

CASSVILLE CAR FERRY

FACT SHEET

In March 2003 the DOT funded a study by SWRPC to determine the economic impact of the Cassville Car Ferry (CCF); CCF is an extension of Hwy 81.

Cassville is located in the middle of the longest stretch of the upper Mississippi River without a bridge (72 miles); Cassville and the Southwest Wisconsin region could use a bridge to facilitate transportation for economic development in SW Wisconsin (See attached pages 9 to 11 of study).

In 1987 due to cost of bridge the Federal and State provided grants to purchase the CCF.

For 16 years CCF has fulfilled its purpose to provide transportation across the Mississippi River. It serves a population far greater than the local area of Cassville and Grant County; see attached pages 17 & 18 of above referenced study showing where CCF users originated their trips.

Rider-ship in 2004 was approximately 40,000 individuals, which has a regional economic impact of approximately \$500,000.

CCF operations break even unless major engine or barge repairs are needed; two Wisconsin State Grants of \$15,000 and \$27,200 provided for an engine overhaul and hull replating during the 16 years of operation.

In 2004 the CCF had a deficit of \$15,000 due to high water but a local fund-raiser generated enough funds to cover the loss; CCF cannot continue to rely solely on fund-raisers.

Problems for continued operation of the CCF:

- Rising Costs:
 - Insurance-up 50% in last five years - there have been NO claims since we began operations in 1988.
 - Fuel - up 25% in 2004
 - Labor - substantially below market
- Lack of reserve funds - ie major overhaul of main engines every 6 years at a cost of \$17,000 per engine.
- Passenger rates are at a level that is difficult to increase significantly - (\$10 per car for a 15 minute ride).

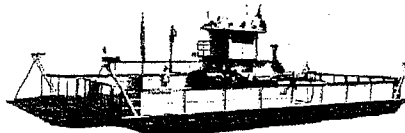
CCF needs an annual grant of \$30,000 to cover increasing insurance, labor and fuel costs and to establish a reserve to cover overhauls & major repairs; Possibly the State of Wisconsin could amend existing Harbors Assistance Programs and/or outright Department of Transportation annual maintenance budget allocation (A bridge at this location would have annual maintenance costs).

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Guardians of the Cassville Ferry

OVERVIEW:

The Cassville Ferry was purchased as a used unit of a Boat and a Barge in with a Federal and State grant. The Cassville Harbor Commission was established to govern the operation of the Ferry. The need for the Ferry was justified because it provides a transportation link between Wisconsin and Iowa at the center of the longest distance between Mississippi bridges, over 60 miles from Dubuque, Iowa to Prairie du Chien, Wisconsin.

The Cassville Harbor Commission was charged with the duty of providing this service without placing a burden on the taxpayers of Cassville, Wisconsin. The Village of Cassville provides a loan to the Harbor Commission each year to finance costs until the Ferry revenues reach a point to enable paying the Village back. This has normally been mid summer. During the years since commencing service in sixteen years ago, the Cassville Ferry has fulfilled its purpose despite the many obstacles it has had to face. Among these are high water which closes the access road on the Iowa side, and floods, both of which shut the Ferry down altogether, Also, mechanical and structural costs such as overhauls, major maintenance, dry docking, and rehulling the barge when required by law. Two State Grants were received to provide needed overhauls and hull replating. Without these grants, the Ferry could not have continued operation. Rates remained relatively stable for several years, and then were increased to current rates. This was done to try and cover ever increasing costs. Although all costs have increased, the main increases are found in Insurance, Fuel, and Labor. Insurance has increased a steady 15% per year even though the Ferry has not experienced any claims. Fuel and labor have increased substantially, but labor is still far below the local average for a similar profession. Although the Ferry has been able to hire enough deckhands to operate, the low wages have restricted the operation to one pilot who fills in as a Village employee during the Ferry's off season. In order for the Village to do this without a burden on the taxpayers, an amount equal to the Pilot's unemployment and one half of the Pilots' benefits are paid by the Harbor Commission to the Village. Federal law prohibits a pilot from operating more than 12 hours per day. In the interest of safety and in order to provide the Pilot necessary time off for rest, the Ferry operation from Memorial Day to Labor Day is limited to five days per week, Wednesday through Sunday, with the Ferry remaining closed on Monday and Tuesday. These days were chosen because they were the lowest volume days of the week.

