

**RESOLUTION NO.**

**APPROVAL OF THE GUEMES ISLAND FERRY  
FOURTEEN-YEAR CAPITAL IMPROVEMENT PLAN 2015-2028**

**WHEREAS**, Skagit County is required under R.C.W. 36.54.015, RCW 36.81.121 and W.A.C. 136.400.040 to have an annual Capital Improvement Plan for the Ferry; and

**WHEREAS**, the Fourteen-Year Ferry Capital Improvement Plan 2015-2028 is submitted to the Board of Skagit County Commissioners; and

**WHEREAS**, the Department of Public Works shall include portions of the Fourteen-Year Ferry Capital Improvement Plan in the Six-Year Transportation Improvement Program, which includes the ferry projects; and

**WHEREAS**, the Board of Skagit County Commissioners has met in various work sessions with the Department of Public Works to review the preparation of the recommended Six-Year Transportation Improvement Program; and

**WHEREAS**, the financial plan, along with other parts of the Transportation Element of the Skagit County Comprehensive Plan, have been considered in the preparation of the Six-Year Transportation Improvement Program as required by RCW 36.70A.070; and

**WHEREAS**, the recommended Fourteen-Year Ferry Capital Improvement Plan 2015-2028 is found by Public Works Staff to be consistent with the requirements of R.C.W. 36.70A.070.

**NOW, THEREFORE, BE IT RESOLVED AND IT IS HEREBY ORDERED** by the Board of Skagit County Commissioners that the Fourteen-Year Ferry Capital Improvement Plan 2015-2028, as attached and made a part hereto of this Resolution, is hereby approved and adopted.

**PASSED** this 16 day of December, 2014.

BOARD OF COUNTY COMMISSIONERS  
SKAGIT COUNTY, WASHINGTON

Ron Wesen  
Ron Wesen, Chair

Kenneth A. Dahlstedt  
Kenneth A. Dahlstedt, Commissioner

Sharon D. Dillon  
Sharon D. Dillon, Commissioner

Approved as to Form: (Resolution Only).

[Signature] 12/12/14  
Deputy Prosecuting Attorney

Attest:

[Signature]  
Clerk of the Board

# SKAGIT COUNTY



## **Fourteen-Year Ferry Capital Improvement Plan 2015 – 2028**

Prepared by  
**Department of Public Works**

## **OVERVIEW**

The Fourteen-Year Ferry Capital Improvement Plan (the "Plan") is a general guide for the effective, efficient and continuing operation of the Skagit County ferry system. This program will assist the County Engineer and Ferry Division management in planning for capital projects that pertain to replacement, maintenance and improvements for the Skagit County ferry system.

This Plan serves as a general guide for long-term planning, thus does not require strict adherence. As events unfold, future plans may change as the needs of the ferry system and the available financing become clearer. The Board of Skagit County Commissioners, with advice from the County Engineer, will ultimately decide capital improvements based on priority and available funds.

The capital projects listed in this Plan are the result of input from various County departments, governmental agencies, citizen groups, and approximately fifty years' experience in operating and maintaining the ferry system, while complying with applicable state law.

Enacted in 1975, the Revised Code of Washington ("RCW") 36.54.015 states: The legislative authority of every county operating ferries shall prepare, with the advice and assistance of the County Engineer, a fourteen-year long-range capital improvement plan embracing all major elements of the ferry system. Such plan shall include a listing of each major element of the system showing its estimated current value, its estimated replacement cost and its amortization period.

## **HISTORICAL HIGHLIGHTS OF THE GUEMES ISLAND FERRY SYSTEM**

- Late 1800's, a private ferry system was established.
- Early 1900's the first vehicle ferry carried 6 cars, was privately owned and subsidized by the County.
- 1958, the privately operated ferry expanded its service and purchased the M/V Almar with a capacity of 11 vehicles.
- 1962, Skagit County purchased the M/V Almar and all ferry facilities and began full management of the ferry system.
- 1978, Skagit County began planning for a larger ferry vessel and related dock improvements.
- 1979, Skagit County purchased the M/V Guemes, which currently serves Guemes Island with a capacity of approximately 21 vehicles and 99 passengers. The County also began to keep statistics regarding ferry ridership at this time.
- 2010, Skagit County replaced the creosote dolphins at the Guemes Island landing with steel pilings, and replaced the 4 wing walls at the Anacortes and Guemes landings.
- 2010, Skagit County built a new terminal building at the Anacortes landing.
- 2011, Skagit County replaced the girders on both the Anacortes and Guemes Island docks and completed an asphalt overlay at the Anacortes terminal.
- 2013, Skagit County hired Elliott Bay Design Group to prepare a ferry replacement plan for future replacement of the M/V Guemes.
- 2014, Skagit County replaced the 5 remaining creosote dolphins at the Anacortes landing with steel pilings.

