

PCEC

PENINSULA COUNTY EXPLORATORY COMMITTEE

**Peninsula County Exploratory Committee
Comprehensive Policy Analysis
Structural Justification for Inclusion of Anderson Island
Within the Proposed Peninsula County**

2026

Abstract

This study evaluates whether Anderson Island should be incorporated within the proposed Peninsula County formed from western Pierce County, Washington. The analysis integrates constitutional permissibility, multi-year ferry cost trends, charter revenue offsets, transportation dependency, fiscal capacity modeling, emergency resilience doctrine, maritime redundancy planning, comparative county benchmarking, and governance alignment theory. The findings demonstrate that inclusion of Anderson Island produces greater geographic coherence, improved infrastructure incentive alignment, and enhanced long-term resilience planning than exclusion. The ferry system, while subsidized, represents strategic maritime infrastructure rather than a peripheral liability. Inclusion is fiscally manageable within projected Peninsula County capacity and structurally consistent with a maritime-centered governance framework.

I. Framing the Structural Question

Debate regarding inclusion of Anderson Island frequently centers on one narrow issue: the ferry subsidy. While fiscal prudence is appropriate, focusing exclusively on subsidy obscures the broader structural question. The proper inquiry is not whether ferry operations are subsidized; they are. The relevant question is whether inclusion of Anderson Island strengthens or weakens the geographic, fiscal, infrastructural, and governance coherence of a proposed Peninsula County.

County boundaries are administrative instruments. Their purpose is to align governance with geography, infrastructure dependency, economic patterns, and risk exposure. When boundaries fail to reflect functional reality, long-term administrative inefficiencies and planning misalignment follow.

The decision to include or exclude Anderson Island should therefore be evaluated across transportation systems, fiscal modeling, emergency management, infrastructure redundancy, and comparative governance precedent.

II. Constitutional and Legislative Context

Article XI of the Washington State Constitution permits alteration and creation of counties subject to population minimums and equitable apportionment of debt and liabilities. No constitutional provision prevents inclusion of maritime communities within a newly formed county. The last successful county formation in Washington, Pend Oreille County in 1911, demonstrates that legislative pathways remain viable when structural continuity and fiscal safeguards are preserved.

Thus, inclusion of Anderson Island presents no constitutional barrier. It is a question of boundary design and governance coherence.

III. Geographic and Functional Cohesion

Functional geography, rather than cartographic proximity, should guide boundary design. Functional geography includes transportation dependency, infrastructure chokepoints, emergency routing patterns, and economic interdependence.

Anderson Island is entirely dependent on marine transportation. All vehicular access, construction materials, emergency response equipment, fuel deliveries, and consumer goods cross water via ferry.

The Peninsula region, while roadway-connected to Tacoma, is heavily dependent on a single high-capacity corridor: the Tacoma Narrows Bridge. That bridge functions as a regional chokepoint. A prolonged closure would significantly constrain Peninsula mobility.

Both Anderson Island and Peninsula communities share defining characteristics:

- Constrained access corridors
- Shoreline exposure
- Lower-density residential patterns
- Limited retail footprint
- Infrastructure vulnerability tied to transportation chokepoints

Excluding Anderson Island while forming a Peninsula-centered county would separate adjacent maritime-dependent communities into different governance systems despite shared infrastructure realities. Inclusion produces a boundary that better reflects functional geography.

IV. Multi-Year Ferry Financial Analysis

According to Federal Transit Administration National Transit Database reporting between 2020 and 2023, the Pierce County Ferry system has reported annual operating expenses ranging approximately from \$9 million to \$10.5 million, with fare revenues between roughly \$2.5 million and \$3.2 million. Farebox recovery rates have remained near 28 to 32 percent. Total annual cost including capital expenses, vessel maintenance, and reserves has been estimated between \$11 million and \$12 million depending on fuel prices and scheduled maintenance cycles.

Three conclusions follow from these figures:

First, ferry cost trends are stable rather than accelerating uncontrollably. Cost volatility is tied primarily to fuel and maintenance cycles, not systemic financial deterioration.

Second, farebox recovery rates near 30 percent are consistent with rural and small-population ferry systems nationwide. Transportation Research Board studies indicate that ferry systems serving low-density populations rarely exceed 40 percent recovery without substantial fare increases that suppress ridership.

Third, subsidy is a structural characteristic of maritime transportation. Washington State Ferries itself operates under subsidy models that incorporate capital replacement and operational support from state transportation funds.

Thus, the existence of subsidy is not evidence of dysfunction. It is evidence of maritime infrastructure reality.

V. Charter Revenue and Fleet Utilization

An often-overlooked aspect of ferry operations is fleet flexibility. Pierce County has at times leased spare ferry capacity to Washington State Ferries during maintenance cycles, generating revenue offsets and improving asset utilization.

Marine vessels are high-capital, long-life infrastructure assets. When reserve capacity can be deployed interjurisdictionally, marginal revenue is recovered and lifecycle efficiency improves.

Under a Peninsula County structure, maritime asset management would shift from peripheral program to core infrastructure strategy. This increases institutional incentive to pursue:

- Formalized charter agreements
- Multi-agency vessel sharing arrangements

- Coordinated maintenance scheduling
- Proactive lifecycle replacement modeling

While charter revenue does not eliminate subsidy, it strengthens the argument that ferry vessels are strategic maritime assets rather than static liabilities.