The State of Iowa has not contributed to the operation of the Cassville Ferry although the Ferry provides services for Iowa as well as Wisconsin residents. Clayton County in Iowa has provided much needed maintenance and signage of the roadway on the Iowa side of the Mississippi.

The Cassville Harbor Commission has pursued many avenues to increase revenues of the Cassville Ferry. These include rate increases, sales of hats, T-shirts, and sweatshirts. The clothing sales have provided a minimal increase in revenues. Businesses and Corporations have been approached to provide sponsorship of the Cassville Ferry which resulted in one corporate sponsor. Commercial signage on the Ferry is sold each year. Operating expense measures such as fuel conservation and price comparison, along with other cost cutting have been practiced, but only to the extent to continue to provide a safe environment for crew, passengers, and equipment.

The 3 year projection is based on normal operating costs and labor increasing 4% per year with the exception of fuel and insurance. Fuel is expected to increase by 30% in 2004 and hopefully only increase 4% to 6% per year after that. Insurance has consistently raised 15% per year and this projection is conservative in assuming that this will continue at this rate. Also, without considering increasing pilot wages to a competitive level with local wages of the same vocation, the critical position of Ferry Pilot will be in jeopardy. Revenues will increase modestly due to some rate and rider ship increases. Based on this projection, the Cassville Ferry will suffer and increased loss each year.

Assistance needed to continue serving this area would include:

1. Annual grant of \$30,000 (with escalator) to cover increasing insurance, maintenance, labor, and fuel costs.
2. One time grant in 3 to 5 years of approximately \$400,000⁰⁰ to purchase a new or newer push boat to replace the old one.

With support from the state legislative offices of David Brandenmule, Dale Schultz, and Richard Kreul, the WisDOT contacted the SWWRPC in April of 2000 regarding the initiation of further studying the Cassville Ferry Operation. It was thought that the past study conducted by SWWRPC in 1986 could serve as a basis for a future study. Although the past study by SWWRPC was nearing 15 years of age, there was information contained with that study that could now be built upon with the availability of information regarding operating conditions since the ferry began public operation in 1986. Furthermore, it was suggested that this study investigate potential revenue sources in which the ferry can utilize for current and future maintenance and operating assistance. Additionally, this study would better quantify the economic benefits (tourism) of the ferry service that was lacking in the first study. This study is a reflection of the recent initiative at exploring the operations of the Cassville Ferry Service.

In order to assist SWWRPC and WisDOT in collecting information for the report, the Cassville Harbor Commission became a critical partner. The Cassville Harbor Commission, made up of 9 members, is the public entity that owns the Cassville Ferryboat. The Cassville Harbor Commission also manages and operates the service. Throughout the period of this study, the Cassville Harbor Commission provided information that was critical to the examination of the ferry service. These items of information included historical fares, historical and projected income and expense figures, maintenance and operational issues, ridership characteristics, and strategies for improving operations.

