

Ferry Fare Study

by the
**San Juan County
Economic Development Council**

June 2007

Revision History

June, 2007	Original Version	Bill Watson
------------	------------------	-------------

Table of Contents

List of Charts	4
List of Tables	4
Ferry Fare Study – Purpose	5
Ferry Fare Study – Objective.....	5
Executive Summary	6
The Data 2000 to 2006.....	7
The Data 2000 to 2006.....	7
Analysis 2000 to 2006	7
Q1 Assumption	7
Shift to Commuter Fare Classification	8
“Residents” Carry More of the Cost Burden	8
SJC Tourism is down.....	8
Ferry Trends – The Data.....	9
Ferry Fares	9
Ferry Ridership	10
Ferry Trends – Possible Conclusions.....	12
Shift to commuter passes	12
Resident vs. Non-residents ridership	12
Vehicles >20 ft ridership.....	13
Population Trends – The Data	14
Population Trends – Possible Conclusions.....	15
Ridership declined while population grew	15
Sales & H/M Tax Trends – The Data	17
Sales & H/M Tax Trends – Possible Conclusions.....	19
Retail Sales Category Analysis.....	19
Retail Sales Analysis	21
Hotel/Motel Tax Analysis.....	23
Cost of Living Trends – The Data	24
Real Estate	24
CostOfLiving Index	25
Income/Wages	26
Cost of Living Trends – Possible Conclusions.....	31
Home Prices versus Income Analysis.....	31
Wages versus Retail Sales Analysis	31
Tourism – The Data	33
Tourism – Possible Conclusions.....	34
Appendix A: CPI Indexes used to adjust for inflation.....	35
Appendix B: Additional Commuter Fare data	35
Appendix C: Hotel/Motel Tax Analysis	36
Appendix D: Retail Sales Category Definitions.....	37
Appendix E: Ferry Classification Description.....	37

List of Charts

Chart 1: Percent Increase Ridership vs. Population vs. Fares: 2000 to 2006	6
Chart 2: Percent Increase of Ferry Fares from 2000 to 2006.....	9
Chart 3: WSF Anacortes to San Juan Routes 1996 to 2000	10
Chart 4: Vehicles above 20 ft Ridership per island	13
Chart 5: Vehicles above 20 ft and Other Ridership Annual Totals	13
Chart 6: Projected County Population: 2000 to 2006.....	14
Chart 7: Percent Increase Ridership vs. Population vs. Fares: 2000 to 2006	15
Chart 8: SJC Retail Sales 1996 to 2006.....	17
Chart 9: SJC Sales Tax Distribution 1997 to 2006.....	18
Chart 10: SJC Lodging Tax Distribution 2000 to 2006.....	18
Chart 11: Retail Sales by Category.....	19
Chart 12: Retail Sales by Category Minus the Top Three.....	20
Chart 13: Retail Trade Sales by Sub-Category	21
Chart 14: Median Home Price 1995 to 2005	24
Chart 15: Comparative Cost of Living Indexes, Jan 2007.....	25
Chart 16: Median Income 1990 to 2006	26
Chart 17: SJC Total Income by Category 1990 to 2004.....	27
Chart 18: Number of Wage Earners vs. Proprietors 1990 to 2004.....	28
Chart 19: Average Earnings per Job in 2000 dollars 1969 to 2004.....	29
Chart 20: Earned Income by Place of Residence vs. Place of Work 1969 to 2004.....	30
Chart 21: Median Income versus Median Home Price 1995 to 2005.....	31
Chart 22: Tourism Spending 1992 to 2005.....	33
Chart 23: Adjusted Tourism Spending Percent Increase from 2000	34

List of Tables

Table 1: Q1 Assumption: 2000 to 2006 Percent Increase	7
Table 2: Percent Increase of Ferry Ridership from 2000, for each Quarter	10
Table 3: Percent Increase of Ferry Ridership from 2000, annual per type.....	11
Table 4: "Commuter" Ridership as percent of Total, 1996 to 2006, by type	11
Table 5: Percent Commuter Ridership 2000 and 2006.....	12
Table 6: Residents vs Non-Residents Percent Increase of Ridership	12
Table 7: Percent Increase of Quarterly Retail Sales 2000 to 2006	17
Table 8: Residents vs Non-Residents Percent Increase Retail Sales	21
Table 9: Retail Sales, Q1 Assumption Analysis	22
Table 10: Retail Sales, Q1 Assumption Analysis – Percent increase 2000-2006.....	22
Table 11: Lodging Tax by Quarter, 2000 to 2006	23
Table 12: Lodging Tax by Quater – Percent increase 2000-2006	23
Table 13: Consumer Price Differential, Orcas Island Versus Mainland, Feb 2007	25
Table 14: Percent Increase by Income Category 2000 to 2004	27
Table 15: Increase in Wage Earners vs. Proprietors 2000 to 2004.....	28
Table 16: Annual Retail Sales versus Total Earnings 2000 to 2004	32
Table 17: Consumer Price Index 1989-2006	35
Table 18: "Commuter" Ridership as percent of Total, quarterly 2000 to 2006, by type	35
Table 19: Percent Increase Ridership Per Island: Total and Commuter by type, 2000 to 2006...	36
Table 20: Lodging Tax, Q1 Assumption Analysis	36
Table 21: Lodging Tax, Q1 Assumption Analysis – Percent increase 2000-2006.....	37

Ferry Fare Study – Purpose

The purpose of this study is to gather economic data which will allow community leaders in San Juan County to analyze the impact of the Ferry system on our community, particularly its impact during the last six years of ferry fare increases. It is our hope that with this information and analysis our community leaders can educate the state's legislators to take a broader view of the Ferry System and its importance to the economy of Washington.

Ferry Fare Study – Objective

The objective of this study is to provide “reliable facts” upon which our community leaders can construct logical arguments about the economic impact of ferry fares on the San Juan County economy, and thus on the Washington State Economy. It is our intent that the “reliable facts” are un-biased to any foregone conclusion or argument.

For each topic area, we first present “The Data”, the data in its raw form. The presentation of this data has been provided to indicate trends, and hopefully enhances, rather than confuses, the understanding of the data.

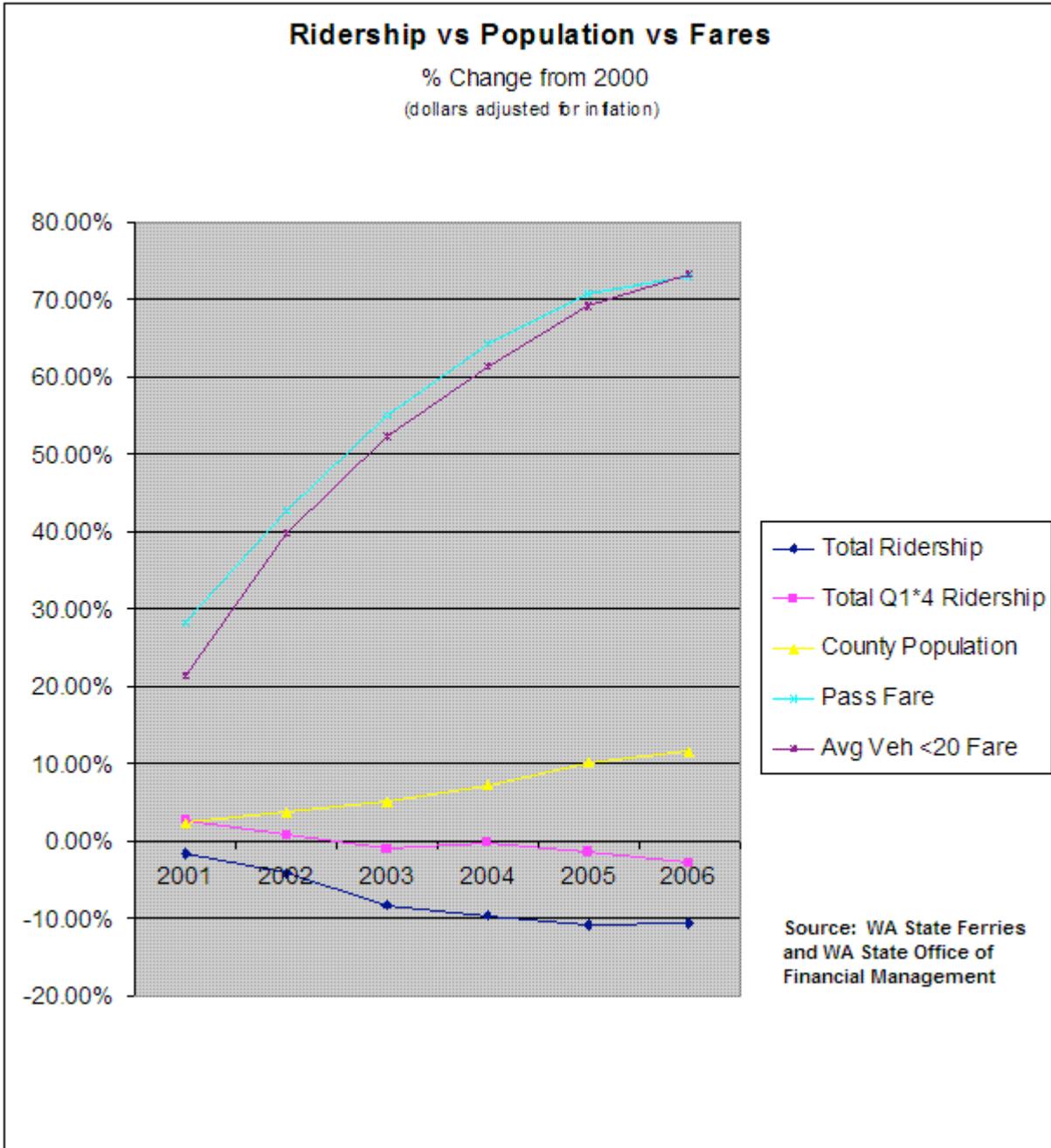
The second section for each topic area includes conclusions that we've drawn from this area's “The Data” section, and possibly data from preceding areas. This section is where the “reliable facts” are structured into some thoughts and conclusions. This is the first place where there is an opportunity (un-intended for sure) for personal bias to influence the content. We hope that our process of wide review and discussion by the diversity represented by the EDC membership has minimized the potential for unintended bias.

Where we made assumptions in our analysis, we have attempted to flag them as such. With any data, there are always caveats on how the data was generated. We have attempted to identify significant caveats that we felt might influence the interpretation of such data. Finally, we have proposed several conclusions based upon our analysis. However, the raw data is provided to allow the reader to draw their own conclusions.

Executive Summary

Chart 1: Percent Increase Ridership vs. Population vs. Fares: 2000 to 2006

Source: WA State Office of Financial Management & WA State Ferries;
(WSF\Charts\Change 00-06.xls)



(*) All dollar amounts within the Executive Summary section have been adjusted for inflation.

The Data 2000 to 2006

- San Juan County Population has increased 11.53%
- WSF Fares have increased 57-100+% (*)
- WSF San Juan Routes Total Ridership has decreased 7.06%
- San Juan County Retail Sales has increased 8.96% (*)
- SJ County Hotel/Motel Tax has decreased 0.37% (*)

Analysis 2000 to 2006

We have identified 3 classifications of riders of the WSF San Juan routes: year-round residents, part-time residents, and visitors.

- Year-round residents – this classification includes individuals who live year round within the county. These folks are the majority of wage earners and/or business proprietors, but do include some “Non-Earners” (such as retirees). This classification typically includes those individuals with families (one or more children) that are the core of a local community.
- Part-time residents – this classification includes individuals who live part-time in the county and part-time elsewhere. These folks include those that have second homes in the county or are transient workers working the tourist or growing season. Certainly, the transient workers contribute to the “wage earners” type of statistics for the county. This classification certainly includes some “Non-Earner” retirees.
- Visitors – this classification includes the classic tourists and friends and family members visiting the county to enjoy the natural resources that make San Juan County what it is. These include visitors that stay over one or more nights as well as the day visitors.

In the following analysis, we lump the Part-time residents and the Visitors in together in the “Non-Resident” category and place the Year-round residents in the “Resident” category.

Q1 Assumption

Let’s assume that Q1 statistics primarily represent the activities of the “Residents” category of WSF riders. Q1 is the winter months, Part-time residents are typically off-island, and the number of “Visitors” is minimal. Thus, economic indicators are those related to “Resident” activities.

If we then multiply Q1 statistics by 4 to get an annual number, let’s assume this annual number again represents the contributions of the “Residents” category but for the entire year. Thus, if we take the annualized Q1 number and subtract it from actual Annual numbers, then this should provide us with the contribution of “Non-Residents”.

[Caveat: Yes, these assumptions are imprecise by the nature of their generalization. However, we feel that it is this generalization that points out the trends that are of interest.]

Table 1: Q1 Assumption: 2000 to 2006 Percent Increase
Source: WA State Ferries & WA State Department of Revenue,
(SJC Ferry Statistics.xls & SJC Qtrly Retail Sales 00-06.xls)

	Annual WSF Ridership	Annual SJC Retail Sales
Residents	-2.74%	+13.53% (*)
Non-Residents	-14.96%	-4.44% (*)

Shift to Commuter Fare Classification

While overall Ridership has decreased 7.06% from 2000 to 2006, Commuter Ridership has increased 33.13%. Clearly, this reflects a shift by Residents to Commuter discount fares attempting to minimize the impact of fare increases upon their cost of living.

It is interesting that the number of commuter ridership increases Q1 to Q2 and again Q2 to Q3. This must be partially resulting from the addition of the Part-time residents. Doubly interesting is that Q3 is the quarter incurring the highest ferry fares (Peak Rates) and has consistently been the quarter with the greatest number of commuter ridership. Tourists most likely don't utilize commuter ridership in any major way and thus, must indicate even more Year-round residents and Part-time residents striving to avoid the "peak rates" of Q3.

"Residents" Carry More of the Cost Burden

While overall Ridership has decreased 7.06% from 2000 to 2006 and "Resident" Ridership has decreased 2.74%, using our Q1 Assumption the percent of Total Ridership attributed to "Residents" has increased 2.98%. One might conclude that "Residents" are incurring the greatest impact of the ferry fare increases as they account for a greater percentage of Total Ridership.

Included in the 13.53% increase in Annual SJC Retail Sales by Residents is the increased cost of goods due to increased transportation costs. Precise price differentials between mainland and island goods are not well documented at this time and are an area for future study. However, increased transportation costs, in the form of higher Ferry Fares, clearly contributes directly and indirectly to the higher cost of living for island residents.