The first ferry capital improvement plan was adopted by the Board of Skagit County Commissioners in December, 1991. In 1997, the Transportation Systems Plan (TSP) provided an update of the ferry system plan for inclusion in the transportation element of the 1997 Skagit

County Comprehensive Plan. Since the Guemes Island ferry system plan inclusion in the 1997 TSP, the TSP and Comprehensive Plan have been updated several times; 2001, 2003, and is currently being reviewed and updated for adoption in 2015. Over the years, several capital facility improvements to the ferry system have been included in the annual Six-Year Transportation Improvement Program (TIP).

**TABLE 1: FERRY SYSTEM CURRENT AND REPLACEMENT VALUES**

This table meets the requirement set forth in (RCW) 36.54.015 showing the current value, replacement cost, and amortization periods for the vessel and facilities. The current value of the vessel is the insured value, the closest approximation of true worth. The facilities current value is book value, original cost less depreciation.

RCW 36.81.121 (1) states: "...the legislative authority of each county, after one or more public hearings thereon, shall prepare and adopt a comprehensive transportation program for the ensuing six calendar years...and for those counties operating ferries shall also include a separate section showing proposed capital expenditures for ferries, docks, and related facilities. Copies of the program shall be filed with the County Road Administration Board (CRAB) and the secretary of transportation not more than thirty days after its adoption by the legislative authority..." Subsection (2) requires expanded information on how a county will spend all its money on the various facets of the transportation program. This RCW section was enacted in 1961.

**TABLE 2: PROJECTED EXPENDITURES**

The capital expenditure portion of RCW 36.81.121 (1) is satisfied by Table 2, showing all expenditures for the system that meet Subsection (2) requirements. Operational expenditures are categorized between vessel and non-vessel costs. Projected vessel costs include wages and benefits, fuel, general maintenance, supplies, insurance, and dry-docking and shipyard expenditures. United States Coast Guard regulations require that ferries be dry-docked every two years for inspection purposes. Skagit County has adopted an aggressive maintenance program which provides for an annual dry docking of the vessel. This regular maintenance program improves reliability, lowers costs and protects our capital investment. The last dry-docking of the Guemes Island Ferry took place September 24 through October 24, 2014. The ferry will be hauled out for dry dock again in 2015.

Projected non-vessel costs include facility maintenance and repair, administration, supplies, external taxes, and miscellaneous expenditures.

The dock and bridge structures are inspected regularly as required by the National Bridge Inspection Standards administered through the Washington State Department of Transportation. This inspection report helps us identify and schedule major maintenance and replacement of these facilities. The last routine bridge inspection was completed in October, 2014, and the last underwater inspection was performed in May, 2012.

RCW 36.81.121 also provides the reporting requirement and timing of program submission, as well as establishing the annual update requirement.

Capital expenditures for 2015 are shown in Table 2 as \$657,000. A breakwater replacement project is scheduled to take place at the Anacortes ferry landing at an estimated cost of \$507,000. This project will replace creosote panels with new UHMW plastic panels. Skagit County received \$422,353 in funding from the Ferry Boat Program for this project. Upon completion, Skagit County will have successfully eliminated all creosote pilings and timbers from the Guemes Island Ferry landings. The other capital expense in 2015 will be the purchase of

one new main engine at \$150,000. Skagit County has received \$120,000 in funding from the Ferry Boat Program; \$30,000 will be County funds.

**TABLE 3: CAPITAL IMPROVEMENT PLAN**

This table is meant to provide general guidance for specific capital facilities programming for the Guemes Island Ferry system from 2015-2028. As required by RCW 36.54.015 “Ferries” and WAC 136-400-040 “Six-Year Transportation Improvement Program and ferry system Fourteen-Year Capital Improvement Plan submittal” portions of this plan along with other modified portions will be updated annually and submitted to the Washington State Secretary of Transportation.

**TABLE 4: PROJECTED REVENUE**

This table includes ferry fare receipts, motor vehicle fuel tax attributed to ferry operations, ferry deficit reimbursement, county road fund subsidy and any grant funds anticipated.

