

November 2022 Forecasts

Washington State Ferries

Todd Lamphere – Director of Finance and Administration / WSDOT Ferries Division
Washington State Transportation Commission Meeting
December 13, 2022

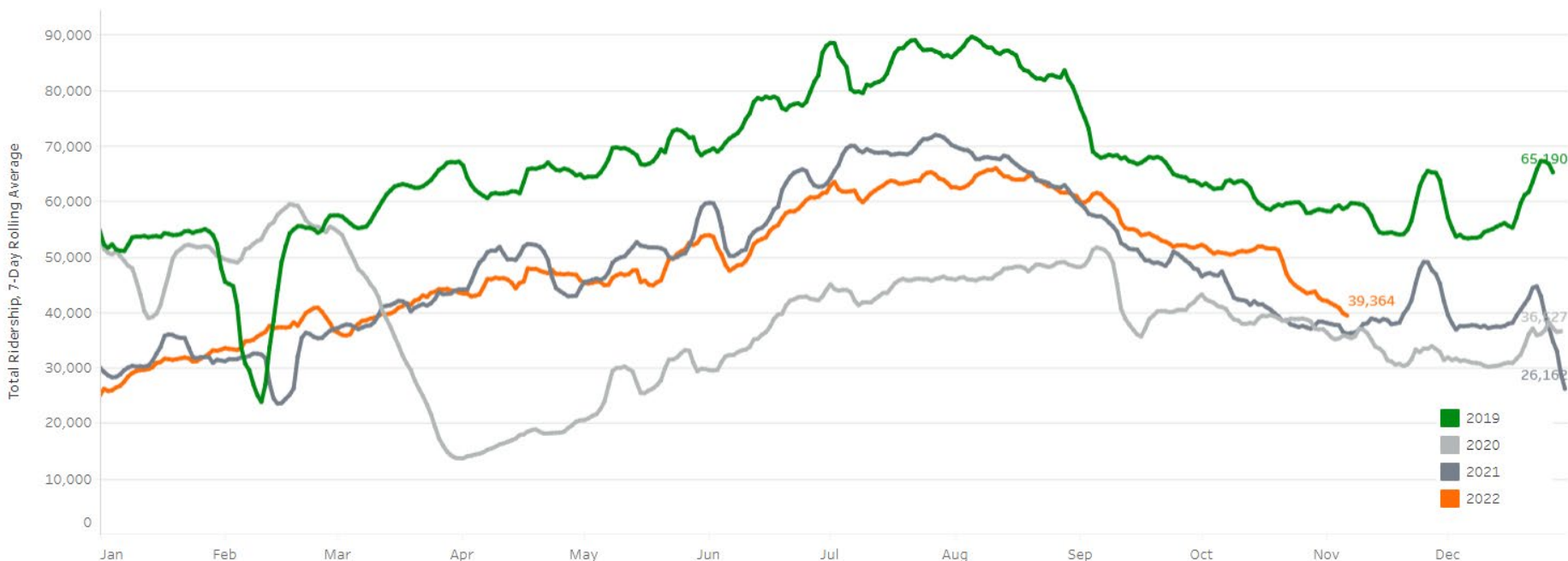
Key factors driving the November 2022 ferry ridership forecasts

- **September and October ridership closest to reaching pre-pandemic levels since July 2021**
 - Collectively surpassing 80% of pre-pandemic levels
 - Likely reflects increases in recreational travel, in-person work, and service restoration progress (plus some good weather)
 - Current trends increase the FY 2023 ridership and revenue projections
- **November Forecast projections for the economic variables overall contribute to slightly higher ridership demand over forecast horizon**

Economic & Demographic Factors Impacting Latest Ridership Forecasts	
↑ Higher Ridership Demand	↓ Lower Ridership Demand
Lower near-term real gas prices	Higher longer-term real gas prices
Higher longer-term employment projections	Lower near-term employment projections
Higher forecast period real personal income projections	Lower forecast period population projections
Higher forecast period inflation projections (causes lower real fares over time)	