It seems logical to assume that, if visitor ridership continues to decline, permanent and part time residents will have to assume an increasing burden in the effort to eliminate the deficit in the Anacortes-San Juan ridershed. Additionally, with reduced income from visitors, local workers and business people have less means to pay increasing ferry costs.

To fully understand the cost implications to "Residents" and the revenue implications to WSF, one would need to consider the fare increase, the percent of total ridership increase, as well as the reduction in revenue resulting from the increase usage of commuter fares.

SJC Tourism is down

From our "Q1 Assumption" table above, Tourist Ridership on WSF is down 14.96 % and tourist Retail Spending is down 4.44% 2006 compared to 2000. Adjusted for inflation, according to Dean Runyan, SJC tourism spending has increased 0.84% 2000 to 2005 as compared to WA State overall tourism spending which has increased 8.39% 2000 to 2005.

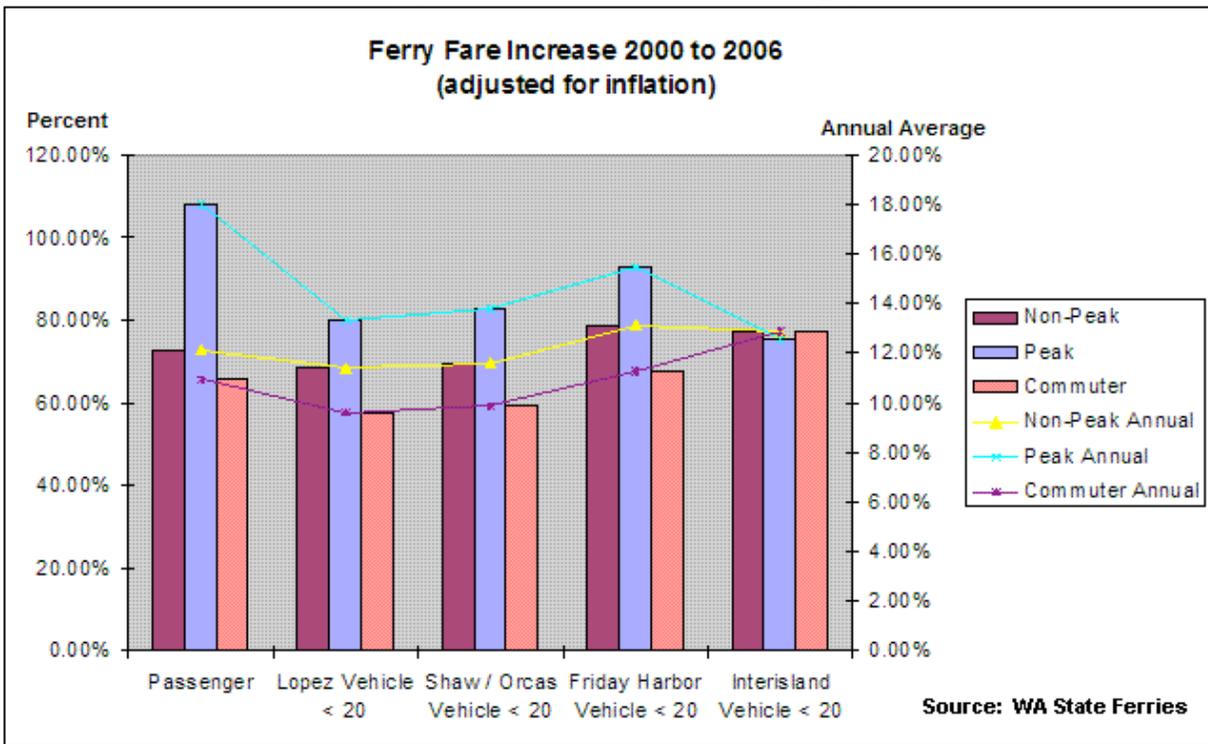
Clearly, there has been some negative affect (or affects) impacting Tourism in San Juan County, of which WSF Fares is most likely one such negative affect. Another such factor could be convenience (having to wait in line hours to catch the summer ferries).

This raises the question of what is the "price elasticity" with respect to Ferry Fare rates and Tourist Ridership?

Ferry Trends – The Data

Ferry Fares

Chart 2: Percent Increase of Ferry Fares from 2000 to 2006
Source: WA State Ferries; (WFS\FareCharts\Percent Increase.gif)



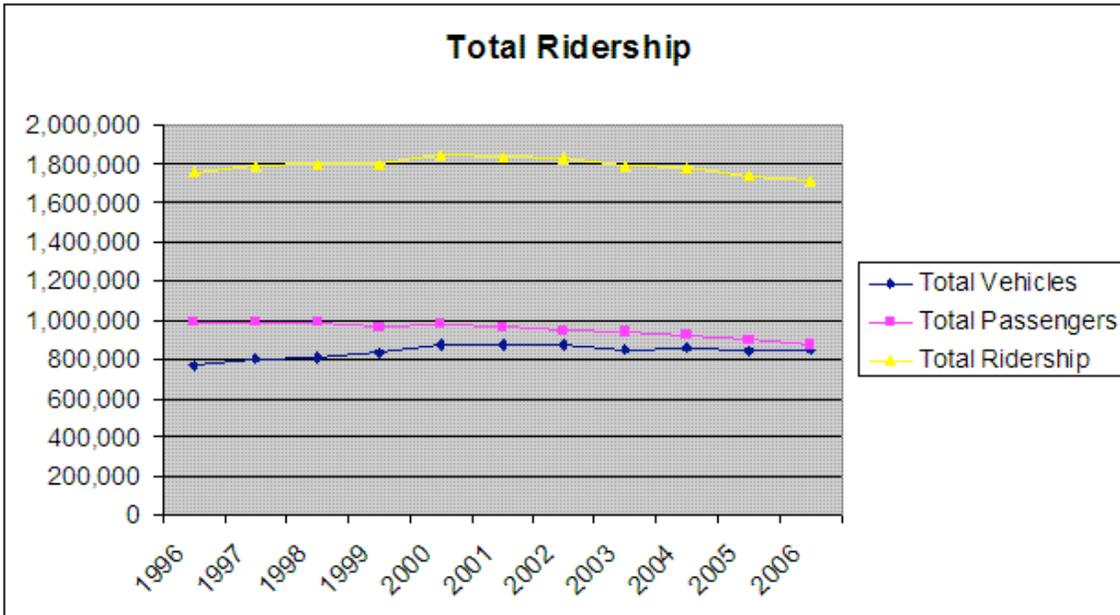
- Ferry fares increased 57.75-107.84% from 2000 to 2006 (depending upon category).
- The “Peak” fares category in general increased the most from 2000 to 2006 (75.29-107.84%).
- In the “Non-Peak” fare category, Friday Harbor (78.90%) and Interisland (77.28%) increased the most from 2000 to 2006.
- For the “Commuter” fare category, Interisland (77.28%) increased the most from 2000 to 2006.

We are using 2000 to 2006 since that is after the elimination of the Motor Vehicle Excise Tax (MVET) that was helping fund the WSF and thus, when Washington State began their annual fare increases.

Ferry Ridership

Chart 3: WSF Anacortes to San Juan Routes 1996 to 2000

Source: WA State Ferries; (WSF\Charts\Total Ridership Annual.gif)



Total Ridership is down 7.06% (2006 as compared to 2000). 2000 is the year of the largest total ridership.

Table 2: Percent Increase of Ferry Ridership from 2000, for each Quarter

Source: WA State Ferries, (SJC Ferry Statistics.xls)

Percent Increase by qtr	2006-2000	2005-2000	2004-2000	2003-2000	2002-2000	2001-2000
q1	-2.74%	-1.40%	-0.26%	-1.00%	0.71%	2.74%
q2	-6.21%	-6.47%	-4.29%	-4.78%	-4.04%	-2.44%
q3	-5.74%	-7.81%	-5.65%	-2.61%	-0.46%	-1.48%
q4	-14.07%	-5.57%	-2.76%	-3.53%	-0.70%	0.14%

As you can see in the table above, the Total Ridership on a quarterly comparison basis 2006-2000 is:

- Q1 down 2.74%
- Q2 down 6.21%
- Q3 down 5.74%
- Q4 down 14.07%

The relative quarterly declines (2001, 2002, 2003, 2004, 2005, 2006) are not consistent over the years (I.E. some years Q2/3 have greater declines than Q1/Q4) and might just represent ridership variability between years.

Table 3: Percent Increase of Ferry Ridership from 2000, annual per type
Source: WA State Ferries; (SJC Ferry Statistics.xls)

	Vehicle Percent Increase	Passenger Percent Increase	Total Percent Increase
2001	0.05%	-1.42%	-0.73%
2002	0.60%	-2.91%	-1.25%
2003	-2.08%	-3.99%	-3.09%
2004	-1.86%	-5.63%	-3.86%
2005	-3.06%	-8.59%	-5.99%
2006	-2.94%	-10.73%	-7.06%

Total “Passenger” ridership is down **10.73%** (2006 as compared to 2000).
Total “Vehicle” ridership is down **2.94%** (2006 as compared to 2000), which includes a slight increase in 2006 as compared to 2005 of 0.12%.

Table 4: "Commuter" Ridership as percent of Total, 1996 to 2006, by type
Source: WA State Ferries; (SJC Ferry Statistics.xls)

	Commuter % of Total Vehicles	Commuter % of Total Passengers
1996	31.30%	12.84%
1997	32.72%	13.13%
1998	32.37%	12.86%
1999	33.21%	12.49%
2000	32.67%	12.41%
2001	35.09%	13.35%
2002	40.15%	16.46%
2003	41.91%	19.19%
2004	44.81%	21.05%
2005	45.02%	20.82%
2006	44.73%	18.80%

Looking at the number of “Commuter” fare tickets used:

- For “Vehicles”,
“Commuter” fares were 32.67% of total in 2000, but 44.81% in 2006. This is an increase of 12.06% 2006 over 2000.
- For “Passengers”,
“Commuter” fares were 12.41% of total in 2000, but 18.80% in 2006. This is an increase of 6.39% 2006 over 2000. The highest was actually in 2004 at 21.05% “Commuter” fares of total.

Ferry Trends – Possible Conclusions

Shift to commuter passes

Since 2000, there has clearly been a concerted effort to leverage the discounts represented by the Commuter Fares offered by WSF. The percent of total ridership attributed to Commuter tickets has increased:

Table 5: Percent Commuter Ridership 2000 and 2006
Source: WA State Ferries; (SJC Ferry Statistics.xls)

Vehicles	2000	2006
Q1 Commuter %	37.45%	50.82%
Q4 Commuter %	38.78%	49.95%
Passengers		
Q1 Commuter %	17.12%	26.66%
Q4 Commuter %	16.10%	16.87%

This increase is clearly indicative of county residents attempting to reduce the impact of ferry fare increases upon their annual cost of living. Also, from 2000 to 2006, Vehicle percentages changed by 13.37% for Q1 and 11.17% for Q4. Interesting how these are close to the population increase of 11.53% (2000 to 2006).

Possible Conclusion: County residents responded to fare increases by shifting more and more to “Commuter Passes”, indicating that fare increases are impacting their cost of living.

Resident vs. Non-residents ridership

Table 6: Residents vs Non-Residents Percent Increase of Ridership
Source: WA State Ferries, (SJC Ferry Statistics.xls)

Percent increase from 2000 to	Resident Ridership Increase	Non-Resident Ridership	Resident Vehicle Ridership	Non-Resident Vehicle Ridership	Resident Passenger Ridership	Non-Resident Passenger Ridership
2001	2.74%	-7.26%	2.73%	-8.62%	2.76%	-6.62%
2002	0.71%	-4.94%	0.27%	1.69%	1.25%	-8.06%
2003	-1.00%	-7.02%	-0.12%	-8.44%	-2.09%	-6.35%
2004	-0.26%	-10.61%	0.43%	-9.27%	-1.11%	-11.24%
2005	-1.40%	-14.59%	-1.10%	-9.34%	-1.76%	-17.06%
2006	-2.74%	-14.96%	0.90%	-14.66%	-7.21%	-15.10%

Assumption: Q1 ridership represents county residents.

With the above assumption, the table above would indicate that non-residents account for less ridership in 2006 than they did in 2000 (down **14.96%**).

Possible Conclusion: If the assumption is valid, residents have been carrying more and more of the burden of financing the WSF runs between Anacortes and the San Juan Islands since 2000.

To fully understand the cost implications to “Residents” and the revenue implications to WSF, one would need to consider the fare increase, the percent of total ridership increase, as well as the reduction in revenue resulting from the increase usage of commuter fares.