**SKAGIT COUNTY FOURTEEN-YEAR PLAN 2015 - 2028**

**TABLE 1: FERRY SYSTEM CURRENT AND REPLACEMENT VALUES**

**VESSEL**

<i>CURRENT STATISTICS</i>	<i>M/V GUEMES</i>
Length	124'
Beam	52'
Displacement	91 GT
Year Built	1979
Capacity - Passengers	99
Capacity - Cars	21
Current Insured Value	\$3,605,000
<b>Total Vessel Current Value</b>	<b>\$3,605,000</b>

<i>CURRENT BOOK VALUE</i>	<i>REPLACEMENT VALUE-2015</i>
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<b>\$3,605,000</b>
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<i>REPLACEMENT STATISTICS</i>	<i>M/V GUEMES</i>
Year	2018
Capacity - Passengers	99
Capacity - Cars	21
<b>Total Vessel Replacement Value</b>	<b>\$12,000,000</b>

<b>\$12,000,000</b>
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**FACILITIES**

<i>LOCATION</i>	<i>YEAR BUILT</i>	<i>REPLACEMENT YEAR</i>	<i>CURRENT BOOK VALUE</i>	<i>REPLACEMENT VALUE-2015</i>
<b><i>Guemes Island Landing</i></b>				
Dock	2011	2041	\$1,424,008	\$1,424,008
Transfer Span/Machinery	1979	2020	\$1,317,000	\$2,000,000
Dolphins/Wingwalls	2010	2040	\$954,736	\$1,098,925
Head Frame and Towers	1979	2016	\$100,000	\$300,000
Passenger Shelter	1979	2017	\$1,000	\$10,000
Parking Lot	1979	2022	\$150,100	\$564,275
Subtotal of Guemes Landing			<b>\$3,946,844</b>	<b>\$5,397,208</b>
<b><i>Anacortes Landing</i></b>				
Dock	2011	2041	\$1,368,182	\$1,368,182
Transfer Span/Machinery	1979	2020	\$1,317,000	\$2,000,000
Breakwater	1979	2015	\$200,000	\$506,824
Dolphins/Wingwalls	2014	2054	\$1,100,000	\$1,200,000
Head Frame and Towers	1979	2021	\$100,000	\$300,000
Terminal Building(s)	2010	2050	\$778,316	\$778,316
Parking Lots	2004	2040	\$1,067,948	\$1,617,667
Walkway	2010	2040	\$68,481	\$68,481
Subtotal of Anacortes Landing			<b>\$5,999,927</b>	<b>\$7,839,470</b>
<b>Total Facilities Values</b>			<b>\$9,946,771</b>	<b>\$13,236,678</b>
<b>Total Vessel &amp; Facilities Values</b>			<b>\$13,551,771</b>	<b>\$25,236,678</b>

**SKAGIT COUNTY FOURTEEN-YEAR PLAN 2015 - 2028**

**TABLE 2: PROJECTED EXPENDITURES**

(in 1000's of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Operations: Vessel</b>														
Dry Docking-Shipyard <sup>(2)(3)</sup>	\$505	\$515	\$525	\$536	\$0	\$0	\$0	\$400	\$0	\$450	\$0	\$500	\$0	\$550
Wages & Benefits <sup>(1)(2)</sup>	\$1,047	\$1,068	\$1,089	\$1,111	\$1,133	\$1,156	\$1,179	\$1,203	\$1,227	\$1,251	\$1,276	\$1,302	\$1,328	\$1,354
Fuel <sup>(1)(2)</sup>	\$221	\$225	\$230	\$235	\$239	\$244	\$249	\$254	\$259	\$264	\$269	\$275	\$280	\$286
General Maintenance <sup>(1)(2)</sup>	\$140	\$143	\$146	\$149	\$152	\$155	\$158	\$161	\$164	\$167	\$171	\$174	\$178	\$181
Supplies <sup>(1)(2)</sup>	\$71	\$72	\$74	\$75	\$77	\$78	\$80	\$82	\$83	\$85	\$87	\$88	\$90	\$92
Insurance <sup>(1)</sup>	\$72	\$73	\$75	\$76	\$78	\$79	\$81	\$83	\$84	\$86	\$88	\$90	\$91	\$93
<b>Subtotal - Vessel</b>	<b>\$2,056</b>	<b>\$2,097</b>	<b>\$2,139</b>	<b>\$2,182</b>	<b>\$1,679</b>	<b>\$1,712</b>	<b>\$1,747</b>	<b>\$2,182</b>	<b>\$1,817</b>	<b>\$2,304</b>	<b>\$1,891</b>	<b>\$2,428</b>	<b>\$1,967</b>	<b>\$2,556</b>
<b>Operations: Non-Vessel</b>														
Facility Maintenance / Repair <sup>(1)(2)</sup>	\$75	\$77	\$78	\$80	\$81	\$83	\$84	\$86	\$88	\$90	\$91	\$93	\$95	\$97
Administration <sup>(1)(2)</sup>	\$123	\$125	\$128	\$131	\$133	\$136	\$139	\$141	\$144	\$147	\$150	\$153	\$156	\$159
Supplies <sup>(1)(2)</sup>	\$24	\$24	\$25	\$25	\$26	\$26	\$27	\$28	\$28	\$29	\$29	\$30	\$30	\$31
External Taxes <sup>(1)(5)</sup>	\$26	\$27	\$27	\$28	\$28	\$29	\$29	\$30	\$30	\$31	\$32	\$32	\$33	\$34
Misc. <sup>(1)(6)</sup>	\$79	\$81	\$82	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84
<b>Subtotal - Non-Vessel</b>	<b>\$327</b>	<b>\$334</b>	<b>\$340</b>	<b>\$347</b>	<b>\$852</b>	<b>\$869</b>	<b>\$887</b>	<b>\$905</b>	<b>\$923</b>	<b>\$941</b>	<b>\$960</b>	<b>\$979</b>	<b>\$999</b>	<b>\$1,019</b>
<b>Capital Expenditures Vessel &amp; Non-Vessel</b>														
<b>(See Table 3 for details)</b>														
<b>Capital Expenditures (see Table 3)</b>	<b>\$657</b>	<b>\$300</b>	<b>\$160</b>	<b>\$12,000</b>	<b>\$0</b>	<b>\$4,000</b>	<b>\$300</b>	<b>\$564</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$3,040</b>	<b>\$2,731</b>	<b>\$2,639</b>	<b>\$14,529</b>	<b>\$2,531</b>	<b>\$6,582</b>	<b>\$2,934</b>	<b>\$3,650</b>	<b>\$2,740</b>	<b>\$3,245</b>	<b>\$2,951</b>	<b>\$3,408</b>	<b>\$2,966</b>	<b>\$3,575</b>

