

Practice Update

Water as a Highway: Back to the Future

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Florida's economic prosperity is integrally and intimately tied to water and water resources. Nearly two-thirds of our population is clustered in major urban areas situated on the Atlantic Ocean or Gulf of Mexico. Most of Florida's tourism and hospitality industries, outside of central Florida, are concentrated on our coasts, with substantial portions located on barrier islands or otherwise accessible primarily by bridge.

In our early years, we used ferries to make connections between land and barrier islands. Ferries rapidly gave way to robust roadway and bridge systems, leaving the St. John's River ferry in Jacksonville as the only functioning public water transit operation in Florida. Yet, the tremendous popularity of our beaches and coastal destinations together with continuing population growth has led to gridlock on our coastal bridges and highways. The high cost of bridge construction coupled with daunting environmental regulatory requirements has made new or expanded bridge construction extraordinarily difficult. Now, two promising projects in the Tampa Bay area may point the way to rekindling the use of our waterways for moving people by introducing modern fast passenger ferry service as a robust transportation solution.

The first is the Hillsborough County public-private partnership to provide commuter ferry service to the

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sprawling MacDill Air Force Base (MAFB), located at the tip of a peninsula in south Tampa. Home to both Central Command and Special Operations command, the base employs over 16,000 civilian and military personnel, nearly half of whom live in southern Hillsborough County. Because of the geography of Tampa Bay, these southern Hillsborough County residents have a daily roundtrip commute of 70 miles on average, which can take over an hour each way, most of it on roadways at capacity.

Starting in 2010, the Hillsborough County Metropolitan Planning Organization (MPO) undertook two separate studies to examine the feasibility of water borne transportation in Tampa Bay. It also identified substantial market interest in this service. It found that ferry service could reduce both trip times and cost to employees, but it also concluded that the service would require significant operating subsidies.

Using the study results, HMS Ferries (HMS), working with its policy advisors at Akerman, LLP, developed a business plan to implement passenger ferry service from south County to MAFB. By making use of high capacity, fast passenger ferries and seamless “first mile-last mile” solutions, HMS presented a plan to Hillsborough County in which it agreed to assume operational risk so long as area governments financed the infrastructure costs, including terminals, trams and vessels.

HMS documented that the MAFB commuter ferry service would reduce average daily travel time by over 20 minutes each day, and save MAFB employees approximately \$2600 annually. Projected community and environmental benefits would also be significant, with the first phase of the project reducing travel on area roadways by over 90,000 miles each day. The net reduction in vehicular use also would reduce nitrogen oxide emissions in the Tampa Bay area by 23 tons annually and vehicular greenhouse gas emissions by 8,800 tons annually.

HMS and Akerman also demonstrated that the new ferry service would create transportation capacity at a lower cost than any other competing option. The proposed \$25 million project has the capacity to move nearly 2500 commuters during peak rush hour periods over a distance of nearly 35 miles. This would be the equivalent of adding a half lane of limited access roadway over the same distance, which would cost over \$500 million. Further, the project could be done in a fraction of time, with nominal environmental and community adverse impacts, and robust community and environmental benefits.

Based upon these project metrics, Hillsborough County and HMS entered into a public-private partnership agreement in February, 2014. Hillsborough County also applied for a federal ferry grant, through the Hillsborough County Area Regional Transit Authority, and was awarded \$4.87 million in August, 2014. This was the second largest project-specific ferry grant awarded by the federal government in 2014. With this positive news, however, came new federal regulatory mandates under the National Environmental Policy Act of 1970, which required Hillsborough County to undertake a review of alternative ferry terminal locations. This review is now underway.

The MacDill Ferry project helped to catalyze the water transportation policy discussion in Tampa Bay. Newly-elected St. Petersburg Mayor Rick Kriseman, who ran on a platform that included water transportation, started a public initiative to “jump start” ferry service between St. Petersburg and Tampa. Akerman, working in conjunction with Mayor Kriseman and major downtown Tampa redevelopment interests, identified opportunities to make use of seasonal passenger ferry vessels from the northeast United States, to start up a pilot passenger ferry service between the two cities.

Based upon this model, St. Petersburg issued a request for proposals in late 2015 for a turnkey pilot

ferry project to operate service during the winter months. Mayor Kriseman secured regional support for this initiative from Hillsborough County, Pinellas County, and the City of Tampa, each of which pledged \$350,000 in funding to match St. Petersburg's contribution to the \$1.4 million pilot project. HMS was selected as the turnkey project developer and marine operator.

As it stands now, intercity ferry service between St. Petersburg and Tampa will commence in early November, 2016. It will operate between the two cities for six months. A new, 149 passenger ferry, which operates out of Provincetown, Rhode Island during summer months, will provide two daily roundtrips between the cities, seven days each week, plus a third round trip on Friday evenings. The service will introduce the technology to Tampa Bay and test both commuter and tourist transit. Should results be positive, this service can be easily repeated on a recurring seasonal basis.

Ferries served as the only option for crossing waterways for most of our history. Bridge construction made ferries largely obsolete for the last seventy years. But in a growing number of locales in Florida, the high cost and environmental delays associated with bridge building may be opening the door for the advent of new, fast passenger ferry service. The Tampa Bay area passenger ferry projects are likely to shine a new light on water transportation as an innovative mobility alternative whose time has come again.

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