Vehicles >20 ft ridership

Chart 4: Vehicles above 20 ft Ridership per island
Source: WA State Ferris; (WSF\Charts\Veh Above 20 ft per island.gif)

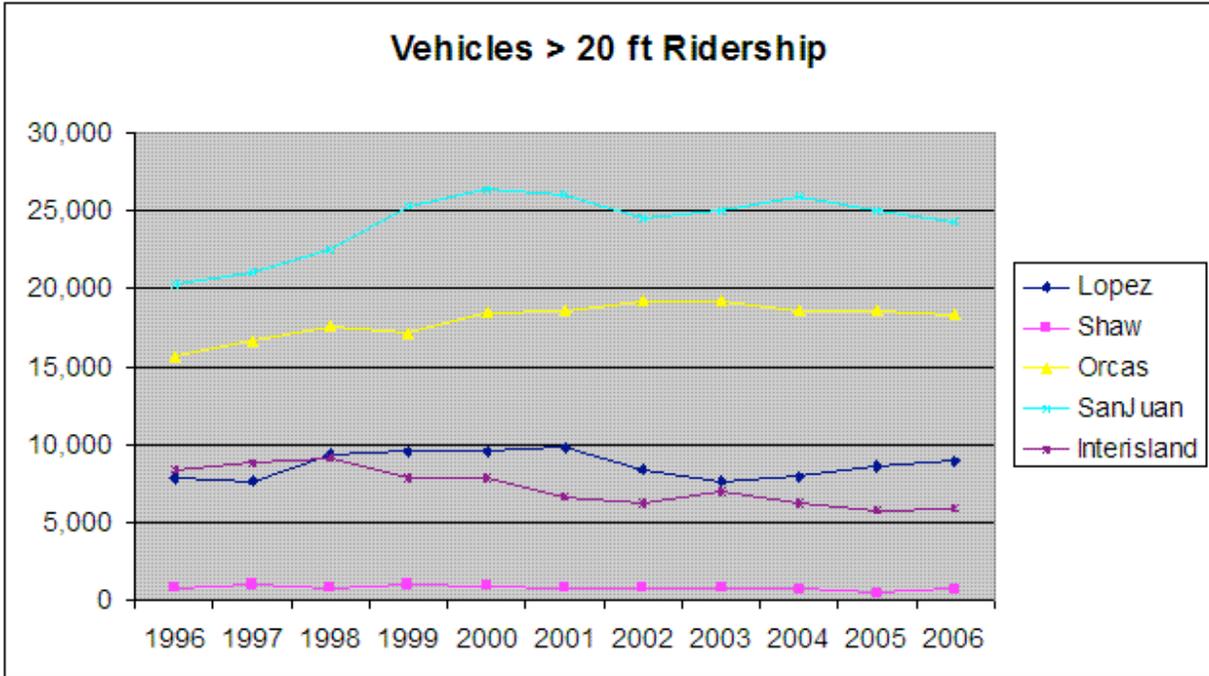
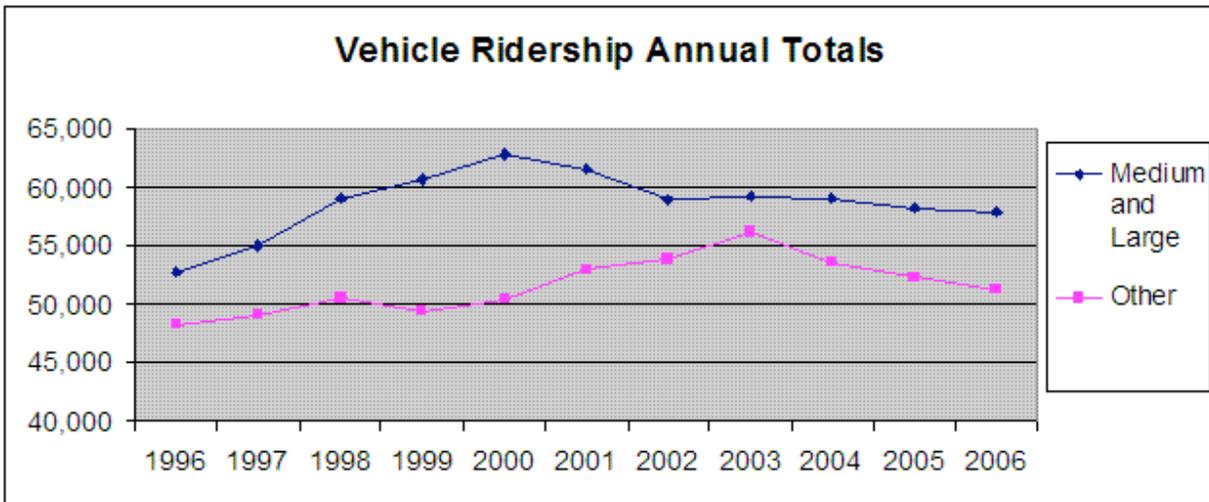


Chart 5: Vehicles above 20 ft and Other Ridership Annual Totals
Source: WA State Ferris; (WSF\Charts\Veh Above 20 and Other.gif)



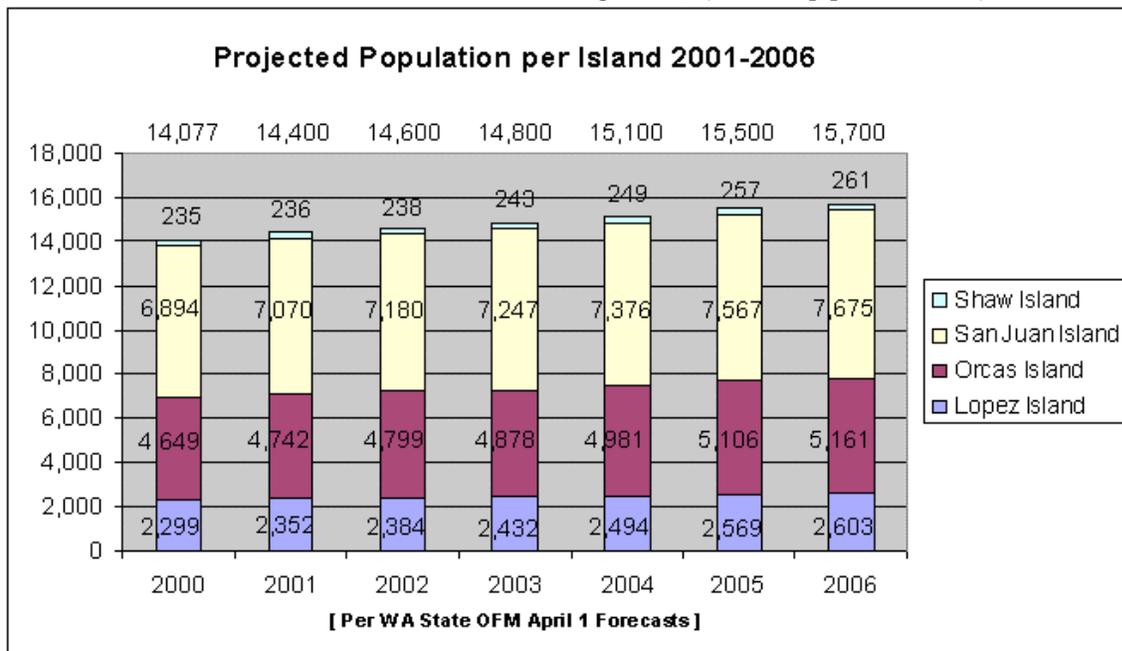
Vehicles over 20 ft long Ridership hit its maximum in 2000, and then proceeded to decline by 7.88% (2000 to 2006). It is hard to say if this decline is in Commercial vehicles, or a reduction of private vehicles of over 20 ft in length (cars with trailers, etc). However, the overall category reduction is consistent with the overall ridership declining.

The “Other” category of fares [Description in Appendix E.] increased from 2000 to 2003 and then declined 2003 to 2006, with the end result 2006 to 2000 increasing just 1.76%.

Possible Conclusion: The reduction of large vehicles (by a count of 4952 out of 62,866 in 2000) would tend to indicate that there has been a slight reduction in Commercial vehicles. However, there is no way to determine precisely how many were Commercial vehicles versus private oversized vehicles.

Population Trends – The Data

Chart 6: Projected County Population: 2000 to 2006
Source: WA State Office of Financial Management; (OFM\Pop per island.xls)

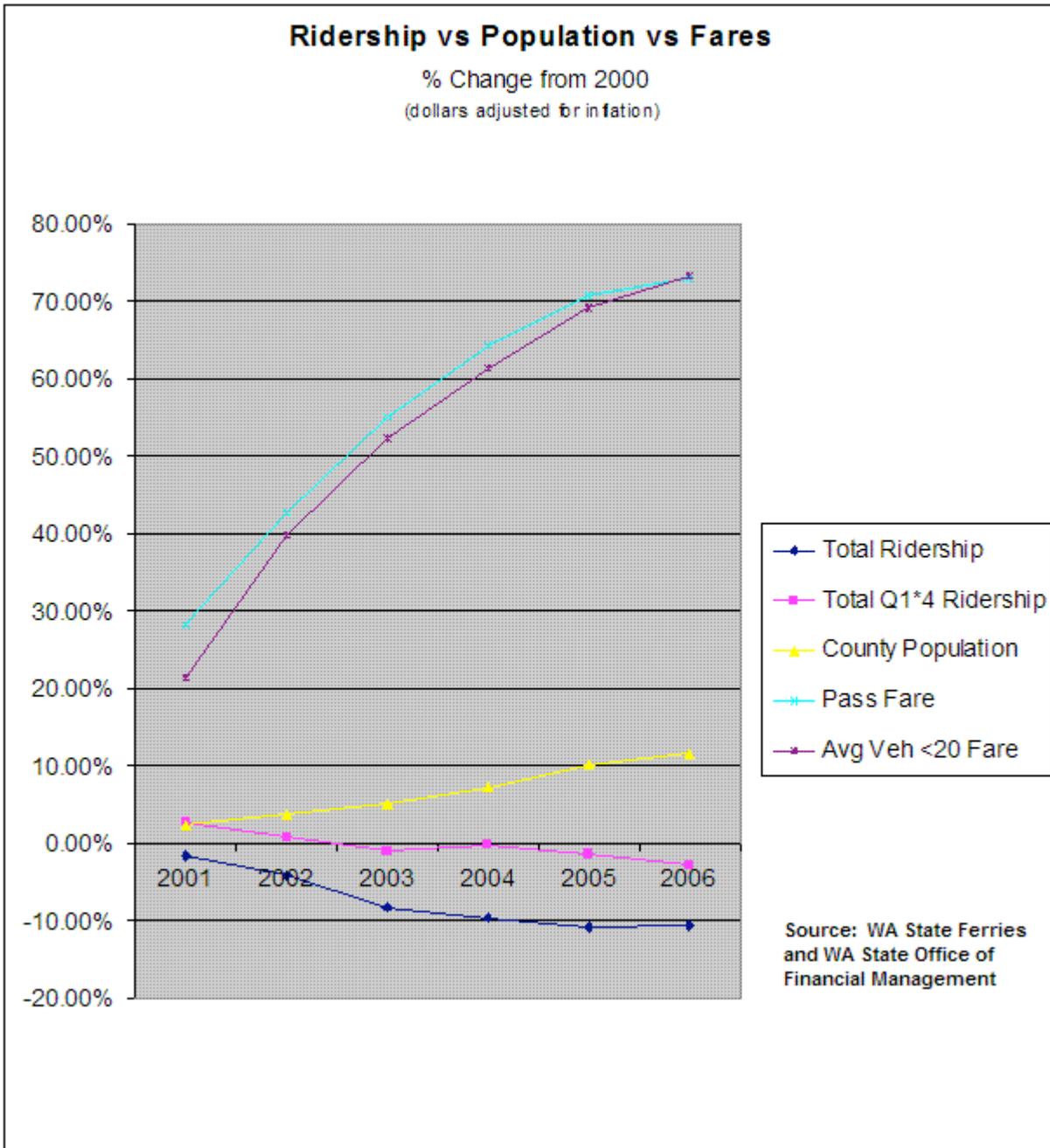


The county population went from 14,077 in 2000 to 15,700 in 2006 (2006 number is an estimate by the WA State Office of Financial Management). This is an increase of 11.53% (2006 over 2000).

Population Trends – Possible Conclusions

Chart 7: Percent Increase Ridership vs. Population vs. Fares: 2000 to 2006

Source: WA State Office of Financial Management & WA State Ferries;
(WSF\Charts\Change 00-06.xls)



Ridership declined while population grew

Total Ridership down 7.06% 2000 to 2006.

Population up 11.53% 2000 to 2006

So, population growth should have increased resident ridership by approx same percentage as population growth, since our growth was not simply by greater birth rate than death rate (I.E> not simply more children). So if we assume the growth population is of an equivalent mix to the existing population, then county resident ridership should have scaled with population growth.

However, one factor which can affect this, but can not be determined, is the break down between “full-time” residents and “part-time” residents. “Part-time” residents would include retired snow birds heading south in the winter, residents with only a second home in San Juan County, residents that declare San Juan County as their place of residence but who primarily work/live elsewhere, etc... This *unknown* could affect several of the statistical analysis within this study.

Suspected anomaly – Q4 2006 ridership down significantly beyond existing trend. Could be due to the shift between Commuter books and Wave2Go Commuter system transition. Or, it could be due to the bad weather experienced in Q4 2006 (two weeks of sub-freezing weather with snow/ice on the ground). Only time will tell if this is a new indicator.

Ref: Table 1 above.

If we look at Q1 & Q4 ridership (quarters with least non-residents impact), these have declined over the last three years while the county population grew. Q1 & Q4 ridership being the quarters best representing trends of county residents (least impacted by tourists).

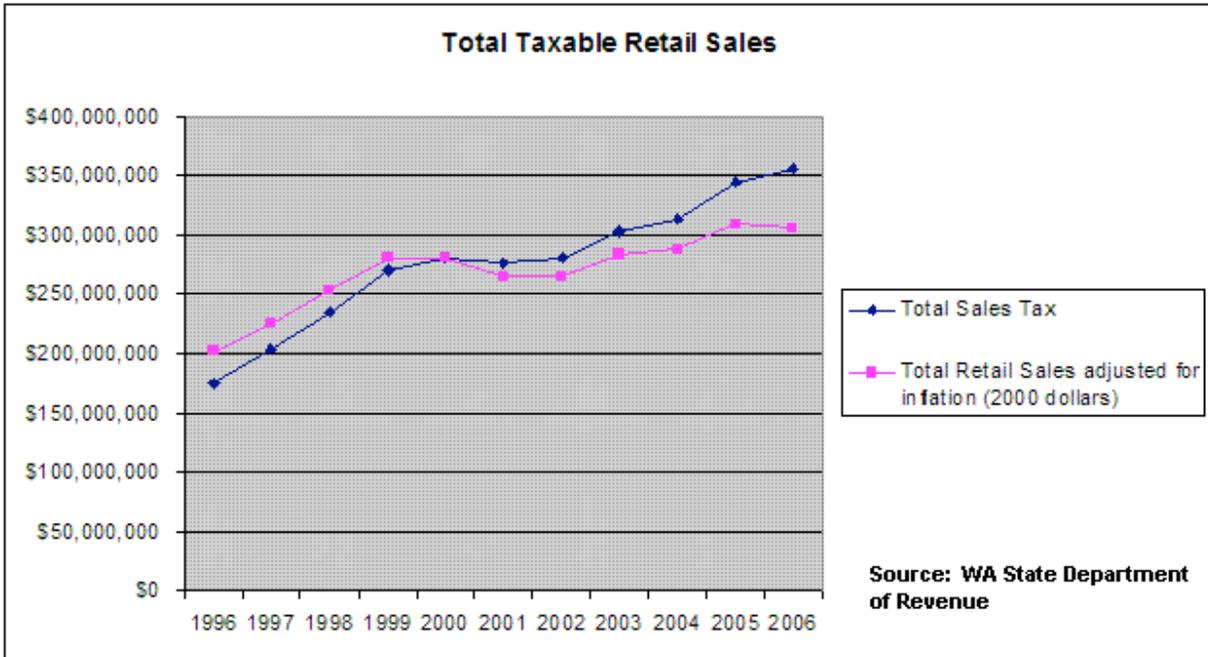
Possible Conclusion: Residents have reduced their usage of WSF significantly, contributing to the overall decline in Ridership despite an 11.53% growth in county population.

