

MINUTE ORDER
JOINT CITY COUNCIL / SUCCESSOR AGENCY BOARD
PUBLIC FINANCING AUTHORITY MEETING

March 9, 2020
MO. 20-032

CITY CLERK DEPARTMENT
Redwood City

Date: March 10, 2020

Attention: City Attorney
Community Development and Transportation Director

hard copy available upon request

SUBJECT: Memorandum of Understanding with Water Emergency Transportation Authority for the feasibility and business plan phases of the Redwood City Ferry Facility Project and Service

AGENDA CONSENT ITEM: 6.B. (304)

Meeting of the Joint City Council/Successor Agency Board/Public Financing Authority Meeting on March 9, 2020.

Present: Council Members Aguirre, Bain, Borgens, Reddy and Mayor Howard

M/S Aguirre/Bain to approve and authorize the City Manager to execute a project Memorandum of Understanding with the Water Emergency Transportation Authority for the feasibility and business plan phases of the Redwood City Ferry Facility Project and Service.

Motion passes 5-0 by electronic vote with Council Members Hale and Masur absent.


Yessika Dominguez, CMC, CPMC
Assistant City Clerk

PROJECT MEMORANDUM OF UNDERSTANDING

**REDWOOD CITY/PORT OF REDWOOD CITY FERRY FACILITY PROJECT AND SERVICE:
FEASIBILITY AND BUSINESS PLAN PHASES**

March 5, 2020

Term, Parties

<p>1. General</p>	<p>This Memorandum of Understanding ("MOU") establishes the framework for the feasibility analysis of a proposed ferry terminal in Redwood City (the "Project", as further described in paragraph 5 below). The Project is anticipated to be carried out in the following six consecutive phases: (1) Feasibility, (2) Business Plan, (3) Planning, (4) Design, (5) Construction, and (6) Operation.</p> <p>This MOU covers the Phase 1 Feasibility and Phase 2 Business Plan phases. The City has secured the necessary funding needed for the Phase 1 Feasibility work but has not secured funding for the subsequent Phase 2 Business Plan work. The Parties will commence the Phase 2 Business Plan work, if Redwood City and WETA determine during Phase 1 Feasibility that ferry service is feasible and financially viable, and funding is secured for the Phase 2 Business Plan. The Parties anticipate executing either amendments to this MOU, or separate agreements to govern the precise terms of subsequent Planning, Design, Construction, or Operation Phases, each of which shall be subject to the approvals of the City Council, the Port Commission and the WETA Board.</p>
<p>2. Term</p>	<p>The term ("Term") of this MOU shall commence on _____, 2020 ("Effective Date") and shall remain in effect until the date which is six (6) months following completion of the Phase 1 Feasibility and Phase 2 Business Plan work, or such later date as the Parties may mutually agree.</p> <p>The terms of this MOU, including scope and timeframes, can be modified by amendment at any time upon approval by the City Council, Port Commission, and WETA Board.</p>
<p>3. Parties</p>	<p>This MOU is entered into among the San Francisco Bay Area Water Emergency Transportation Authority ("WETA") the City of Redwood City ("City") and the Port of Redwood City ("Port").</p> <p>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 the San Francisco Bay, expand new routes, and coordinate ferry services in the event of an emergency.</p> <p>City is a charter city and municipal corporation located within San Mateo County.</p> <p>The Port is an enterprise department of the City with ownership and control of certain waterfront property within the City.</p>

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Redwood City Ferry Facility and Service Project