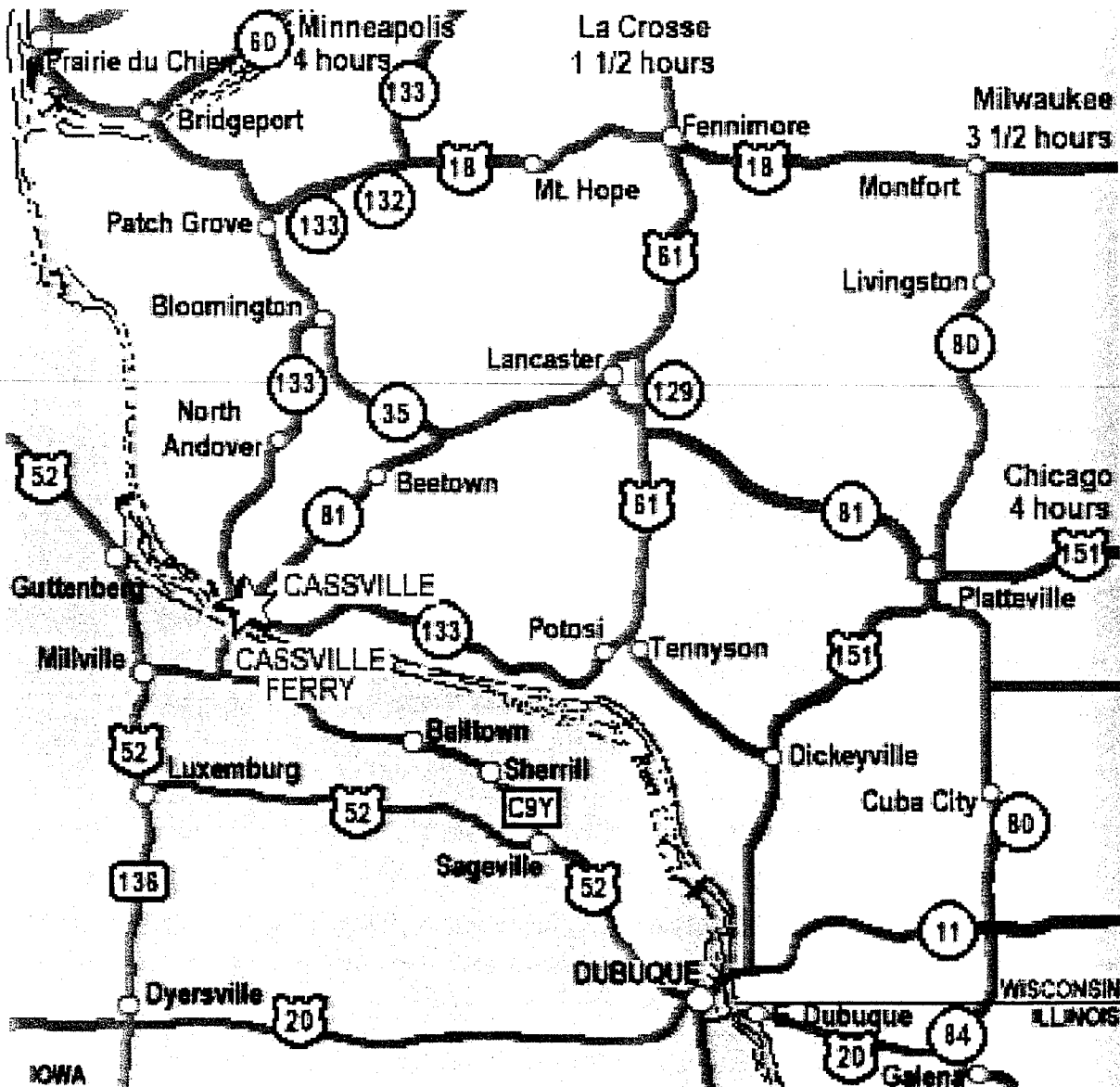
The Cassville Harbor Commission provided feedback to SWWRPC with regards to potential strategies for improving ferry operations. Additionally, the Cassville Harbor Commission reviewed and commented on various drafts of the study. The "Cassville Ferry Report of Operations and Economic Impact Analysis Study", is a culmination of a cooperative effort between the Cassville Harbor Commission, SWWRPC, and WisDOT.

PROJECT JUSTIFICATION

As a result of the local and regional influences that car ferries have on the region, this analysis will concentrate on an the area located on either side of the Mississippi River between the Iowa-Wisconsin bridges at Dubuque, Iowa and Prairie du Chien, Wisconsin (Map 1). At the center of this area is the Village of Cassville, Wisconsin and the City of Guttenberg, Iowa. These two communities, and the areas around them, have had to contend with a major transportation barrier created by the river since the ferry service was discontinued in the 1930's. As indicated earlier in this report, over the past 20 years these communities have attempted to solve this problem with a proposed bridge in the 1960's and a proposed ferry service in the 1970's. Although, studies of these alternatives indicated they were "physically and operationally feasible", financial and legal barriers blocked their implementation.

The need for improved transportation in this area can be supported in a number of ways. First of all, the distance between Dubuque and Prairie du Chien is the longest distance on the Mississippi River between Hastings, Minnesota and Hannibal, Missouri without a bridge. The highway distance between bridges in this area of 68 miles on the Iowa side of the river and 72 miles on the Wisconsin side is substantially greater than the distances in

Map 1, Greater Grant County area



Without the Cassville Ferry Service, trips to and from communities located on either side of the Mississippi River would greatly increase time and distance traveled. Information on time and distance savings that would result from the ferry service is discussed in the benefit/cost section of this report.

