA shall allow waterside ferry facilities to

	be available to private operators on an occasional basis, provided those landings do not conflict with WETA operations and the private operator enters into and meets the terms of WETA's standard Landing Rights Agreement.
Service Expansion at Main Street Terminal by 2021	If by 2021 the Seaplane Lagoon Terminal has not been constructed, but regional operating funding is available for additional service to Alameda, WETA may elect to make any necessary major capital improvements to accommodate additional vessels and service expansion at the Main Street Terminal and reconfirm the validity of this MOU at that time.
Capital Rehabilitation	The City and WETA will work collaboratively to secure funds to support capital rehabilitation needs associated with service vessels along with waterside and landside assets. WETA will take the lead in implementing capital rehabilitation of vessels and waterside facilities. The City will take the lead in developing, constructing and securing future funds to support the rehabilitation and replacement of landside capital facilities, including terminal amenities and parking facilities. The City and WETA shall coordinate efforts to secure funding and permits to undertake future maintenance dredging, as required. Specifically, the parties will seek to leverage opportunities to combine this work with other dredging efforts undertaken in the project area.

Partnering	Federal, state, regional or local funding for transit capital and operations may become available during the term of this MOU. The City and WETA will work in partnership and coordinate closely to actively pursue capital and operating revenue sources for the Seaplane Lagoon ferry service. WETA and the City agree to work collaboratively to support one another in seeking and securing ferry grant funds (e.g. TIGER, Measure BB, regional transportation measures, etc.) to support delivery of the Seaplane Lagoon ferry service project and ongoing operation of the service and maintenance of vessels and facilities. Such support may include, but not be limited to: application support letters, provision of ridership data, operating or capital cost information or other technical information required by funders, and WETA Board or City Council resolutions in support of one another's funding applications.
Environmental Review and Permitting	The City and WETA agree to comply with the California Environmental Quality Act (and the National Environmental Policy Act, if federal funds are obtained) in construction of the ferry terminal and in initiation of new ferry service at the Seaplane Lagoon. The City will be responsible for project permitting, including but not limited to approvals required by the National Marine Fisheries Service, the U.S. Fish and Wildlife Service, the San Francisco Bay Area Regional Water Quality Control Board, the Army Corps of Engineers, and the Bay Conservation and Development Commission. WETA shall provide technical support for environmental review and permitting, as requested. The City and WETA shall mutually agree to any and all mitigation measures committed to during project environmental review and permitting processes unless already adopted by the City in its Alameda Point Final Environmental Impact Report (2014). The City will clear increased service under CEQA at a future date.

This MOU may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

WETA and the City of Alameda have entered into this Memorandum of Understanding as of April 7, 2016.

The City of Alameda, a charter city and municipal corporation

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