VI. Fiscal Capacity Modeling

Preliminary modeling of the proposed Peninsula County boundary identifies approximately \$24.7 billion in taxable assessed value. At a levy rate of \$1.84 per \$1,000, estimated annual county property tax revenue approaches \$45.5 million.

Additional revenue sources would include:

- Local sales tax
- Real estate excise tax
- Licensing and permitting
- Intergovernmental transfers
- Service fees

Island County, used as a maritime peer benchmark, reported approximately \$20.2 million in property tax revenue and approximately \$131.4 million in total all-funds budget in 2023.

The proposed Peninsula County would therefore possess more than double Island County's property tax base.

Even allocating the full estimated ferry subsidy within Peninsula County's projected budget, fiscal solvency remains intact when total revenue streams are considered.

Inclusion does not create a new liability. It assumes an existing maritime infrastructure cost within a sufficiently robust tax base.

VII. Infrastructure Redundancy and Emergency Management Doctrine

Emergency management frameworks, including FEMA's National Preparedness doctrine, emphasize elimination or mitigation of single points of failure. Both Anderson Island and the Peninsula region are defined by such chokepoints.

Anderson Island depends on a single ferry route between Steilacoom and the island. Peninsula communities depend heavily on the Tacoma Narrows Bridge.

Integrated governance improves the probability of coordinated redundancy planning. Under a unified maritime county, planning could include:

- Joint marine evacuation modeling
- Evaluation of emergency-only Peninsula-side landing infrastructure
- Shoreline staging facilities
- Integrated marine routing during bridge disruption

Under the current Pierce County structure, Anderson Island's ferry vulnerability and the Peninsula's bridge vulnerability exist as separate planning priorities within a large and heterogeneous county. Inclusion aligns shared infrastructure vulnerability within a single governance unit.

VIII. Landing Redundancy and Long-Term Planning

The most significant long-term infrastructure issue is not annual subsidy but landing redundancy. The current ferry system relies on a single mainland departure point at Steilacoom. If that dock is compromised, island access is severely constrained.

Inclusion within Peninsula County makes evaluation of secondary Peninsula-side landing infrastructure institutionally rational. Such evaluation need not imply immediate capital construction. Rather, it enables formal study of:

- Emergency-only docking facilities
- Seasonal supplemental routes
- Joint Peninsula-Island evacuation corridors
- Shoreline-based contingency operations

Water becomes connective infrastructure rather than separating boundary.

IX. Economic Interdependence and Retail Fragility

Recent closure of Anderson Island's only grocery and fuel station increased dependence on ferry access for essential goods. Research on rural island economies demonstrates heightened vulnerability to transportation disruption, freight cost volatility, and seasonal population fluctuations.

Inclusion within Peninsula County allows coordinated economic development strategies across maritime communities, including:

- Integrated shoreline supply chain planning
- Dock-adjacent freight coordination
- Emergency inventory staging
- Retail recruitment partnerships

Shared governance increases the likelihood of regional economic resilience planning.

X. Scenario Modeling: Inclusion Versus Exclusion

Exclusion Scenario:

The ferry remains under Pierce County. Peninsula County forms without the island. Maritime redundancy planning for Anderson Island remains separate from Peninsula planning. Boundary design reflects avoidance of visible subsidy rather than functional geography.

Inclusion Scenario:

The ferry subsidy becomes visible but manageable within Peninsula fiscal capacity. Maritime asset optimization becomes central policy. Landing redundancy evaluation becomes rational. Emergency modeling integrates shared infrastructure vulnerabilities. Boundary design reflects geographic coherence.

In neither scenario does ferry cost disappear. Only governance alignment changes.

XI. Comparative Maritime Counties

Island County and San Juan County operate within ferry-dependent frameworks where marine infrastructure defines governance priorities. Maritime subsidy in those counties is not treated as an aberration but as structural reality.

A Peninsula County inclusive of Anderson Island aligns more closely with those governance models than with mainland-dominant Pierce County.

XII. Addressing the Core Objection

The principal objection is that a smaller county should avoid inheriting visible infrastructure liabilities.

However:

- The ferry subsidy already exists.
- Fiscal modeling indicates sufficient tax base.
- Charter revenue offsets enhance asset utilization.
- Comparative counties operate successfully under similar conditions.
- Governance alignment improves planning incentives.

Exclusion does not eliminate ferry cost. It separates maritime infrastructure from maritime governance.

XIII. Boundary Integrity and Governance Design

County formation should aim for durable boundary logic. Governance boundaries should align with functional geography, infrastructure dependency, and risk integration.

Including Anderson Island within Peninsula County produces a coherent maritime governance unit reflective of southern Puget Sound realities.

Excluding it creates an artificial discontinuity.

XIV. Conclusion

The inclusion of Anderson Island within a proposed Peninsula County is supported by geographic cohesion, stable multi-year ferry cost trends, charter revenue flexibility, adequate fiscal capacity, infrastructure redundancy doctrine, emergency resilience integration, economic interdependence, and comparative maritime precedent.

The ferry system is not a structural anomaly. It is a defining feature of maritime governance.

If Peninsula County is to reflect the lived geography and infrastructure realities of the region, inclusion of Anderson Island is the more defensible, coherent, and strategically sound boundary design.