	<p>City and Port are collectively referred to herein as "Redwood City". Redwood City and WETA may be individually referred to herein as a "Party," and collectively as the "Parties."</p>
<p>4. WETA System Expansion Policy</p>	<p>On June 4, 2015 the WETA Board of Directors adopted a System Expansion Policy attached hereto as <u>Exhibit A</u> and incorporated herein ("System Expansion Policy") to serve as a framework for evaluating the feasibility of new ferry projects. This Policy is applicable to the proposed Project and it is the intent of Redwood City and WETA to explore the feasibility of developing a ferry terminal facility in the City of Redwood City.</p>
<p>5. Project Definition</p>	<p>WETA's 2016 WETA Strategic Plan indicates the desire to construct a terminal and operate a ferry service in Redwood City. The Parties agree to work collaboratively to pursue public ferry service in Redwood City. The project is conceptually defined as a ferry terminal located in the eastern portion of the Port of Redwood City complex. The terminal will be capable of landing WETA vessels at a berthing facility consistent with WETA operational and design standards. In addition, the terminal facility will include upland property that provides automobile parking, bike and transit facilities and other features consistent with WETA terminals.</p> <p>The new ferry terminal will be capable of connecting to other terminals throughout the WETA system, including San Francisco, Oakland and the East Bay, special event terminals and future terminals currently in the planning or construction phase.</p>
<p>6. Partnering</p>	<p>The City of Redwood City and WETA agree to work diligently and in good faith to actively evaluate the possibility of future ferry service at a Redwood City Ferry Terminal located in the Port of Redwood City by, among other things, working cooperatively in areas such as funding and grants, community and stakeholder relations, environmental analysis and financial feasibility.</p> <p>Federal, state, regional or local funding for transit capital and operations may become available during the term of this MOU. Should the parties determine that the project is feasible and decide to move forward with project development, Redwood City and WETA will work in partnership and coordinate closely to actively pursue capital and operating subsidy sources for the Redwood City ferry service. WETA and Redwood City agree to work collaboratively to support one another in seeking and securing ferry grant funds (e.g. San Mateo County Measure A, regional transportation measures, federal discretionary funds, etc.) to support the Planning, Design, Construction, or Operation Phases for Redwood City ferry service, the latter of which includes ongoing operation and maintenance of vessels and facilities. Such support may include, but not</p>

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Redwood City Ferry Facility and Service Project

	<p>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 or Port Commission resolutions in support of one another's funding applications.</p> <p>Redwood City and WETA agree to work collaboratively to advocate for and coordinate with the San Mateo County Transportation Authority ("SMCTA"), SamTrans, Commute.org and other potential local transit operators to provide frequent, reliable, and convenient bus or shuttle service to the Project.</p>
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Feasibility Study (Feasibility Study, Public Engagement, and Funding)

<p>7. Feasibility Study</p>	<p>As part of the Phase 1 Feasibility Phase, Redwood City is preparing a feasibility study for provision of ferry service to and from Redwood City ("Feasibility Study"). The Feasibility Study will examine ridership demand; develop models for projected operating costs and fare revenue; evaluate the "cost-effectiveness" of a new ferry terminal and service; and evaluate possible ferry routes for public ferry service provided by WETA at a future Redwood City Ferry Terminal. The Feasibility Study will also develop concept-level designs and cost estimates for terminal facilities consistent with other WETA terminals throughout the WETA system. While the City has secured funding for the Feasibility Study, Redwood City and WETA have not secured funding for the subsequent Business Plan, Planning, Design, Construction, and Operations phases.</p> <p>If the Parties determine during the Phase 1 Feasibility and Phase 2 Business Plan that ferry service to and from Redwood City is both feasible and financially viable, and additional necessary funding is secured, WETA, Port and City will amend this MOU or enter into a new agreement defining specific roles and responsibilities, including funding, for subsequent Project phases.</p> <p>City will serve as the project lead, with assistance from WETA and the Port, for the Feasibility Study that will include technical analyses, ridership demand, route evaluation, outreach, cost-benefit and economic impact analyses, preliminary terminal configuration and financial feasibility analysis, including estimates of capital and operating costs and forecasts of ridership and fare revenue.</p>
<p>8. Public Engagement</p>	<p>Public interactions, initiated by Redwood City, as part of the Phase 1 Feasibility Phase will be managed by Redwood City with assistance and participation from WETA.</p> <p>Public interactions regarding provision of ferry service to and/or from Redwood City initiated by WETA outside of the specific context of the</p>

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Redwood City Ferry Facility and Service Project