Current Ridership

- Although September and October showed relative strength, current ridership lags behind pre-pandemic levels, with reduced service a contributing factor
 - 2022 year-to-date, ridership is at 73% of 2019 levels, with passenger fare riders at 66% and vehicles/drivers at 81%



Current year ridership is through 11/6/2022

Ferry Passenger Ridership Baseline Forecast Comparison: November vs. September

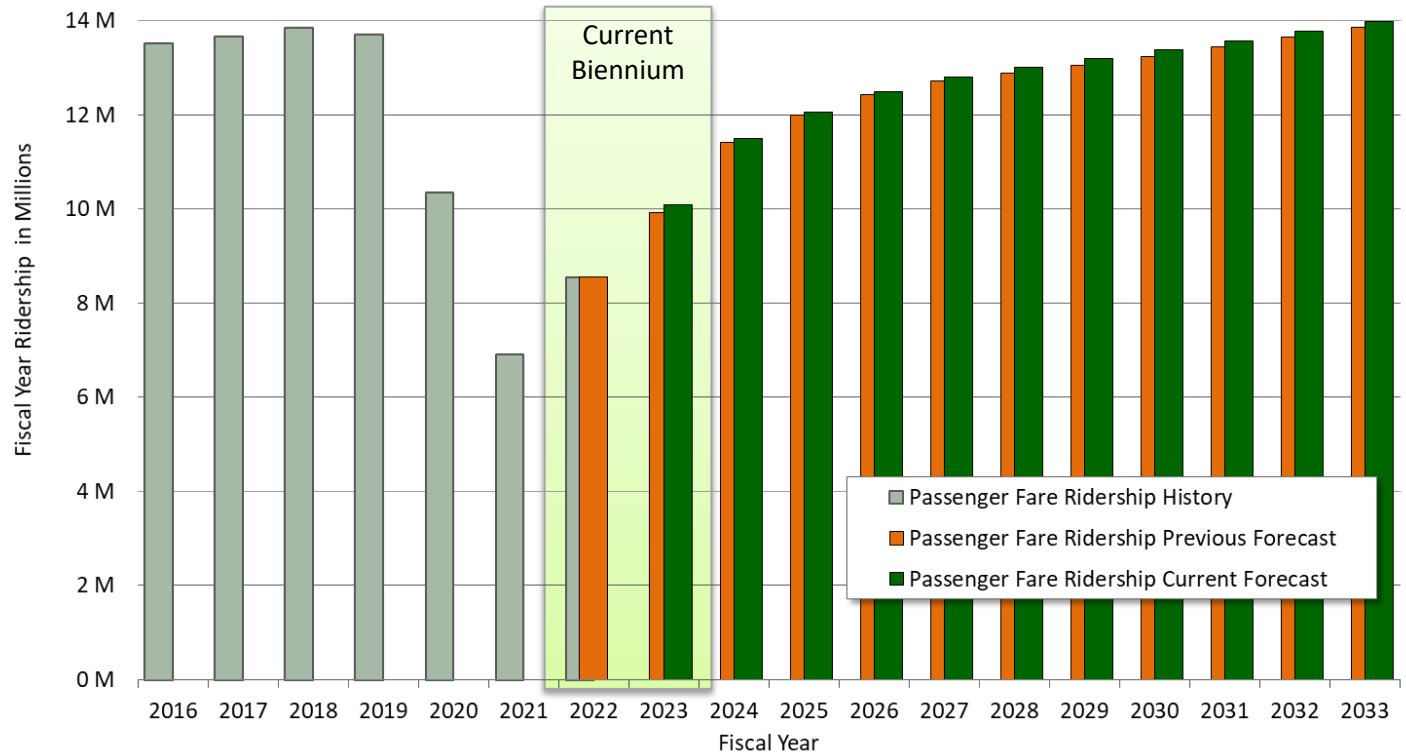
November 2022 Baseline Forecast — passenger fare ridership changes:

FY 2023

- + 17.9% annual growth
- + 1.7% from September

FY 2024

- + 14.0% annual growth
- + 0.8% from September



Ferry Vehicle/Driver Baseline Ridership Forecast Comparison: November vs. September

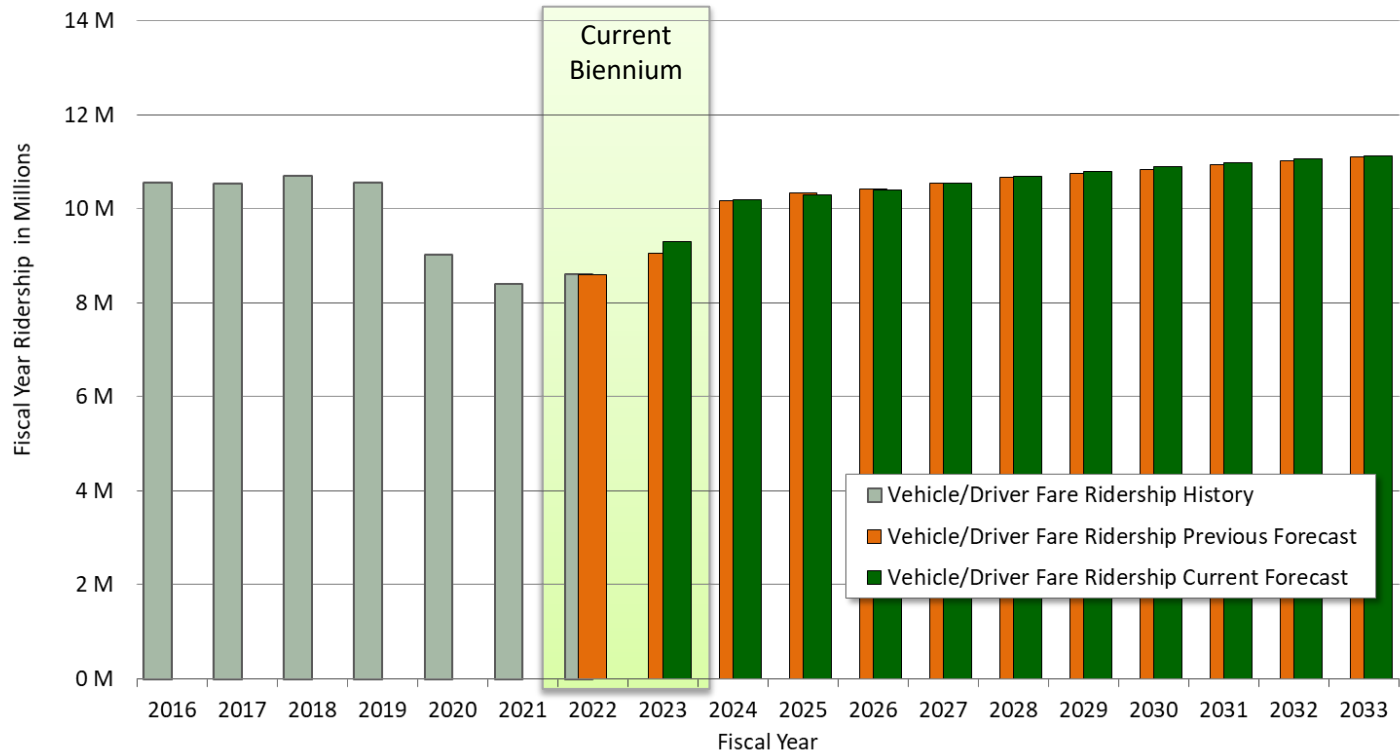
November 2022 Baseline Forecast — vehicle/driver fare ridership changes:

FY 2023

- + 8.3% annual growth
- ↑ 2.8% from September

FY 2024


- + 9.4% annual growth
- ↑ 0.2% from September




Change in Baseline Forecast Ferry Revenue: November vs. September

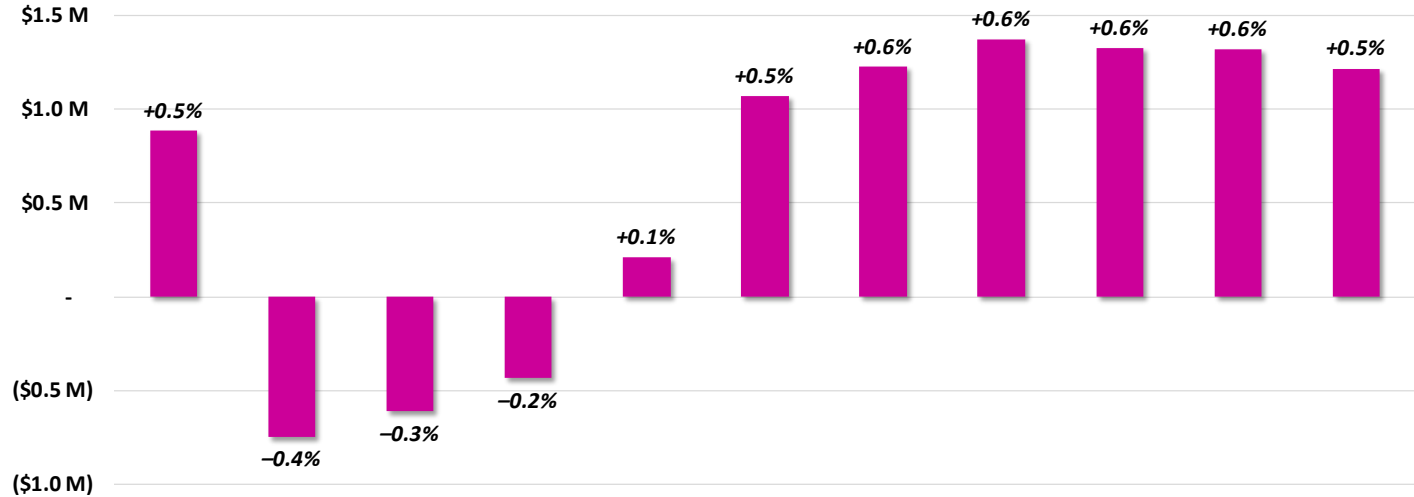
November 2022 Baseline
Forecast changes in
ferry farebox revenues:*

FY 2023

- \$0.88 M (0.5%) from
 September

FY 2024

- \$0.74 M (0.4%) from
 September



	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Forecast Change	\$0.88 M	(\$0.74 M)	(\$0.61 M)	(\$0.43 M)	\$0.21 M	\$1.07 M	\$1.23 M	\$1.37 M	\$1.32 M	\$1.32 M	\$1.22 M
Forecast % Change	+0.5%	-0.4%	-0.3%	-0.2%	+0.1%	+0.5%	+0.6%	+0.6%	+0.6%	+0.6%	+0.5%

* Farebox revenues include base fares plus capital and vessel surcharges; excludes miscellaneous terminal and vessel non-fare revenues

Summary: November vs. September Baseline Forecasts for Ridership and Revenue

Measure	November 2022 Forecast	September 2022 Forecast	Change	Percentage Change
FY 2022 Total Ridership	17,156,000	17,156,000	—	—
FY 2023 Total Ridership	19,394,000	18,977,000	+417,000	+2.2%
2021/23 Biennium Farebox & Miscellaneous Revenues	\$354,184,000	\$353,233,000	+\$951,000	+0.3%
2023/25 Biennium Farebox & Miscellaneous Revenues	\$419,380,000	\$420,651,000	-\$1,271,000	-0.3%

Reasons for the Revisions

- Stronger recent performance likely reflecting additional recreational travel, in-person work, and service restoration progress, along with net positive effects from updated economic and demographic projections.
- Increasing share of passenger fare ridership / decreasing share of vehicle-driver ridership lowers average revenue per rider, contributing to slightly lower 2023-35 revenues despite small uptick in ridership projections compared to September Forecast.
- Higher miscellaneous revenue projections the result of revised vendor estimates for advertising at terminals and on vessels.

Questions?



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