Sales & H/M Tax Trends – The Data

Since 2000, both Sales and Hotel/Motel tax proceeds have increased.

Chart 8: SJC Retail Sales 1996 to 2006

Source: WA State Department of Revenue; (DOR\Charts\SJC Retail Sales 96-06.gif)



[Includes Category "D" amount]

Retails sales has grown 26.66% from 2000 to 2006 (8.96% when adjusted for inflation)

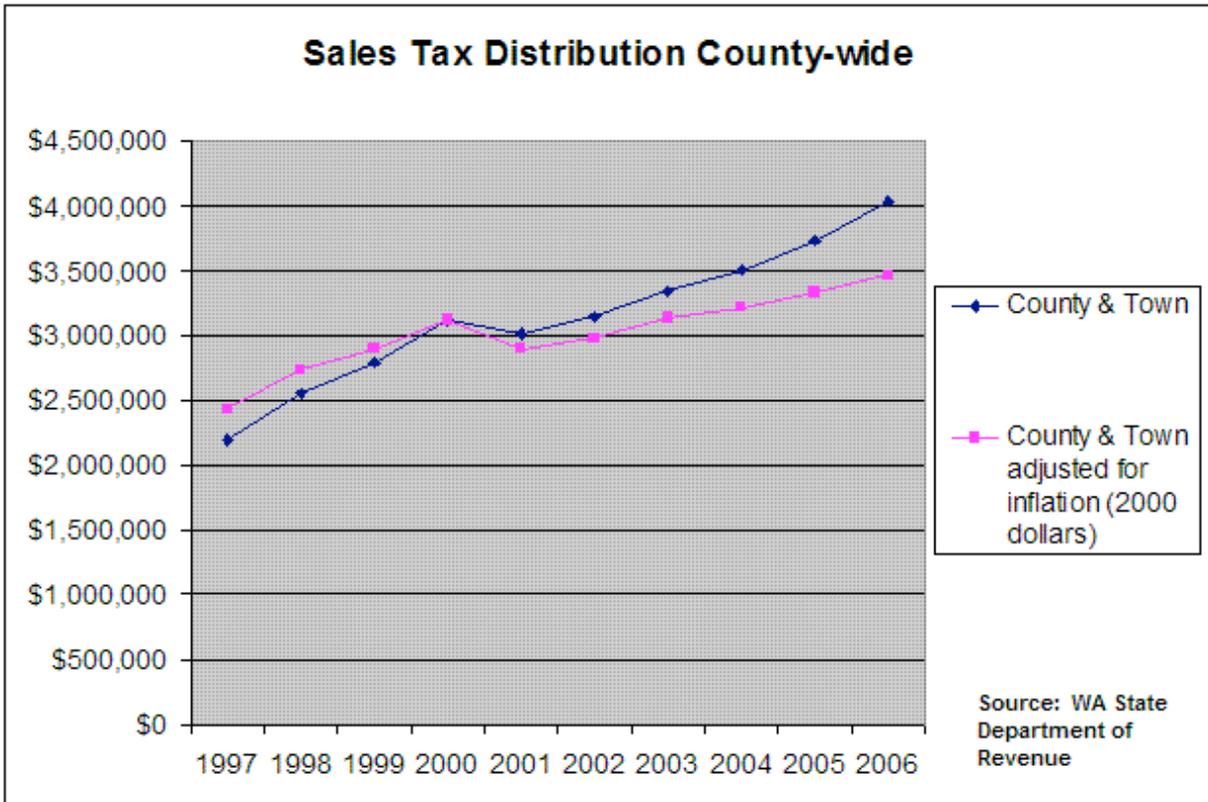
Table 7: Percent Increase of Quarterly Retail Sales 2000 to 2006

Source: WA State Department of Revenue; (SJC Qtrly Retail Sales 00-06.xls)

	Percent Increase	% Increase adjusted for inflation
2006Q1 - 2000Q1	31.98%	13.53%
2006Q2 - 2000Q2	25.05%	7.57%
2006Q3 - 2000Q3	24.25%	6.88%
2006Q4 - 2000Q4	27.26%	9.47%

Chart 9: SJC Sales Tax Distribution 1997 to 2006

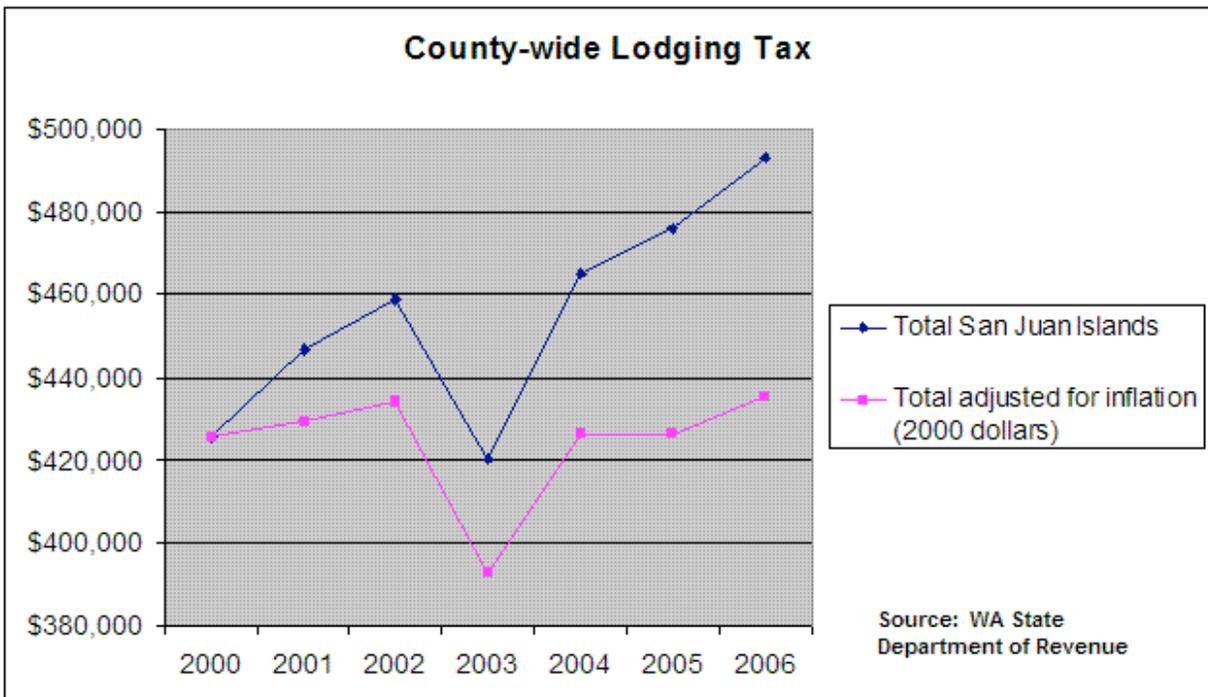
Source: WA State Department of Revenue; (DOR\Charts\SJC Sales Tax 97-06.gif)



Sales Tax proceeds county-wide has grown 29.09% from 2000 to 2006 (11.04% when adjusted for inflation).

Chart 10: SJC Lodging Tax Distribution 2000 to 2006

Source: WA State Department of Revenue; (DOR\Charts\SJC Lodging Tax by biz qtr 00-06.gif)



Hotel/Motel tax proceeds county-wide has grown 15.82% from 2000 to 2006 (or 2.27% when adjusted for inflation).

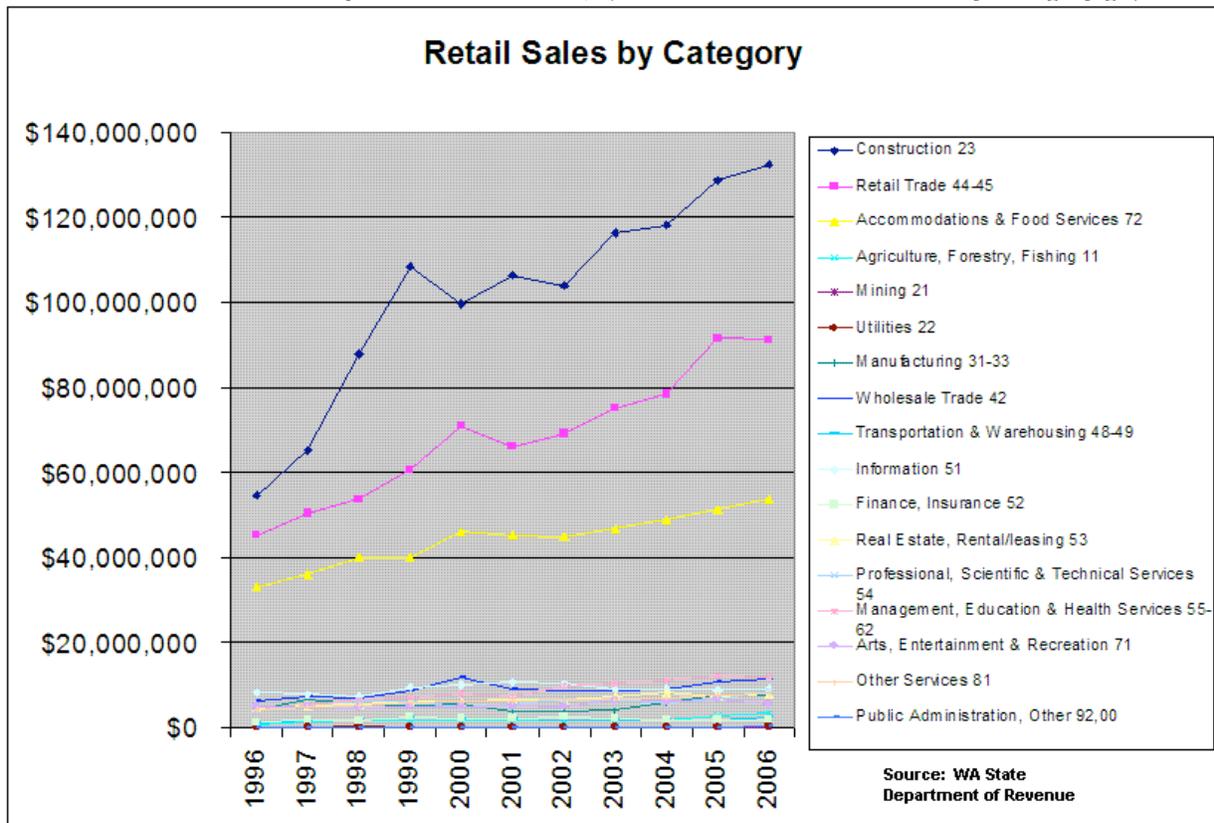
Sales & H/M Tax Trends – Possible Conclusions

Retail Sales Category Analysis

Let’s look at the categories of Retail Sales tracked by the WA State Department of Revenue and see if we can determine some of the drivers in San Juan County.

Chart 11: Retail Sales by Category

Source: WA State Department of Revenue; (DOR\Charts\SJC Retail Sales by Category.gif)



[Excludes Category “D” amount]

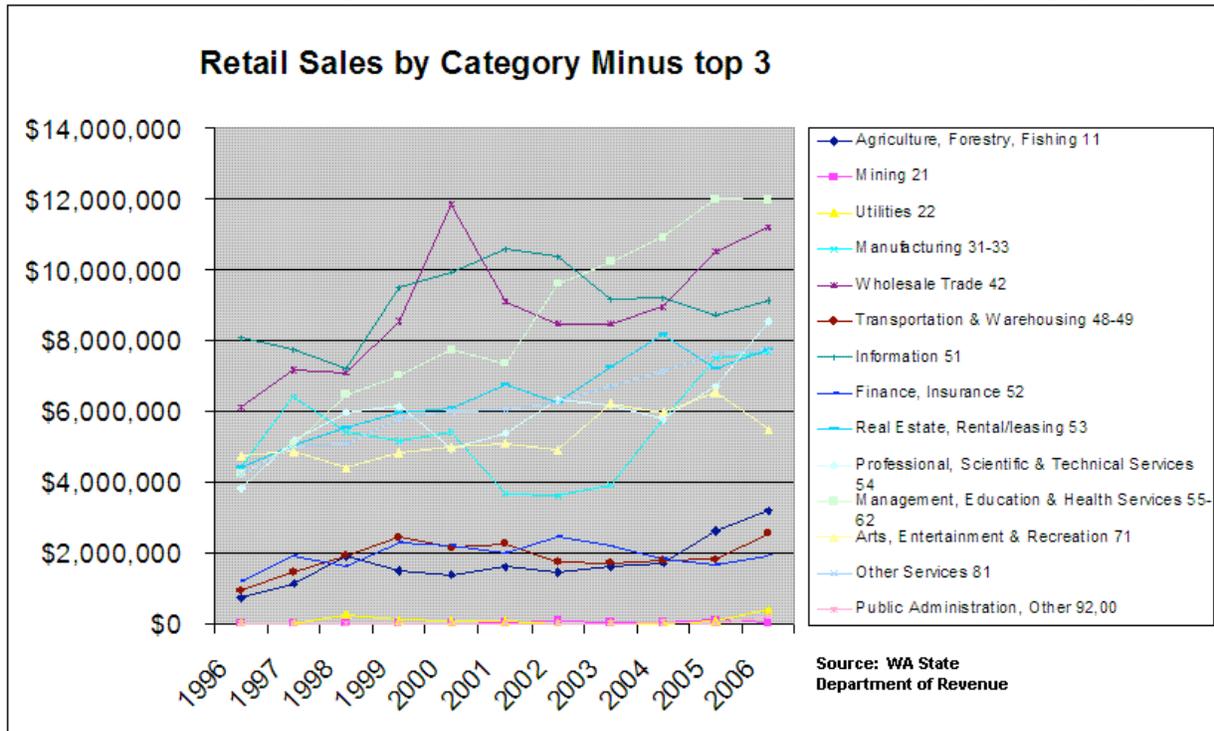
As you can see above, the top 3 contributors to Retail Sales in San Juan County are Construction, Retail Trade, and Accommodations & Food Services. [See Appendix D for definitions of these three categories.] In 2006, these contributed 78.09% of total retail sales (as compared to 77.53% in 2000). When adjusted for inflation (2000 dollars) 2000 to 2006 increase includes:

- Construction: 14.26% increase
- Retail Trade: 10.62% increase
- Accommodations & Food Services: 0.21% increase
- Overall: 9.30% increase

Now, let’s look at the other 14 categories with a bit more detail.