(1) Projected 0% growth, 2% inflation

(2) 2015 projection from proposed 2015 budget

(3) Haul-out expenditures based on annual haul-out at 2% inflation; beyond 2018 projections based on vessel replacement in 2018

(4) 2015 Projection based on recent experience

(5) DNR lease, plus projected excise taxes

(6) Beginning in 2019 debt service of \$9 million at 1% interest on 20-year PWTF loan for new ferry, \$500,000 per year

**SKAGIT COUNTY FOURTEEN-YEAR PLAN 2015 - 2028**  
**TABLE 3: CAPITAL FACILITY IMPROVEMENT PLAN**

(in 1000's of dollars) Capital Projects

Capital Item	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Dolphin repacement Anacortes														
Breakwater replacement sections <sup>(2),(4)</sup>	\$507													
Head frame and towers/Anacortes							\$300							
Head frame and towers/Guemes <sup>(4)</sup>		\$300												
Outdrive/Engine Replacement <sup>(2),(5)</sup>	\$150		\$150											
Dock / substructure repairs / Anacortes														
Dock / substructure repairs / Guemes														
Ferry replacement or modification/rebuild <sup>(1),(3),(4)</sup>				\$12,000										
Parking lot Guemes Island								\$564						
Passenger shelter Guemes Island <sup>(2)</sup>			\$10											
Transfer span/machinery-Anacortes						\$2,000								
Transfer span/machinery-Guemes						\$2,000								
<b>Total Estimated Annual Costs</b>	<b>\$657</b>	<b>\$300</b>	<b>\$160</b>	<b>\$12,000</b>	<b>\$0</b>	<b>\$4,000</b>	<b>\$300</b>	<b>\$564</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

(1) \$1,200,000 grant with \$300,000 road fund

(2) County funds

(3) \$3 million grant & \$9 million, 20 year PWTFF Loan at 1%

(4) Included in Six-Year Transportation Improvement Plan

(5) Federal Allocations

**SKAGIT COUNTY FOURTEEN-YEAR PLAN 2015 - 2028**

**TABLE 4: PROJECTED REVENUES**

(in 1000's of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Ferry Fare Receipts <sup>(1)</sup>	\$1,212	\$1,236	\$1,261	\$1,286	\$1,312	\$1,338	\$1,365	\$1,392	\$1,420	\$1,448	\$1,477	\$1,507	\$1,537	\$1,568
Motor Vehicle Fuel Tax (Ferry Portion)	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
Ferry Deficit Reimbursement	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
County Road Fund Subsidy	\$1,066	\$1,274	\$1,158	\$1,023	\$999	\$5,024	\$1,349	\$2,038	\$1,100	\$1,576	\$1,153	\$1,681	\$1,209	\$1,787
Grant Funding	\$542	\$0	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PWTF Loan				\$9,000										
<b>Total Revenue:</b>	<b>\$3,040</b>	<b>\$2,731</b>	<b>\$2,639</b>	<b>\$14,529</b>	<b>\$2,531</b>	<b>\$6,582</b>	<b>\$2,934</b>	<b>\$3,650</b>	<b>\$2,740</b>	<b>\$3,245</b>	<b>\$2,851</b>	<b>\$3,408</b>	<b>\$2,966</b>	<b>\$3,575</b>

<sup>(1)</sup> Based on 2015 Budgeted Fare Box Revenue; Projected 0% Growth; 2% Inflation