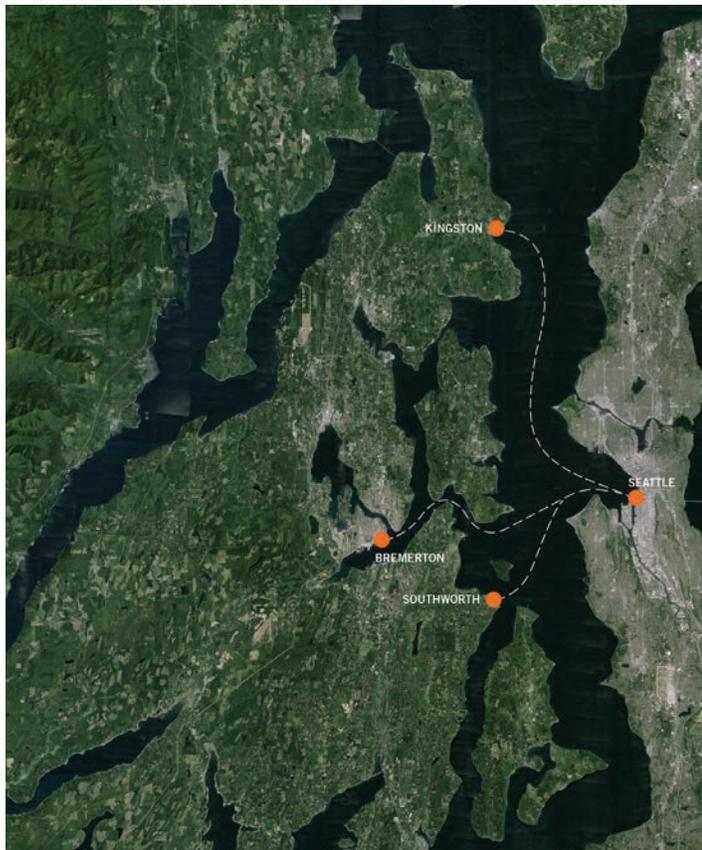


Passenger-Only Ferry Service Project Summary Report

November 2014



Kitsap
Transit



Kitsap Transit identified three route alternatives connecting Kitsap Communities to downtown Seattle, which include: Bremerton, Kingston and Southworth.

There have been numerous past studies that document potential benefits of passenger-only service to Kitsap County residents. This project is built upon those studies and includes potential ridership demand for the proposed routes, terminal improvements, vessel requirements, a proposed financial plan, and a phasing strategy and implementation plan to bring all of the elements together to guide the Kitsap Transit Board of Commissioners.

New funding sources will be required because current Kitsap Transit revenues are not sufficient for cross sound passenger ferry service. New grant funding will address some portion of terminal improvements and vessel acquisition. However a local revenue source will be necessary to supplement capital costs not covered by grants and to subsidize operating costs in excess of farebox revenues.

Why passenger-only ferry service?

Cuts commute time nearly in half - High-speed, low-wake vessels could improve quality of life for many Kitsap residents by providing a reliable transit connection that takes nearly half the time as current commute to work options.

Connects Kitsap and King County - Supplements the existing transit network.

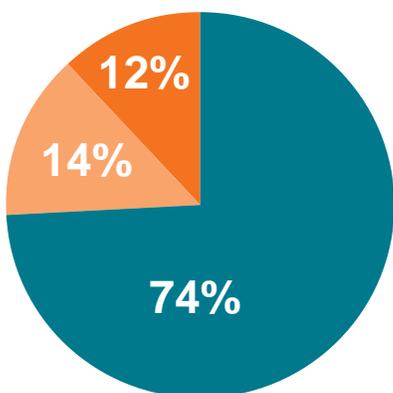
Environmentally responsible transportation option - Kitsap Transit's recent Wake Study found success operating a high-speed, low-wake passenger ferry vessel through Rich Passage.

Supports economic vitality - Ferry service provides a vital economic link between communities of Kitsap County and the Seattle metropolitan area. POF service can support the creation of local jobs and attract economic investment in Kitsap County.

Provides capacity to manage increased ridership demand - Washington State Ferries (WSF) ridership grew 1.5 percent last year, with a 3.1 percent increase in walk-on passengers. This accounts for over 30 percent of WSF's total ridership. Kitsap Transit bus ridership increased 3 percent last year.

What has the community told us about proposed POF service?