Chart 12: Retail Sales by Category Minus the Top Three

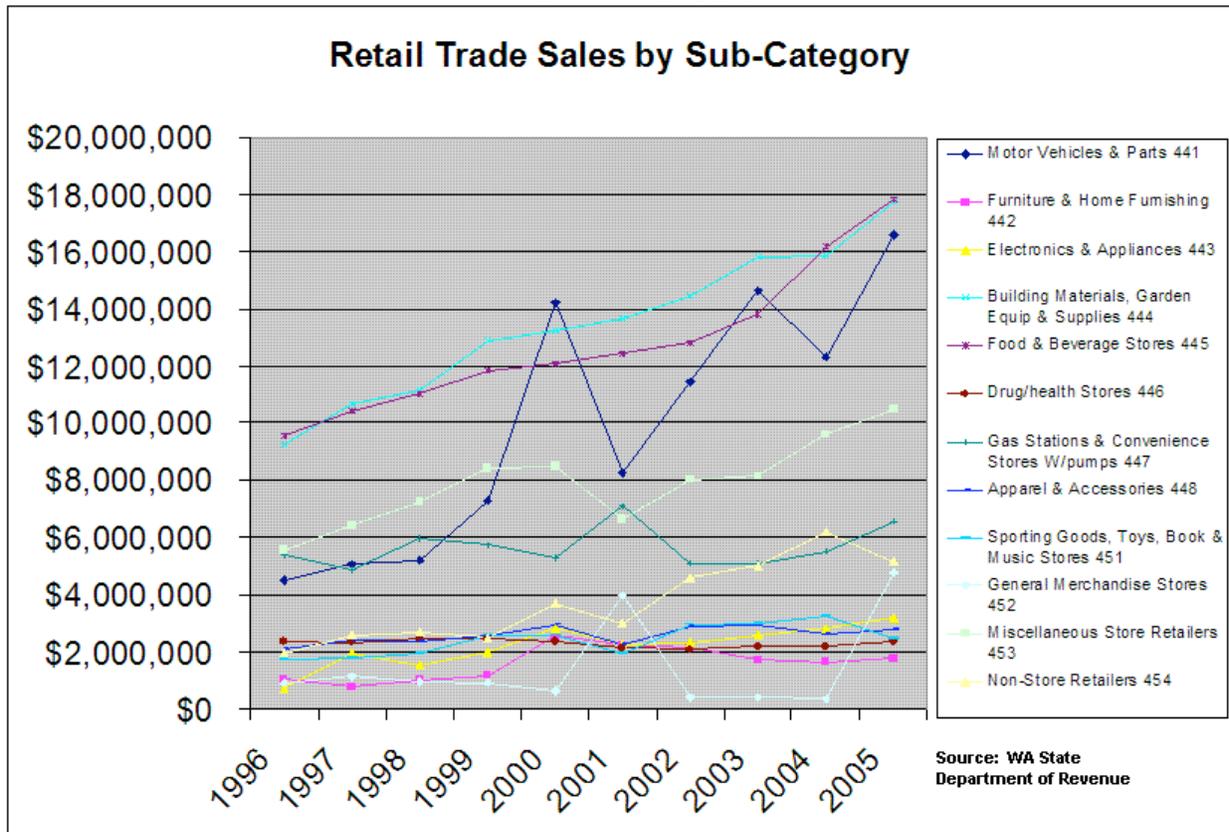
Source: WA State Department of Revenue; (DOR\Charts\SJC Retail Sales by Category -3.gif)



The total of these 14 categories when adjusted for inflation (2000 dollars) increased from 2000 to 2006 by 6.59%. Not sure this contributes anything specific to understanding the impact of ferry fares. But this is included for completeness.

Chart 13: Retail Trade Sales by Sub-Category

Source: WA State Department of Revenue,
(DOR\Charts\SJC Retail Trade Sales by SubCategory.gif)



Interesting to notice significant increases in “Building Materials, Garden Equip & Supplies”, “Food & Beverage Stores”, and “Motor Vehicles & Parts”.

Retail Sales Analysis

Can we get a sense of the contribution of Non-Residents, as compared to Retail Sales activity that results simply from the regular activity of business by the resident population? We used our Q1 Assumption to separate between “Resident” and “Non-Resident” Retail Sales.

Table 8: Residents vs Non-Residents Percent Increase Retail Sales

Source: WA State Department of Revenue, (SJC Qtrly Retail Sales 00-06.xls)

Percent Increase from 2000 to	Resident Retail Sales	Non-Resident Retail Sales
2001	-1.73%	-15.91%
2002	-1.58%	-16.94%
2003	-3.88%	14.02%
2004	-1.75%	14.64%
2005	15.68%	-6.35%
2006	13.53%	-4.44%

For this study, “Non-Residents” would include tourists, visitors, and probably part-time residents as they would not participate in Q1 activity (Ridership and Retail Sales for instance). By its very nature, this is neither a precise definition nor stratification of population. But it is intended to be a rough delineation from “full-time” or “year-round” residents.

Can’t really say there is any “trend” indicated in the data in the above table. Maybe the only conclusion is that there is inconsistent reporting of retail sales.

Table 9: Retail Sales, Q1 Assumption Analysis

Source: WA State Department of Revenue; (SJC Qtrly Retail Sales 00-06.xls)

	2000	2001	2002	2003	2004	2005	2006
Q1 Retail Sales	51,992,719	53,149,470	54,110,963	53,494,701	55,705,721	67,097,651	68,621,437
Q1 times 4	207,970,876	212,597,880	216,443,852	213,978,804	222,822,884	268,390,604	274,485,748
Annual Sales	280,647,948	276,169,467	280,283,546	302,677,523	313,683,954	344,320,826	355,223,725
Delta - non-residents??	72,677,072	63,571,587	63,839,694	88,698,719	90,861,070	75,930,222	80,737,977
Delta % of Total	25.90%	23.02%	22.78%	29.30%	28.97%	22.05%	22.73%

Note: Dean Runyan’s statistic states that: “*Visitor-generated collections accounted for 23.6% of state sales taxes (in SJC) in 2005*”.

Table 10: Retail Sales, Q1 Assumption Analysis – Percent increase 2000-2006

Source: WA State Department of Revenue; (SJC Qtrly Retail Sales 00-06.xls)

	2000-2006 % increase	2000-2006 % increase adjusted for inflation (2000 dollars)
Q1 Retail Sales	31.98%	13.53%
Q1 times 4	31.98%	13.53%
Annual Sales	26.57%	8.88%
Delta - non-residents??	11.09%	-4.44%

Assumption: Q1 Retail Sales represents sales by county residents only.

In the above table, we take the Q1 number, annualize it (times 4) and compare it to the actual annual number. If we assume Q1 has the lowest “Non-Resident” activity, then the Retail Sales in Q1 is from regular business activity associated with resident life. Thus, if we annualize that, and compare it to the actual annual number, then one might assume the delta is the impact of “Non-Residents”. We choose Q1 over Q4 due to the impact on retail sales from the holiday season that occurs during Q4.

The result is pretty close to the Dean Runyan’s estimate of 23.6% of state sales taxes in San Juan County is visitor-generated (in 2005). So this appears to validate our assumption of using Q1 retail sales numbers as resident generated business activity.

Fact: County Population increased 11.53% (2000 to 2006)

Fact: Q1 Retail Sales increased 31.98% (2000 to 2006) (or 13.53% when adjusted for inflation)

Assumption extension: Annual Resident Retail Sales increased 31.98% (13.53%).

Assumption extension: Annual Non-Resident Retail Sales increased 11.09% (-4.44%).

Possible Conclusion: Using our Q1 Assumption, Non-Resident spending increased by 11.09% 2000 to 2006. However when you adjust for inflation, Non-Resident spending actually declines 4.44%. With the increase in population of 11.53% and considering that Residents have reduced their off-island trips, the increase in Q1 Retail Sales of 13.53% (adjusted for inflation) tends to make total sense.

Hotel/Motel Tax Analysis

Possible Conclusion: Using our Q1 Assumption, it is apparent that it does not work as well for Lodging Tax as it does for Retail Sales. (Details in Appendix C.)

Table 11: Lodging Tax by Quarter, 2000 to 2006

Source: WA State Department of Revenue; (FH Lodging Tax by Month 00-07.xls)

FH plus County Only	2000	2001	2002	2003	2004	20.05	2006
Q1	46,197	47,339	40,068	32,998	37,732	44,174	39,200
Q2	96,878	106,511	101,381	96,804	121,919	102,875	114,298
Q3	215,506	215,333	259,705	226,464	227,924	260,805	270,242
Q4	67,013	77,363	57,943	64,008	77,419	67,966	69,194
Islands Total Lodging Tax	425,594	446,547	459,096	420,274	464,993	475,821	492,935

The above table is quarterized figures per business quarter (as compared to reporting quarter).

Table 12: Lodging Tax by Quater – Percent increase 2000-2006

Source: WA State Department of Revenue; (FH Lodging Tax by Month 00-07.xls)

	2000-2006 % increase	2000-2006 % increase adjusted for inflation (2000 dollars)
Q1	-15.15%	-27.01%
Q2	17.98%	1.49%
Q3	25.40%	7.87%
Q4	3.26%	-11.18%
Islands Total Lodging Tax	15.82%	-0.37%

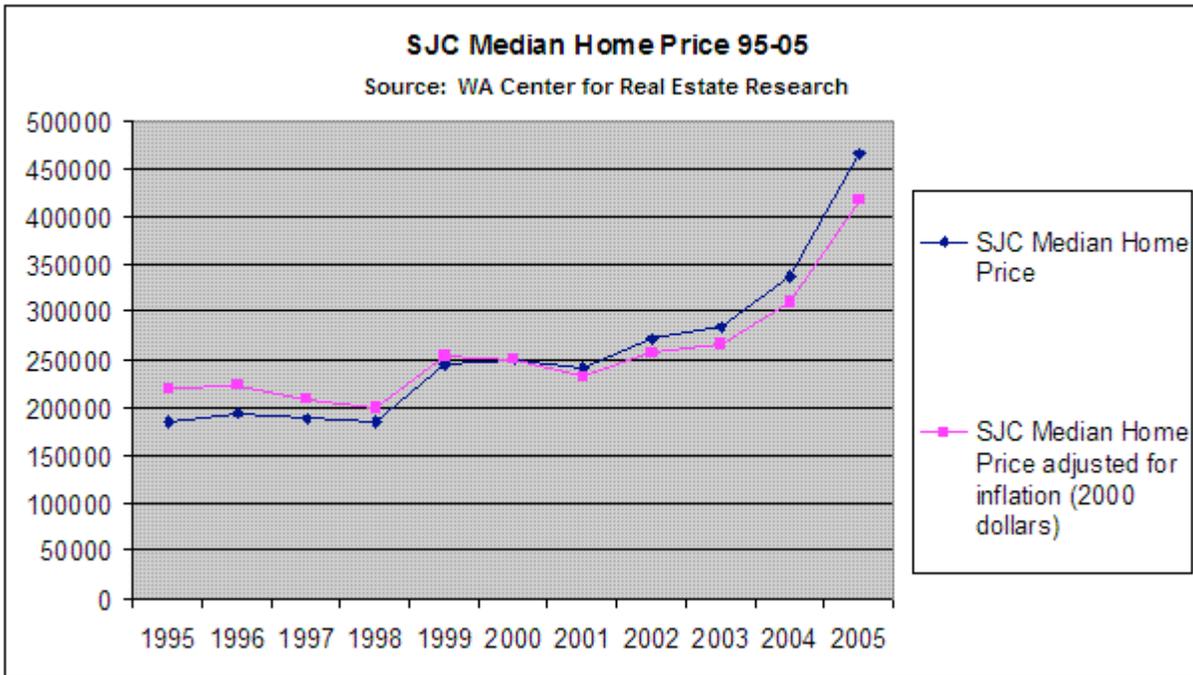
Possible Conclusion: Reviewing the above adjusted for inflation numbers, Hotel/Motel Tax Distributions have actually declined 0.37% 2000 to 2006. This is a consistent indicator with the Retail Sales analysis above. The numbers would also tend to indicate that Hotel/Motel activity outside of the core “summer season” has fallen significantly. Room rates have risen 0% to 35% with the average of those increasing being 22% (not adjusted for inflation).

Cost of Living Trends – The Data

Real Estate

Chart 14: Median Home Price 1995 to 2005

Source: WA Center for Real Estate Research; (WCRER\SJC Median Home Price.gif)

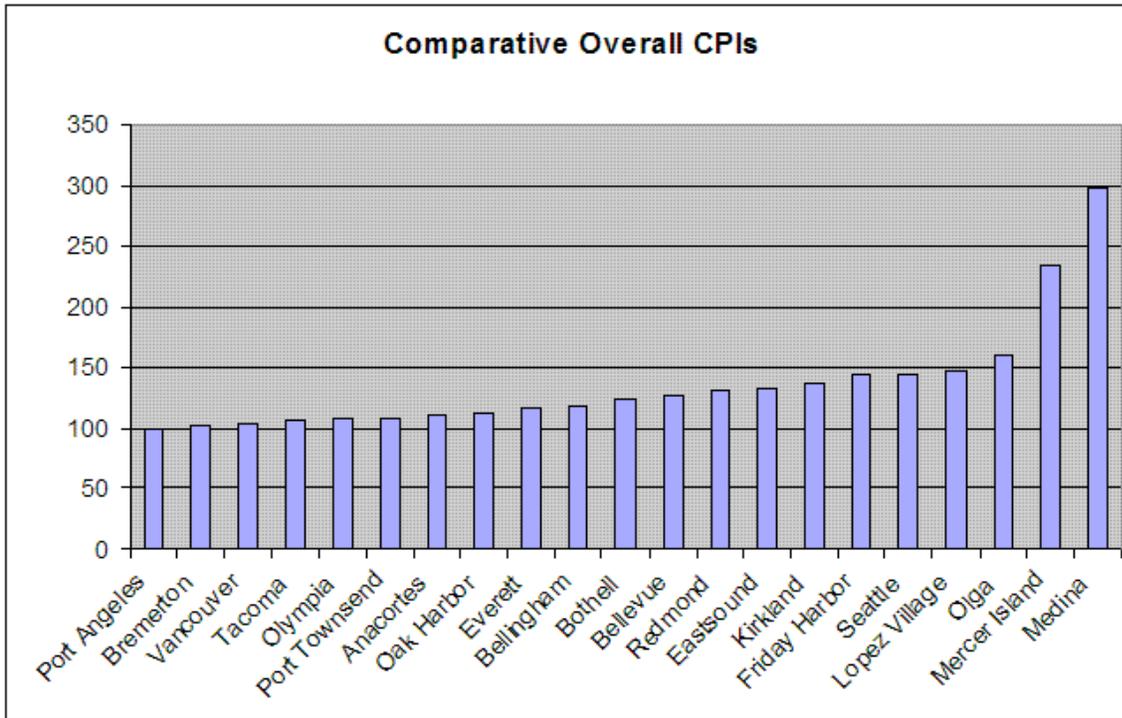


Medium home price (based on sales of existing homes) was \$250,000 in 2000 and \$465,000 in 2005. That is an increase of 86.00% for that 5 year period (or 66.73% when adjusted for inflation).