	Phase 1 Feasibility Phase, if any, will be managed by WETA with assistance and participation by Redwood City.
9. Contracting	City has contracted for professional services to conduct the Feasibility Study.
10. Funding	The Feasibility Study is funded through SMCTA's Measure A program along with a local match provided by the City. The SMCTA has an agreement with the City of Redwood City but is not a part of this MOU or any separate agreement with WETA.
11. Feasibility Determination	It is anticipated that the Feasibility Study will conclude with a determination by Redwood City and WETA regarding the feasibility of ferry service to and from Redwood City. If, upon completion of the Feasibility Study, either Redwood City or WETA determines that ferry service to and from Redwood City is infeasible or that it no longer desires to proceed with further work on the proposed Project, this MOU shall automatically terminate and the Parties shall have no further obligations under this MOU.
12. Business Plan and Next Steps	<p>At the conclusion of the Phase 1 Feasibility phase, the Parties, subject to identification of sufficient funding, may elect to develop a Business Plan. SMCTA, requires Redwood City to develop a Business Plan in order to receive future Measure A funding for construction of a ferry terminal. The Business Plan will address the Parties' respective roles and efforts related to building ferry ridership. The Business Plan will be subject to the concurrent approvals by the City Council, Port Commission and the WETA Board.</p> <p>WETA acknowledges that the Business Plan is required for the City to obtain necessary Measure A funding from SMCTA, and agrees to provide input in connection with development of such plan.</p> <p>If the Business Plan is accepted by SMCTA and the Parties agree to proceed to the Planning phase of the Project, the Parties will amend this MOU or enter into a new agreement defining specific roles and responsibilities, including funding, for subsequent Project phases.</p>

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Redwood City Ferry Facility and Service Project

WETA, Port and City have entered into this Memorandum of Understanding as of the last date set forth below.

**San Francisco Bay Area
Water Emergency Transportation
Authority**

By: Nina Rannells
Nina Rannells,
Executive Director

Date: 7/22/20

Reviewed:

By: Madeline Chun
Madeline Chun,
Legal Counsel to Authority

City of Redwood City

By: Melina Stevenson Diaz
Melissa Stevenson Diaz,
City Manager

Date: 7/2/2020

Attest: Yessika Dominguez 7/20/2020
Yessika Dominguez, Assistant City Clerk

Approved as to form:

By: Veronica Ramirez
Veronica Ramirez,
City Attorney

Port of Redwood City,

By: Kristine Zortman
Kristine Zortman,
Executive Director

Date: 3.4.2020

Approved as to Form:

By: Francois Sofba
Francois Sofba,
Port Attorney

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WETA System Expansion Policy

The WETA expansion policy is intended to provide a framework for evaluating the feasibility of new ferry projects. The framework consists of policy statements that provide guidance for developing candidate project elements such as landside and waterside facilities, vessels and service plans. In addition, a set of evaluation measures defines a range of productivity and efficiency metrics that inform the WETA Board and funding partners regarding a project’s financial feasibility and sustainability.

There is no pre-determined level of evaluation that determines whether a project is feasible. There are many factors that contribute to whether a project is developed and becomes part of the WETA system. Instead, the System Expansion Policy provides policy makers with an agreed-upon framework, bringing objective measures and predictability to the project development process.

I. System Expansion Policy Statements

System Expansion Overview	WETA will expand ferry service throughout San Francisco Bay, working with local and regional partners to increase ferry ridership and relieve traffic congestion and transit crowding. New ferry services will be financially sustainable, contribute to the ferry system and enhance WETA’s emergency response capabilities.
Minimum Service Period	New services will need to be in service for a minimum of 10 years to allow adequate time to build a ridership base. Services will be evaluated after a 10-year initial period to determine their continued operation.
New Service Project Evaluation	The WETA System Expansion Policy establishes a range of evaluation measures that help the WETA Board determine whether a candidate project will be successful and meet WETA’s strategic goals. The new service evaluation is typically performed prior to entering environmental clearance, during the feasibility study phase of a project.
New Service Ongoing Evaluation	Once in operation, new ferry services will be evaluated on regular quarterly and yearly intervals to ensure performance is meeting expectations. Adjustments to the service plan, fare program or access conditions may be warranted.
Service Design	New ferry services typically begin as origin terminals offering commute- period service to San Francisco’s Ferry Building. However, they can act as a destination terminal or offer non-commute period service, depending on local transportation goals and funding availability. WETA will work with project partners to develop a concept service design that meets travelling needs while offering a competitive, sustainable service. For commute-only origin terminals, a minimum level of service would be defined as three peak-direction trips in both the AM and PM commute periods.