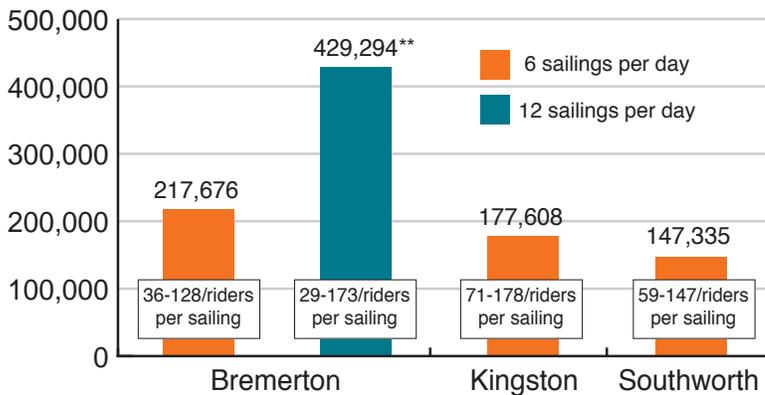
The majority of survey respondents indicated that providing 35 minute or less POF service to downtown Seattle is important.



Do you agree that a 35 minute or less POF trip to downtown Seattle is important?

- Strongly Agree
- Somewhat Agree
- Agree Less

Projected Ridership Demand*



* Based on 2014 population and demographic information.
 **12 round trips a day only evaluated for Bremerton.

What is the projected ridership demand?

The annual ridership demand is based on 6 commute period round trips each weekday. The ridership analysis shows sufficient ridership to support the service.

How will the service be managed?

Kitsap Transit will contract with King County Marine Division for operation of the passenger ferry service. Kitsap Transit will provide the vessels and terminal facilities and will set key operating policies such as fare and service schedules.

How much will it cost?

The initial investment in vessels and terminals will be approximately \$45 million between 2015 and 2023. An annual subsidy will also be required to cover operating costs in excess of farebox revenues.

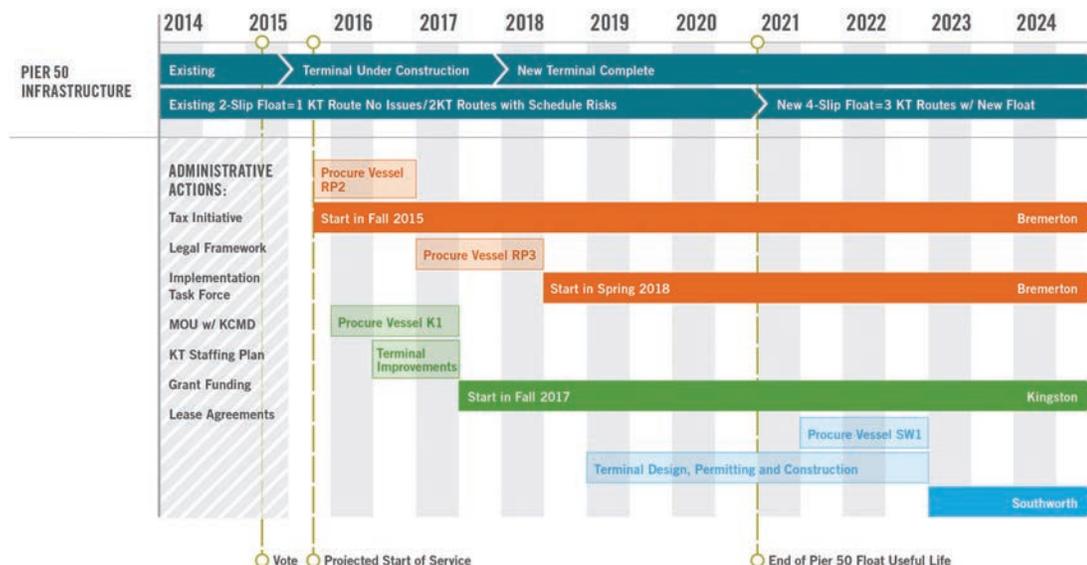
Year	Annual Subsidy	Farebox Recovery	Service Level
2016	\$1.9M	29%	One vessel serving Bremerton
2018	\$5.4M	33%	One vessel serving Kingston, two vessels serving Bremerton
2023	\$8.1M	34%	One vessel serving Southworth, One vessel serving Kingston, two vessels serving Bremerton

What economic benefits will the service bring?

Drawing from experience with other new land-based transit services across the US, Kitsap County should realize economic benefits to both users and the community at large.

	Annual Benefits		One-Time Benefits
	User Benefits in Travel Time Savings	Wider Economic Benefits	Total Real Estate Value Created Within ½ Mile
Bremerton/Seattle	\$3.2M	\$811,000	\$3.8M
Kingston /Seattle	\$2.2M	\$540,000	\$3.6M
Southworth/Seattle	\$2.1M	\$513,000	\$2.1M
Total County	\$7.5M	\$1.9M	\$9.5M

How do we phase implementation?*



Contact:

For more information and project updates, visit our website.

Visit

www.kitsaptransit.com/passenger-only-ferry-business-plan

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