Cost Of Living Index

Chart 15: Comparative Cost of Living Indexes, Jan 2007

Source: Sperlings Best Places; (SperlingsBestPlaces\Overall CPI Comparison.gif)



Overall Cost Of Living Index by Sperling’s BestPlaces uses categories weighted subjectively as follows: housing (30%), food and groceries (15%), transportation (10%), utilities (6%), health care (7%), and miscellaneous expenses such as clothing, services, and entertainment (32%). State and local taxes are not included in any category. This data is as of 01/2007.

Currently, Friday Harbor Washington (actually zip code 98250) has the same Cost-Of-Living Index as the city of Seattle (according to the online service “Sperling’s BestPlaces” www.bestplaces.net). The overall index for zip code 98250 is 144.4.

Table 13: Consumer Price Differential, Orcas Island Versus Mainland, Feb 2007

	Total Mainland Cost	Total Island Cost	% Increase of Island price over mainland price
Groceries	\$130.77	\$177.60	35.81%
Home Hardware	\$448.06	\$558.16	24.57%
Film Processing	\$14.53	\$36.64	152.17%
Medications	\$45.75	\$75.71	65.49%
Auto Parts & Services	\$37.79	\$76.99	103.73%
Electronics	\$2,583.06	\$3,643.90	41.07%
Toys	\$96.49	\$172.34	78.61%
Sporting Goods	\$142.45	\$249.94	75.46%
Total	\$3,498.90	\$4,991.28	42.65%

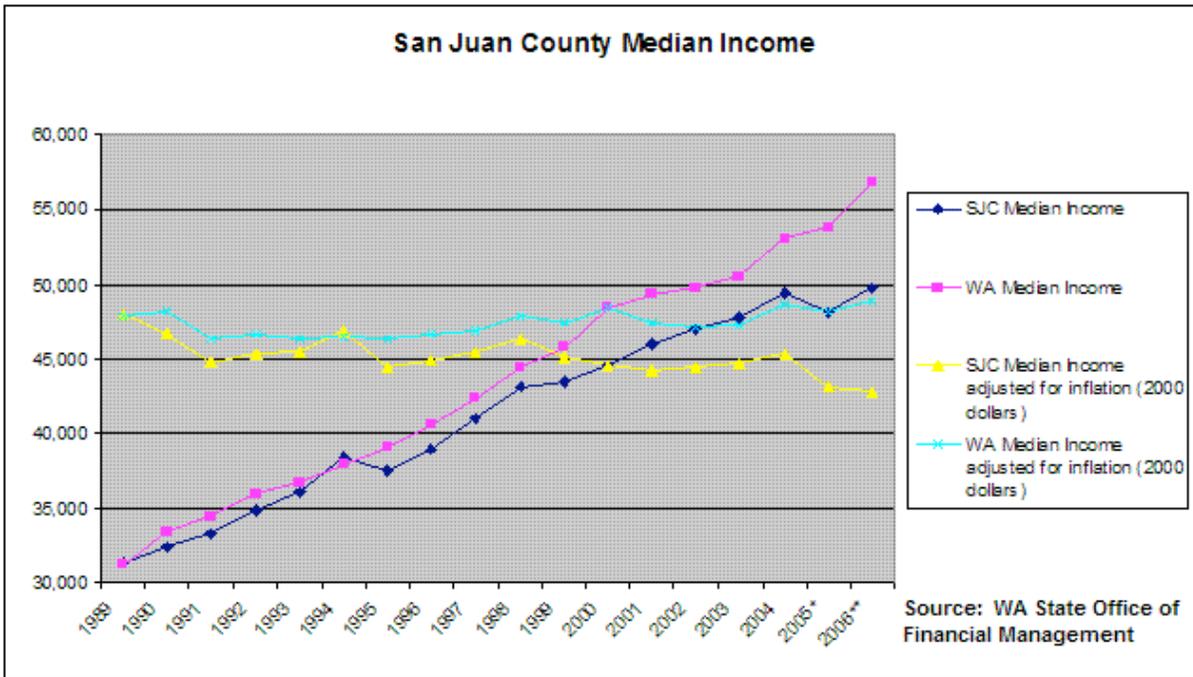
From a study performed by an Orcas Island 5th grader in February 2007, we get a sample of the cost differential between island products and mainland products.

[NOTE: This is clearly a single data point taken at a single point in time. The EDC has reviewed the data and analysis and feels comfortable that it is “representative” of February 2007. However, extreme caution should be taken in drawing any concrete conclusions from it without further sample points. It is the EDC’s intention to obtain additional data points into the future.]

Income/Wages

Chart 16: Median Income 1990 to 2006

Source: WA State Office of Financial Management; (OFM\Charts\SJC Median Income OFM.gif)

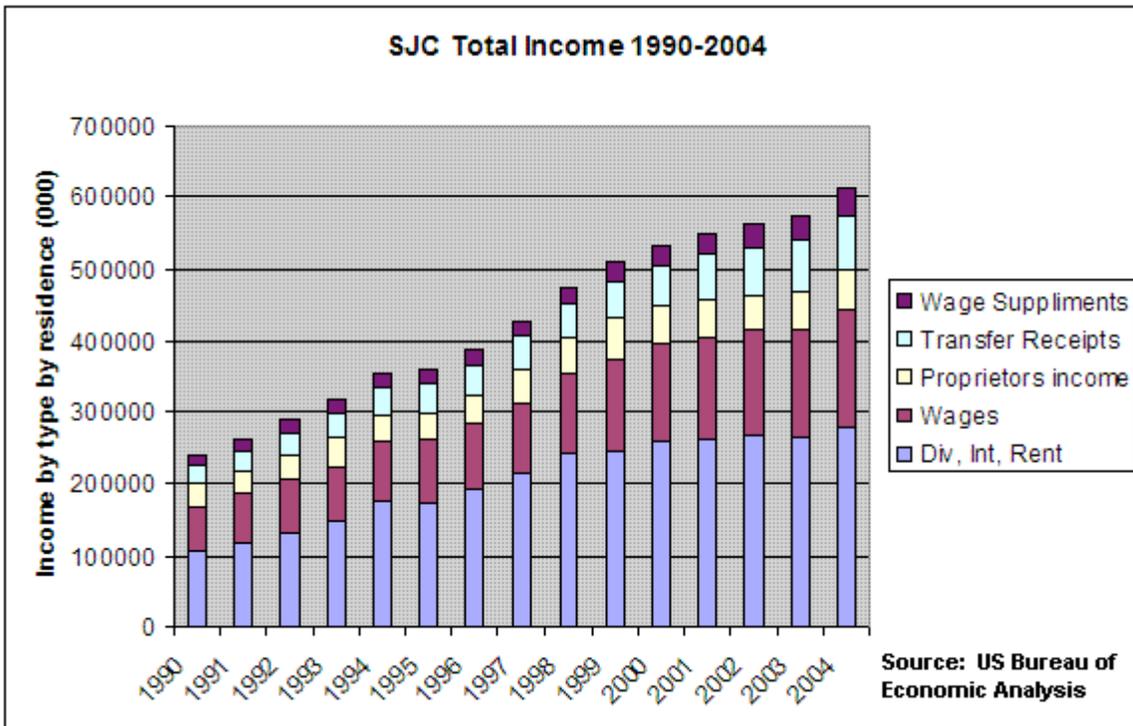


[Note: 2005 is preliminary estimate and 2006 is projected.]

The Washington State Office of Financial Management indicates that the median income in San Juan County has increased 11.66% (2000 to 2006). However, when adjusted for inflation using 2000 dollars, the median income has actually declined 3.94%. This is in comparison to WA State overall increasing 17.38% (or 0.97% adjusted for inflation) from 2000 to 2006.

Chart 17: SJC Total Income by Category 1990 to 2004

Source: US Bureau of Economic Analysis; (BEA\Charts\SJC Income 90-04.gif)



Key: Wage Supplements include employer contributions to pension, insurance and social security.
Transfer Receipts include retirement and disability insurance, medical payments (like Medicare & Medicaid), unemployment insurance, veteran's benefits, grants and student loans, payments to non-profits.
Proprietor's Income includes current-production income of sole proprietorships and partnerships.
Wages include monetary remuneration of employees disbursed during the year.
Div, Int, Rent includes "investment income". Rent is only for persons not primarily engaged in the real estate business .

Table 14: Percent Increase by Income Category 2000 to 2004

Source: US Bureau of Economic Analysis; (BEA\SJC Personal Income 69-04.xls)

	2000	2004	Percent Increase	Percent Increase adjusted for inflation (2000 dollars)
Wage & Salary	\$131,036,000	\$158,069,000	20.63%	10.62%
Proprietor Income	\$52,683,000	\$55,579,000	5.5%	-3.26%
Div/Int/Rent	\$258,375,000	\$279,108,000	8.02%	-0.94%
Total Income	\$532,664,000	\$612,605,000	15.01%	5.46%
Wage & Salary percent of Total Income	25.49%	26.66%		

Chart 18: Number of Wage Earners vs. Proprietors 1990 to 2004

Source: US Bureau of Economic Analysis; (BEA\Charts\SJC Num Wage Earners.gif)

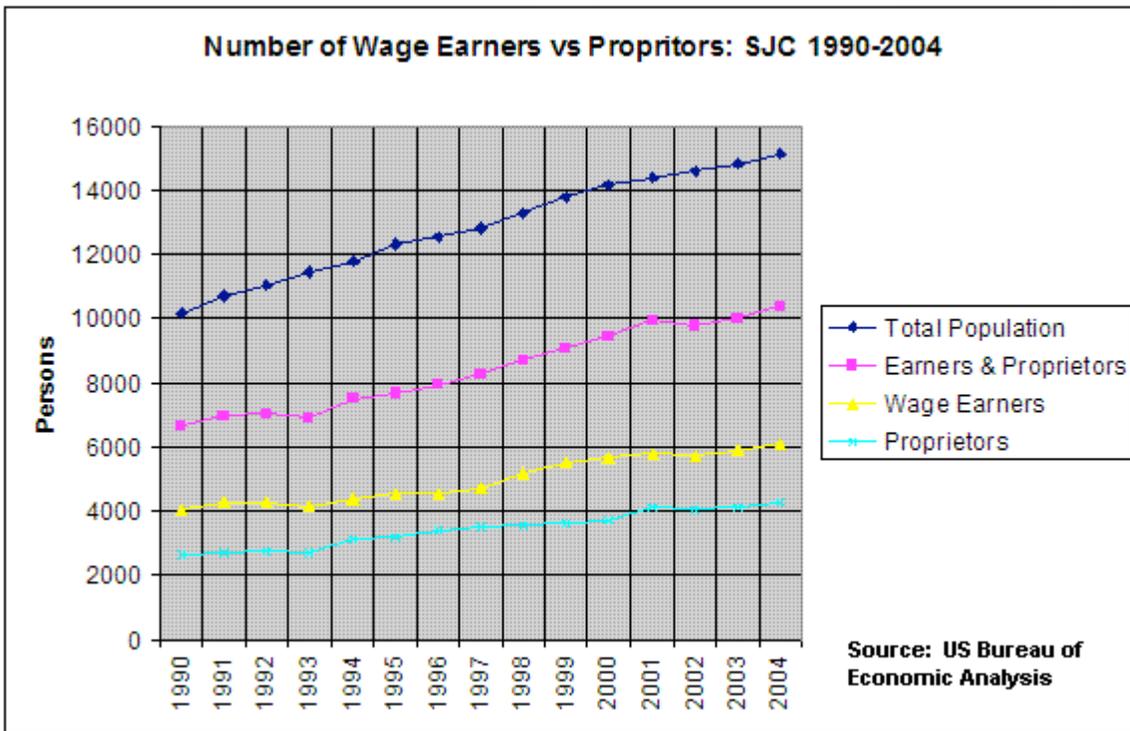


Table 15: Increase in Wage Earners vs. Proprietors 2000 to 2004

Source: US Bureau of Economic Analysis; (BEA\SJC Personal Income 69-04.xls)

	2000	2004	Delta 2000-2004
Population	14159	15142	983
Wage Earners	5684	6107	423
Proprietors	3754	4278	524
Non-Earners	4721	4757	36

