

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 21, 2008
POSITION: Neutral, suggest amendments
SPONSOR: City of Vallejo

BILL NUMBER: SB 1093
AUTHOR: P. Wiggins

BILL SUMMARY: San Francisco Water Emergency Transportation Authority

This bill clarifies the planning, management, and operations responsibilities of the San Francisco Bay Area Water Emergency Transportation Agency (WETA) and extends the date by which it must create and adopt a transition plan from January 1, 2009, to July 1, 2009.

FISCAL SUMMARY

The WETA currently receives approximately \$3 million per year primarily from a share of the Bay Area Toll Authority toll bridge revenues. The WETA reports that the City of Alameda and the City of Vallejo receive approximately \$1 million and \$3.5 million from toll revenues, respectively. After a transition plan is adopted, the WETA would receive the local funding to operate ferry services at current service levels. This bill provides that for any transfer of the ownership of assets an amount of compensation shall be mutually agreed upon with both the WETA and the local agency passing the resolution in support of the agreement.

This bill could result in a state mandate by requiring that the WETA create and adopt a transition plan, conduct public hearings, and complete various public notice requirements. However, Finance notes that the mandates imposed on the WETA would not be reimbursable because the WETA has the authority to raise revenues through increases in fares and fees for services related to the water transportation system.

COMMENTS

Finance has no fiscal or policy concerns with this bill. The author's office reports that this is cleanup legislation to Chapter 734, Statutes of 2007, to clarify and strengthen provisions related to the planning, management, and operation of the water transportation services provided by the WETA.

However, we recommend that this bill be amended to remove the incorrect language referencing the creation or changing of a crime. While this bill could create a mandate, the reason that it would not be reimbursable is that WETA can pay for any associated costs by increasing the fare it charges ferry passengers.

Analyst/Principal (0751) M. Tollefson	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

P. Wiggins

April 21, 2008

SB 1093

ANALYSIS

A. Programmatic Analysis

Current law consolidates all publicly operated ferry services in the Bay Area and creates the San Francisco Bay Area Water Emergency Transportation Agency (WETA) to plan, manage, operate, and coordinate the emergency activities of all water transportation and transportation related facilities in the San Francisco Bay Area. Current law:

- Requires the WETA to be governed by a board composed of five members, of which three members are appointed by the Governor, one member appointed by the Senate Committee on Rules, and one member appointed by the Speaker of the Assembly.
- Requires the WETA to create and adopt, in cooperation with the Metropolitan Transportation Commission and the State Office of Emergency Services, an emergency water transportation system management plan on or before July 1, 2009.
- Requires the WETA to create and adopt a transition plan on or before January 1, 2009.
- Requires the WETA to provide a copy of the plans to each city and county in the bay area region at least 45 days prior to the plan's adoption.
- Requires the WETA to set fares and schedules for travel on the water transportation system it operates and would authorize the WETA to issue bonds, levy special benefit assessments, and borrow money.

This bill would clarify the planning, management, and operations responsibilities of the WETA and extend the date by which it must create and adopt a transition plan from January 1, 2009, to July 1, 2009. Specifically, this bill:

- Prohibits the WETA from making operational changes to ferry services operated by the cities of Alameda and Vallejo prior to the adoption of a transition plan.
- Requires the transition plan to include a description of the WETA's proposed changes in the operation of existing service, including how the services will be seamlessly integrated to other forms of public transportation.
- Requires the transition plan to include a description of the proposed compensation if assets are proposed to be transferred from the current service providers to the WETA.
- Requires the WETA to ensure that any proposed changes in ferry services provided by the City of Vallejo are consistent with the city's general plan, redevelopment plan, and its development and disposition agreements for the city's downtown and waterfront redevelopment projects.
- Requires the WETA to ensure that the transition will provide for the continuation of the maintenance facility on Mare Island for ferry boats.
- Guarantees that a city in which the ferry terminal generates at least 40 percent of the total receipts of the system operated by the WETA will have a representative on the governing board.
- Imposes on the WETA certain public hearing and public notice requirements before proposing any changes in service.
- Creates a state mandate by requiring that the WETA create and adopt a transition plan, conduct public hearings, and complete various public notice requirements

Discussion: The author's office reports that this is cleanup legislation to Chapter 734, Statutes of 2007, to clarify and strengthen provisions related to the planning, management, and operation of the water transportation services provided by the WETA. Current law provides no process for a city to receive fair and equitable compensation for assets related to current ferry operations to be acquired by the WETA. In addition, this bill provides a public notice requirement and public input process for any changes in ferry schedules or fares.

The City of Alameda has expressed its desire to obtain the same provisions as given to the City of Vallejo in this bill with respect to a seat on the governing board and the requirement that any changes in service be consistent with its general plan. The WETA is currently in discussions with both the City

P. Wiggins

April 21, 2008

SB 1093

of Vallejo and City of Alameda regarding the transition plan and potential changes to bill language. The Department of Transportation indicates no fiscal concerns with this bill. Ferry services are funded primarily by toll revenues provided from the Bay Area Toll Authority.

The Legislative Counsel has indicated that no reimbursement is required by this bill because the only costs that may be incurred will be incurred because this act creates or eliminates a new crime or infraction, or changes the penalty for a crime or infraction. However, Finance notes that the mandates imposed on the WETA would not change a crime or infraction, but would not be reimbursable because the WETA has the authority to raise revenues through increases in fares and fees for services related to the water transportation system.

Chapter 734, Statutes of 2007, of which this bill intends to revise, imposed a potential reimbursable state mandate by requiring local agencies to come to an agreement on the transfer of assets through the WETA's transition plan and provide an orderly transfer of those assets. The City of Vallejo has submitted a test claim in the amount of \$166.8 million, asking the Commission on State Mandates (Commission) to determine whether specified costs under Chapter 734, Statutes of 2007, are reimbursable state mandated costs. Finance believes that the test claim legislation does not impose a reimbursable state mandate and any staff costs related to the transfer of assets can not be found reimbursable at this time. The Commission has yet to make a determination on this claim.

Related Legislation: Chapter 734/07 (SB 976), repealed the San Francisco Bay Area Water Transit Authority and established the WETA in its place.

B. Fiscal Analysis

The WETA currently receives approximately \$3 million per year primarily from a share of the Bay Area Toll Authority toll bridge revenues. The WETA reports that the City of Alameda and the City of Vallejo receive approximately \$1 million and \$3.5 million from toll revenues, respectively. After a transition plan is adopted, the WETA would receive the local funding to operate ferry services at current service levels. This bill provides that for any transfer of the ownership of assets an amount of compensation shall be mutually agreed upon with both the WETA and the local agency passing the resolution in support of the agreement.

This bill could result in a state mandate by requiring that the WETA create and adopt a transition plan, conduct public hearings, and complete various public notice requirements. However, Finance notes that the mandates imposed on the WETA would not be reimbursable because the WETA has the authority to raise revenues through increases in fares and fees for services related to the water transportation system.

The WETA receives portions of BATA Regional Measure 1 toll revenues, which were dedicated to transit services serving bridge corridors as well as bicycle, pedestrian, and water transit system uses. The WETA also receives a portion of project-specific Regional Measure 2 funds.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP								
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010		
2660/Caltrans	SO	No		-----	See Fiscal Summary	-----				0046
<u>Fund Code</u>	<u>Title</u>									
0046	Public Transportation Account, STF									

Suggested Amendments
SB 1093 (As amended April 21, 2008)

~~SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.~~