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WETA System Integration	New projects will enhance the WETA ferry system by adding terminals and vessels while attracting new riders to ferry service. Required system elements such as capacity at maintenance facilities and destination terminals or spare vessels will be estimated and incorporated into a project's capital cost.
Emergency Response	New projects will enhance WETA's emergency response capabilities by providing terminals and vessels for use in the response and recovery phases after a natural event. The benefits of interoperable ferry assets such as vessels, floats and terminals mean that new projects must be compatible with WETA facilities. The deployment of WETA vessels and use of ferry terminals will be a decision of state and regional authorities and not necessarily WETA or its local partner.
Vessels, Infrastructure	<p>WETA owns and operates a network of ferry vessels along with landside and waterside facilities that are economically and operationally efficient because they are interchangeable. Therefore, candidate WETA projects must be consistent with this established infrastructure. New projects will utilize WETA catamaran-style vessels powered by marine diesel engines and ranging in capacity from 149 to over 500 passengers.</p> <p>Infrastructure such as maintenance facilities and terminals will be consistent with existing WETA facilities. Alternative vessel technologies or non-compliant terminals will not be considered as</p>
Public-private partnership opportunities	Ferry terminals and vessels are complex and expensive investments that require a variety of funding sources. Operational expenses can also be significant and require long-term dedicated funding streams. WETA encourages partnerships with public or private entities interested in ferry service as a means of financing both capital and operational needs.
Capital Funding	Ferry project capital funding can come through a variety of local, regional, state and federal sources and even private contributions. Candidate expansion projects must demonstrate that there is full capital funding prior to entering the Final Design phase of a project.
Operating Subsidy	The operating subsidy is defined as the portion of the operating expense not covered by fare revenue. New ferry projects must demonstrate that there is a stable, dedicated source for an operating subsidy for a minimum period of ten years.
Terminal Access	WETA supports the use of alternative modes such as walking, biking and transit as a means of accessing origin ferry terminals. At the same time, minimum parking levels are required to ensure a service will be well utilized and accessible to all users. The ideal access environment provides customers with a choice of safe, convenient and attractive access options.

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Project Agreement	A Project Agreement will be required for candidate projects prior to entering into the environmental clearance phase of a project. The Project Agreement establishes a project service plan, identifies likely funding sources and defines partner roles and responsibilities. Both the WETA Board and the policy body from the project partner must adopt the Project Agreement.
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II. System Expansion Evaluation Measures

The following measures are intended to evaluate the competitiveness and financial feasibility of candidate WETA ferry projects. The measures are expressed in three ways: minimum, target and maximum (as applicable). Minimum levels are what will be required after the initial 10 years of operation. Target levels are consistent with expected performance of mature services such as Alameda/Oakland, Vallejo and Harbor Bay.

Passengers per Revenue Hour (Commute-only service)

Passengers per revenue hour measures the number of boardings in a given hour of service. Services that have high two-way ridership along with a short travel time, enabling vessels to offer multiple runs in a given commute period will be strong performers. This measure provides an evaluation of ridership and the efficiency of operating resources.		
Minimum	Target	Maximum
100	150	250

Passengers per Revenue Hour (All-day service)

All-day services typically operate seven days per week and generally from 6 AM up to 8 PM. Today, only Alameda-Oakland and Vallejo are all day services. The target for Passengers per Revenue Hour is slightly lower, given lower volumes in the midday and off-peak periods.		
Minimum	Target	Maximum
100	125	250

Farebox Recovery

Farebox recovery is defined as the portion of operating expenses covered by fare revenues. Farebox recovery measures ridership, operating expense and financial sustainability.		
Minimum	Target	Maximum
40%	50% – 70%	100%

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Peak Hour Occupancy

Peak hour occupancy – defined as the combined peak direction occupancy level during the highest ridership hour of a commute service – indicates ridership demand and provides guidance for vessel deployment and service planning. High levels of peak hour occupancy indicate the possibility of leave-behinds or standees and would require corrective action.

Minimum	Target	Maximum
50%	60% -- 75%	80%

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