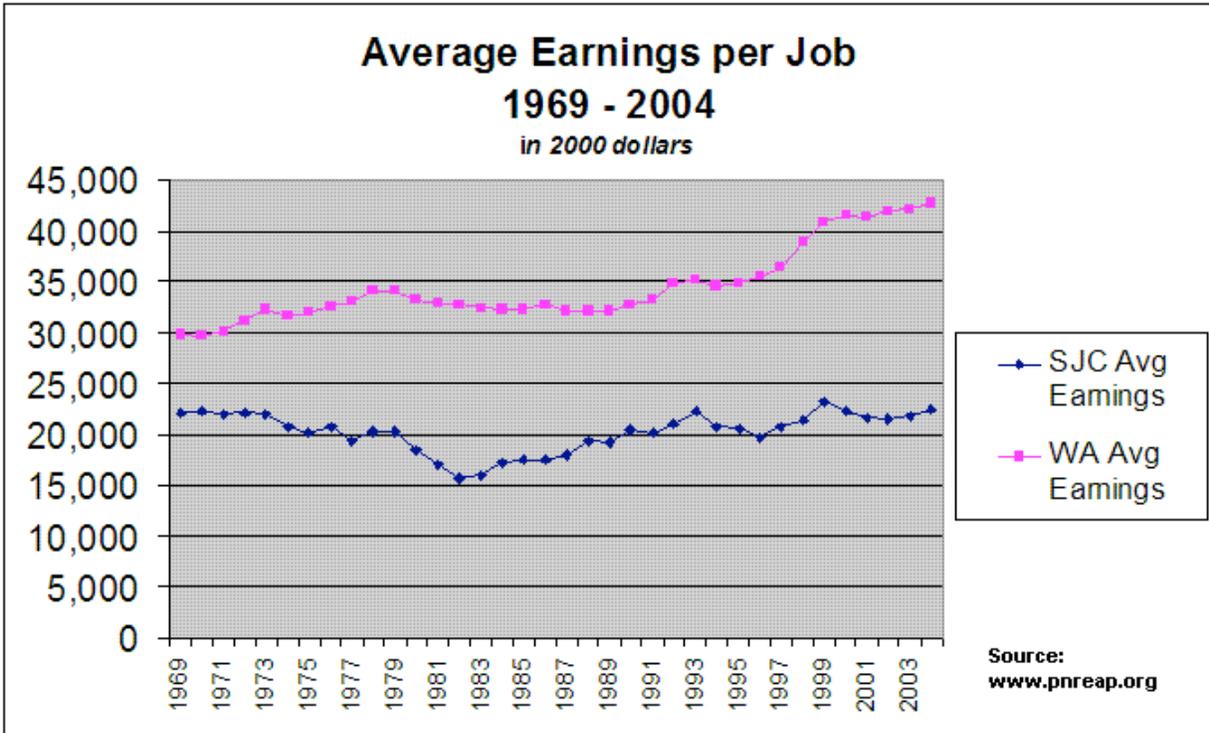
- Wage Earners: measures the average annual number of full-time and part-time jobs in each area by place-of-work. All jobs for which wages and salaries are paid are counted. Full-time and part-time jobs are counted with equal weight.
- Proprietors: includes both non-farm proprietors and farm proprietors and consists of the number of sole proprietorships and the number of individual business partners not assumed to be limited partners. Based on “place of residence”
- Non-Earners: The difference between the county population and the sum of Wage Earners and Proprietors. Not sure this has meaning, since individuals with multiple part time jobs (wage earner and/or proprietors) are counted multiple times in the above categories.

In reviewing this data, it initially seemed a bit un-aligned with expectations, as it was expected to indicate a greater number of “retired” (and thus non-earners) persons. However, when

considering “retirees” that received “deferred income”, or have a Sole Proprietorship in which they perform a minimal amount of consultancy, the number of Non-Earners feels better.

Chart 19: Average Earnings per Job in 2000 dollars 1969 to 2004

Source: www.pnreap.org; (PNREAP\Charts\Avg Earnings per job in 2000 dollars.gif)

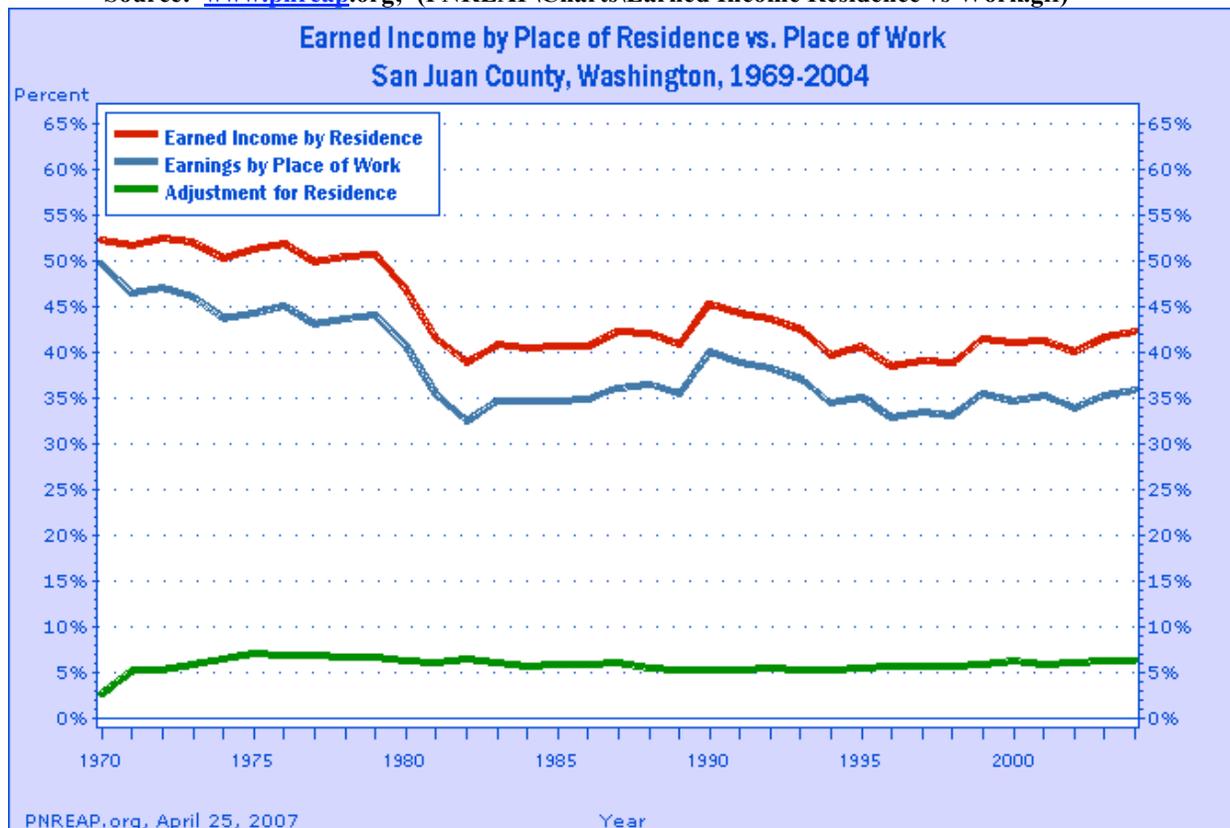


The above table shows the true increase in county resident average earnings. It indicates that once adjusted for inflation, the average earnings in 2004 (\$22,358) is just about equivalent to the average earnings in 1969 (\$22,083).

Possible Caveat: The “Average Earnings per Job” would be influenced by the number of part-time workers. If there was a significant increase in the percent of “part-time” workers, then it would pull down the overall average.

Chart 20: Earned Income by Place of Residence vs. Place of Work 1969 to 2004

Source: www.pnreap.org; (PNREAP\Charts\Earned Income Residence vs Work.gif)



Personal income, and its three major components, is intended to measure the incomes of the residents of a region. Accordingly, the earned income data reported and presented in this report are “by place of residence.” But in fact, earnings data are first collected and reported as “earnings by place of work.” That is, they reflect earnings on the basis of where workers work, and not on the basis of where they live. To develop an estimate of earned income based on where workers live, the Bureau of Economic Analysis develops an “adjustment for residence” to take into account the earnings of such intercounty commuters.

In addition to showing “earned income by place of residence” as a share of total income, the above chart also displays “earnings by place of work,” as well the residence adjustment which accounts for the difference between the two. This positive adjustment for residence of 6.35% as a percent of total personal income in 2004 reflects an estimated net inflow of earnings dollars owing to the overall net effect of workers commuting to and from San Juan County in 2004. So, in 2004 6.35% of San Juan County’s personal income derived from workers who reside locally but who generated earnings from jobs held outside the county. For every \$100 of personal income reported for San Juan County residents in 2004, \$6.35 is derived from jobs held and earnings garnered from outside the county.

[From: PNREAP Analysis of Growth and Change Among the Major Components of Personal Income within San Juan County: 1969-2004. www.pnreap.org]

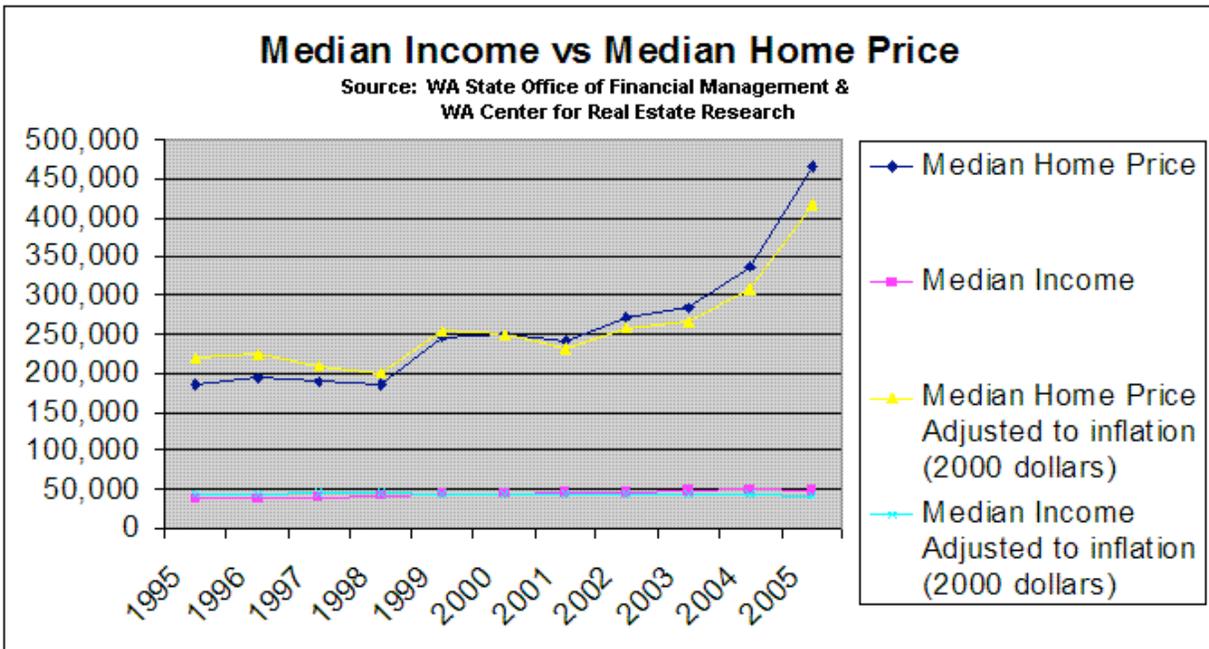
Cost of Living Trends – Possible Conclusions

Home Prices versus Income Analysis

Possible Conclusion: We can see in the following chart that Median Income in San Juan County has not kept up with the significant increase in the Median Home Price in the county.

Chart 21: Median Income versus Median Home Price 1995 to 2005

Source: WA State Office of Financial Management & WA Center for Real Estate Research; (OFM\Charts\SJC Homes vs Income 95-05.gif)



Wages versus Retail Sales Analysis

Let us look at the increase of wages earned (wage earners and proprietors earnings) and compare that to the increase in retail sales and see if there is any correlation.

Referring to *Table 11: Increase in Wage Earners vs. Proprietors, 2000 to 2004*, it breaks down the total county population in 2000 and 2004 into wage earners (folks who receive earnings by working for a company), proprietors (folks who receive earnings from owning a company), and non-earners (folks who neither own a business nor work for someone else). According to this data, there is just around 1/3 of the county population who are Non-Earners.

Table 16: Annual Retail Sales versus Total Earnings 2000 to 2004

Source: WA State Department of Revenue; (SJC Qtrly Retail Sales 00-06.xls)

Source: US Bureau of Economic Analysis; (SJC Income vs Wages.xls)

	2000	2001	2002	2003	2004	2000-2004 % inc
Annual Sales	280,647,948	276,169,467	280,283,546	302,677,523	313,683,954	11.77%
Total Earnings	183,719,000	191,789,000	186,695,000	197,763,000	214,468,000	16.74%
Total Income	532,664,000	549,896,000	560,884,000	573,371,000	612,605,000	15.01%
Adjusted for Inflation (2000 dollars)						
Annual Sales	280,647,948	265,496,507	265,043,542	282,770,481	287,651,494	2.50%
Total Earnings	183,719,000	184,377,043	176,543,735	184,756,166	196,669,418	7.05%
Total Income	532,664,000	528,644,000	530,387,000	535,661,000	561,765,000	5.46%

Retail sales increased: \$33,036,006 2000 to 2004 while total earnings increased: \$30,749,000 during the same period.

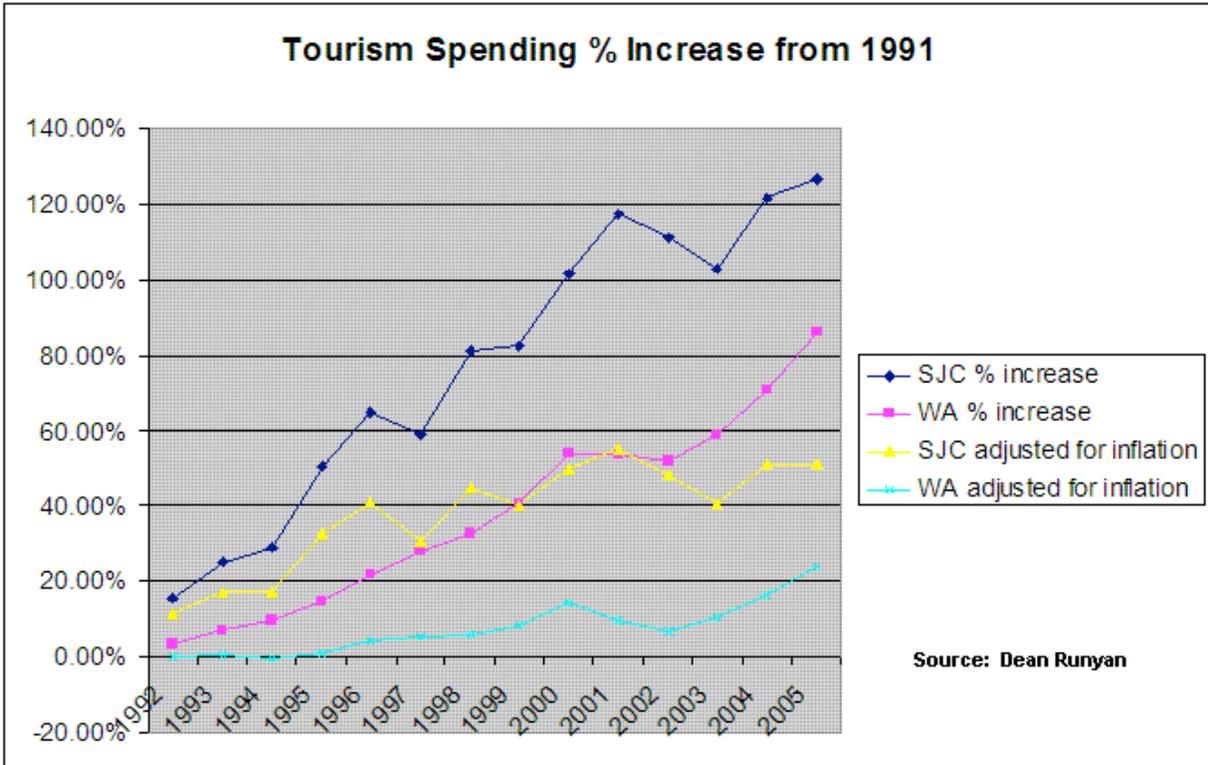
Possible Conclusion: Increased earnings can not account for the total amount of increased retail sales, but it could certainly account for a significant portion there of. Especially when considering that the resident population includes approximately 1/3 of non-earners. And that a significant portion of total personal income, is un-earned income.