Of key importance to this area is the effect that increased accessibility has on tourism. There are several attractions in the southwestern Wisconsin and northeastern Iowa area. Communities on both sides of the river are becoming increasingly oriented toward the tourism industry. Historic Stonefield Village, Nelson Dewey State Park, as well as Wyalusing State Park are of particular importance in the immediate Cassville area.

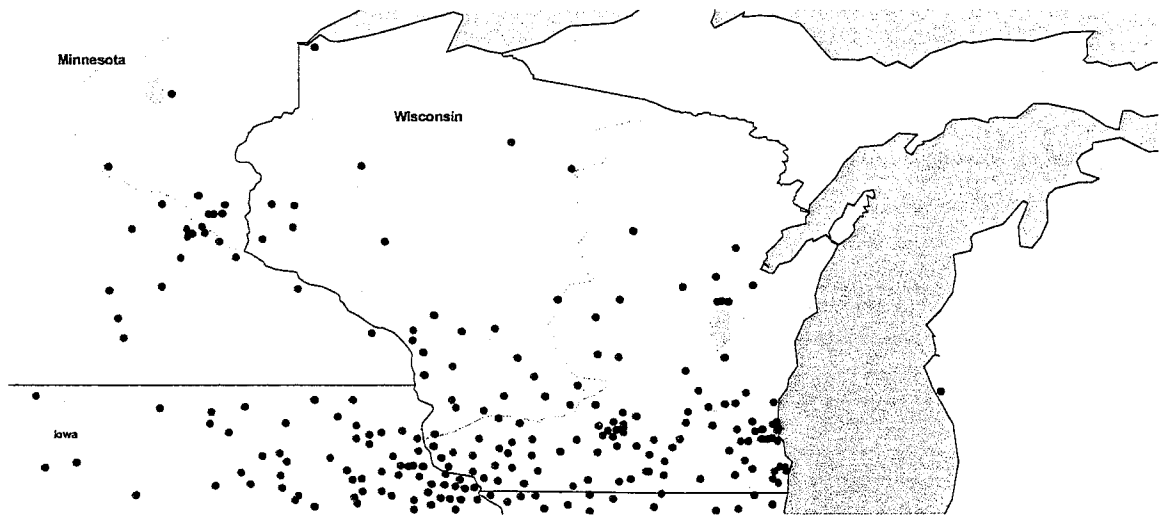
The communities of Guttenberg, Dubuque, and Balltown are among the top areas of interest in the State of Iowa. As can be seen later in this report with the analysis of a user survey of the Cassville Ferry Operation, the States of Wisconsin and Iowa share similar characteristics in terms of destination sites and tourism.

The Cassville Ferry would substantially increase the number of travelers that have access to these attractions by providing a more convenient transportation connection with northeastern Iowa. In like manner, the ferry would provide travelers with a broader selection of activities when visiting the area by effectively tying the Great River Road together on both sides of the Mississippi. Visitors could easily visit both sides in a single day, making it overall, a more attractive and reliable transportation mode. The potential economic effects of the ferry service are outlined in the economic impact portion of this study.