Tourism – The Data

Looking purely at “Tourism” statistics reported by Dean Runyan, San Juan County has had a 12.5% increase from 2000 to 2005 while WA State overall has seen a 20.92% increase.

Chart 22: Tourism Spending 1992 to 2005

Source: Dean Runyan; (DeanRunyan\Charts\SJC Adjusted Spending Increase 92-05.gif)

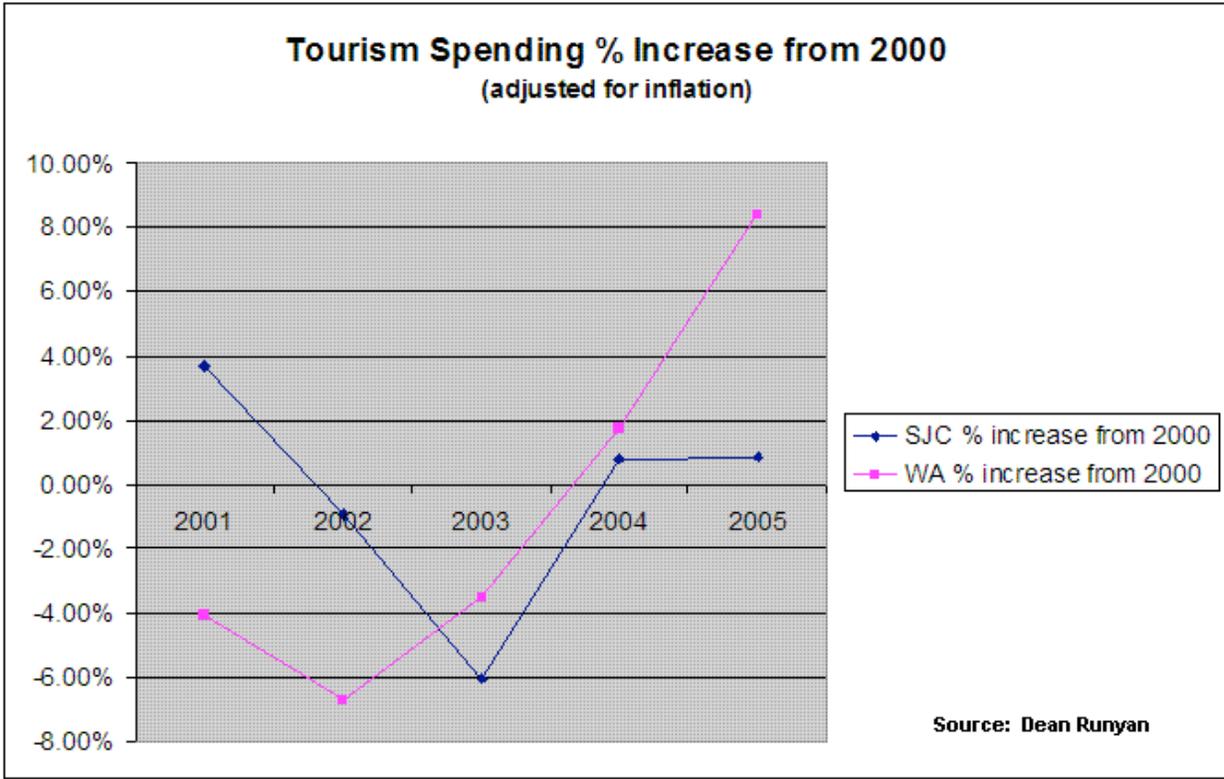


Clearly, San Juan County has had some negative factor affecting our tourism spending growth rate. If we focus on the years 2000 to 2005 adjusted for inflation, it is clear that tourism has slowed in San Juan County, while growth in Washington State overall has accelerated.

Tourism – Possible Conclusions

Chart 23: Adjusted Tourism Spending Percent Increase from 2000

Source: Dean Runyan, (DeanRunyan\Charts\SJC Adjusted Spending Increase 00-05.gif)



Possible Conclusion: Adjusted for inflation, according to Dean Runyan, SJC tourism spending has increased 0.84% 2000 to 2005 as compared to WA State overall tourism spending which has increased 8.39% 2000 to 2005. Clearly, there has been some negative affect (or affects) impacting Tourism in San Juan County, of which WSF Fares could be one such negative affect.

Appendix A: CPI Indexes used to adjust for inflation

Table 17: Consumer Price Index 1989-2006

DATE	INDEX	Adjustment to 2000
June 1989	116.7	.6516
June 1990	124.2	.6935
June 1991	133.0	.7426
June 1992	137.8	.7694
June 1993	141.9	.7923
June 1994	146.4	.8174
June 1995	151.2	.8442
June 1996	155.6	.8688
June 1997	161.9	.9040
June 1998	166.6	.9302
June 1999	172.7	.9643
June 2000	179.1	0
June 2001	186.3	1.0402
June 2002	189.4	1.0575
June 2003	191.7	1.0704
June 2004	195.3	1.0905
June 2005	199.8	1.1156
June 2006	208.2	1.1625

To calculate the delta in CPI, an example formula is:

$$(June\ 2006\ (208.2) - June\ 2000\ (179.1)) / June\ 2000\ (179.1) = 0.1625$$

To then adjust a dollar amount for inflation, we divide by the adjustment factor.

$$2006\ Q1\ Retail\ Sales\ (\$68,621,437) / \text{adjustment for inflation } (1.1625) = \\ 2006\ Q1\ Retail\ Sales\ \text{adjusted for inflation } (\$59,029,193)$$

Appendix B: Additional Commuter Fare data

Table 18: "Commuter" Ridership as percent of Total, quarterly 2000 to 2006, by type

Source: WA State Ferries; (SJC Ferry Statistics.xls)

	Commuter % of Total Vehicles				Commuter % of Total Passengers			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2000	37.45%	31.22%	26.96%	38.78%	17.12%	12.08%	9.63%	16.10%
2001	39.12%	34.21%	28.66%	42.09%	17.05%	12.68%	10.58%	18.08%
2002	42.71%	39.49%	35.12%	46.38%	20.39%	15.67%	13.52%	21.67%
2003	44.40%	41.03%	35.92%	49.88%	22.46%	17.95%	16.16%	25.96%
2004	49.01%	44.35%	38.20%	51.59%	26.00%	19.93%	17.39%	27.29%
2005	49.70%	44.77%	38.00%	51.79%	25.56%	20.55%	16.70%	27.07%
2006	50.82%	45.00%	37.55%	49.95%	26.66%	19.88%	16.28%	16.87%

Looking at commuter fares a bit closer, Q4 and Q1 percent commuter fare are the highest (up to 51.79% & 50.82% respectively during quarters with the least number of non-residents)

If we look at commuter book use versus total ridership on a per island basis (2006 versus 2000), the total ridership trend is downward, but commuter book usage has increased significantly. Here are the numbers:

Table 19: Percent Increase Ridership Per Island: Total and Commuter by type, 2000 to 2006
Source: WA State Ferries; (SJC Ferry Statistics.xls)

2006-2000	Lopez	Shaw	Orcas	San Juan	Interisland	Total
Q1 Total Ridership % increase	-2.68%	-8.03%	-0.04%	-4.18%	-5.30%	-2.74%
Q2 Total Ridership % increase	-2.73%	-20.79%	-1.76%	-9.77%	-10.27%	-6.21%
Q3 Total Ridership % increase	0.83%	-21.68%	-2.70%	-8.38%	-15.38%	-5.74%
Q4 Total Ridership % increase	-1.95%	-13.72%	-11.25%	-20.49%	-18.43%	-14.07%
Q1 Commuter Veh % increase	28.23%	-0.30%	46.70%	58.05%	5.99%	36.95%
Q2 Commuter Veh % increase	48.93%	-4.19%	44.93%	69.37%	-0.49%	43.00%
Q3 Commuter Veh % increase	34.91%	3.64%	48.05%	56.76%	-10.90%	35.34%
Q4 Commuter Veh % increase	24.31%	0.00%	26.52%	30.05%	-17.48%	18.15%
Q1 Commuter Pass % increase	46.59%	31.68%	28.53%	55.39%		44.50%
Q2 Commuter Pass % increase	45.98%	-8.29%	69.37%	38.58%		46.45%
Q3 Commuter Pass % increase	52.27%	10.52%	57.19%	60.00%		55.95%
Q4 Commuter Pass % increase	-20.75%	-16.01%	-17.32%	-14.32%		-16.92%

Appendix C: Hotel/Motel Tax Analysis

Can we get a sense of the contribution of “Non-Residents”, as compared to Hotel/Motel activity that results simply from the regular activity of business by the resident population? Can we use a similar Q1 assumption as we did for Retail Sales above? Of course, this really begs the question, how much SJC Hotel/Motel activity occurs as a result of “resident” activity in the county (non-tourist activity: island business, local government business, friends and family visits, etc..).

Table 20: Lodging Tax, Q1 Assumption Analysis
Source: WA State Department of Revenue; (FH Lodging Tax by Month 00-07.xls)

	2000	2001	2002	2003	2004	2005	2006
Q1 only	46,197	47,339	40,068	32,998	37,732	44,174	39,200

Q1 times 4	184,790	189,356	160,271	131,991	150,929	176,697	156,800
Annual	425,594	446,547	459,096	420,274	464,993	475,821	492,935
Delta non-residents?	240,804	257,190	298,825	288,282	314,064	299,124	336,134
% Total	56.58%	57.60%	65.09%	68.59%	67.54%	62.86%	68.19%

Table 21: Lodging Tax, Q1 Assumption Analysis – Percent increase 2000-2006

Source: WA State Department of Revenue; (FH Lodging Tax by Month 00-07.xls)

	2000-2006 % increase	2000-2006 % increase adjusted for inflation (2000 dollars)
Q1 Lodging Sales	-15.15%	-27.01%
Q1 times 4	-15.15%	-27.01%
Annual Sales	15.82%	-0.37%
Delta - non-residents??	39.59%	20.08%

Assumption: Q1 Lodging Tax represents resident based activity.

In the above table, we take the Q1 number, annualize it (times 4) and compare it to the actual annual number. If we assume Q1 has the lowest “Non-Resident” activity, then the H/M Tax in Q1 is from regular business activity associated with resident life. Thus, if we annualize that, and compare it to the actual annual number, then one might assume the delta is the impact of “tourist activity”. We choose Q1 over Q4 due to the impact from the holiday seasons that occur during Q4.

This would tend to indicate that “Non-Resident” activity has generated up to 68.59% (in 2003) of the Hotel/Motel activity in the county. This is significant, but less than one might have assumed. But, is the Q1 simplifying assumption as valid for Hotel/Motel as it is for Retail Sales?

Fact: County Population increased 11.53% (2000 to 2006)

Fact: Q1 Lodging Tax increased **-15.15%** (2000 to 2006) (or **-27.01%** when adjusted for inflation)

Assumption extension: Annual Resident Lodging Tax increased **-15.15%** (**-27.01%**).

Assumption extension: Annual Non-Resident Lodging Tax increased 39.59% (20.08%).

Appendix D: Retail Sales Category Definitions

Source: US Census Bureau, 2002 NAICS Definitions,

<http://www.census.gov/epcd/naics02/naicod02.htm>

Appendix E: Ferry Classification Description

Vehicles Above 20 Ft:

Vehicles/Oversize (20-49), Veh Med

Oversized 20 (A vehicle of length 20' to 49') vehicle and driver.

Categories included under Oversized 20:

Category	Definition
Vehicle/driver	Vehicle and driver full fare. This fare type counts the oversized vehicle and the driver.

Vehicles/Oversized (50+), Veh Lrg

Oversized 50 (A vehicle of length 50' and longer) vehicle and driver.

Categories included under Oversized 50:

Category	Definition
Vehicle/driver	Vehicle and driver full fare. This fare type counts the oversized vehicle and the driver.

Vehicles Other:

Other Discounts

Categories included under Other Discounts:

Category	Definition
Vehicle/Senior Driver	Vehicle with senior citizen driver. Passengers age 65 and over, with proper identification establishing proof of age may travel at half fare tools on any route where passenger's fares are collected. This fare type counts the vehicle and the driver which board a vessel.
Motorcycle	Full fare motorcycle and driver. This fare type counts the motorcycle and the driver which board a vessel. This also includes motorcycles pulling trailers and motorcycles with side cars.
Kayak/Stowage	Carry on items. This fare type counts only the carry on items such as kayaks, canoes, and other items of comparable size which are typically stowed on the vehicle loading section of the vessel. This fare type does count the passenger carrying the item.
Motorcycle Prepaid	Motorcycle and driver prepaid coupon. This fare type counts the use of a prepaid coupon (commuter) for both the motorcycle and the driver which board a vessel.
Miscellaneous Vehicle	Miscellaneous Vehicle and Driver. This fare type counts the miscellaneous vehicle and driver which board a vessel. If a vehicle doesn't fall into one of the already defined vehicle fare types, it is classified as a Miscellaneous Vehicle. One example is the hazardous materials trips between Fauntleroy and Vashon Island.