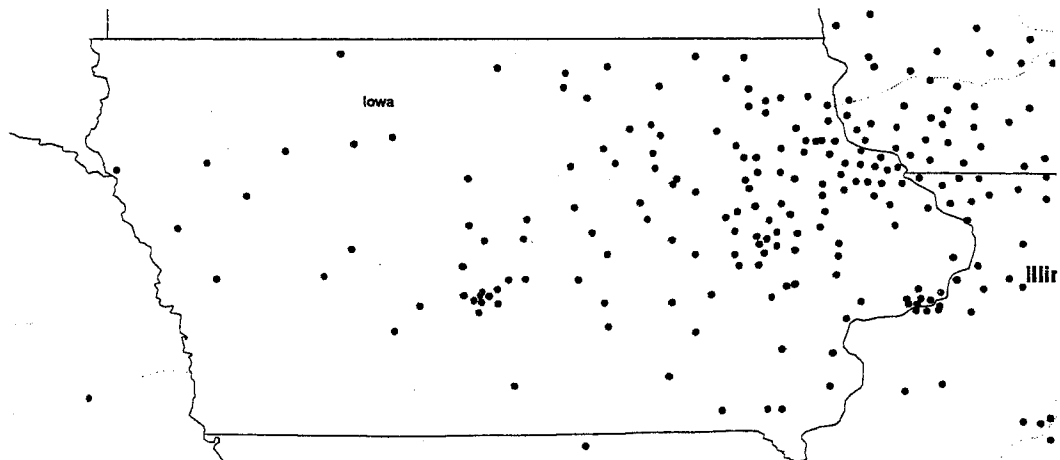
The ferry also has an effect on commuting in the area. Although this impact is limited because of the seasonal nature of the service, it can be viewed as a way to expand the labor market for businesses on both sides of the river. Positive economic impacts on business and industry results from the use of the ferry for freight shipment. The ferry used in 1982-1984 was capable of handling two semi-tractors with trailers. Use of the ferry in this manner could create substantial savings in time and transportation costs. During the period 1990 to 1995, the ferry transported over 1,000 tractor-trailers (semi's) that were using the ferry for business purposes. Transporting goods and materials via truck is very challenging in Southwestern Wisconsin as a result of natural barriers such as the Mississippi River and topographical challenges of the driftless area. A viable ferry service would prove very cost-effective to trucking companies if the demand exists. The ferry access roads and loading areas, particularly on the Iowa side of the river, would need to be improved if regular service of this type is to be provided. The potential is certainly there.

MAP 2 ORIGIN DISTRIBUTION

Cassville Ferry Rider Origins
Wisconsin

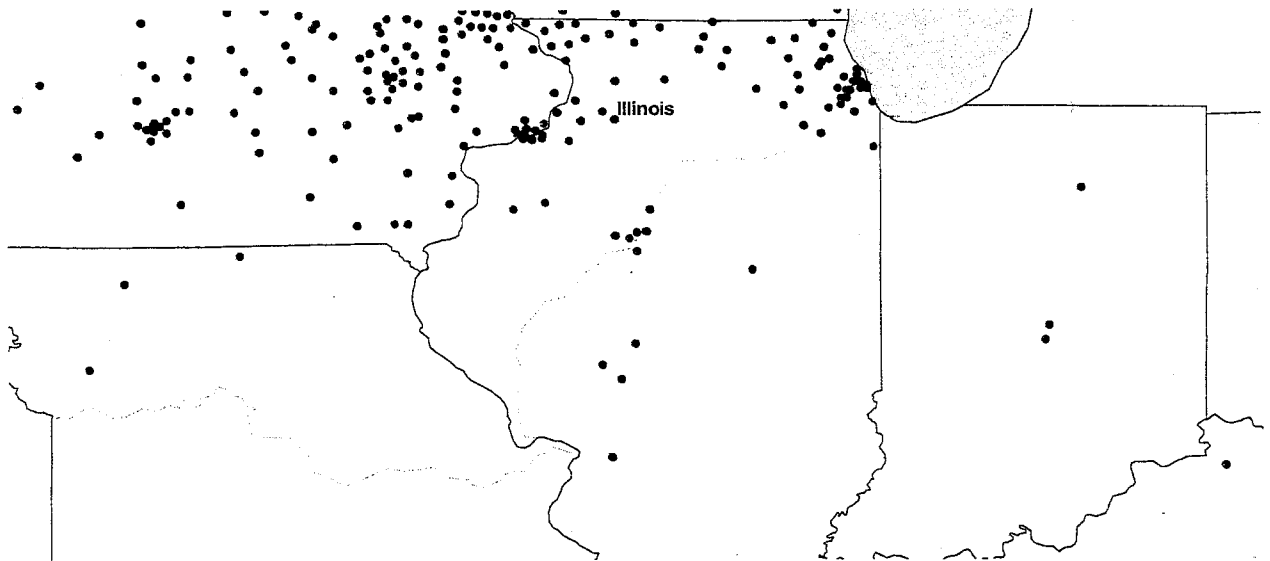


Cassville Ferry Rider Origins
Iowa



MAP 3 ORIGIN DISTRIBUTION

Cassville Ferry Rider Origins
Illinois



Cassville Ferry Rider Origins
Minnesota

