

2026-0456 Update on Feasibility of Water Taxi Service from San Pedro to Long Beach

Operations, Safety, and Customer Experience Committee – July 16, 2026

Recommendation

RECEIVE AND FILE an update on the feasibility of water taxi service between San Pedro and Long Beach.

Industry Engagement Process

- November 2025: San Pedro-Long Beach Water Taxi Feasibility Study released
- April-May 2026: Request for Information (RFI) process to gather feedback from industry experts
- April-Ongoing: Discussions with stakeholders & industry experts
 - U.S. Coast Guard (USCG), LA28 security and venue planning teams, vessel designers and operators, and transit agencies experienced in contracting ferry service
- May 2026: Reverse Pitch Presentations to Metro staff

Service Areas	Respondents
Turn-key operators	• Hornblower Yachts, LLC • Harbor Breeze Cruises • PROP SF
Vessel builders	• Arc • Artemis
Digital platform provider	• Bout
Labor	• Inland Boatman's Union (IBU)
Waterway advertising/media	• Ballyhoo Media

RFI & Reverse Pitch Findings

Industry Interest

- Responses included two turn-key operators and other firms capable of providing service components.
- Desire to support 2028 Games service as a stand-alone opportunity and as proof of concept for potential long-term service.

Turn-key Operator Capabilities

- Water Taxi Start-up and Operations
- Vessels and Landing Sites
- Supportive Services

Estimated Costs

- \$950,000 to \$1,535,000 for the 47-day service period.
- A combination of subsidies, fare revenue, and other sources, such as advertising, would be needed to meet the cost of service.

Information Gaps Identified by Respondents

- **Unclear estimated demand:** Understanding overall demand and demand by time of day will support the development of service schedules and support revenue forecasting and development.
- **Lack of funding clarity:** If a baseline funding level is provided, operators can right-size proposed vessels and service schedules.
- **Restrictions around sponsorship/advertising:** Confirmation of LA28 advertising guidelines and restrictions will inform potential revenue opportunities.

RFI & Reverse Pitch Findings

- **Importance of a Turn-key Operator:** Partnership with turn-key operator capable of providing suitable vessels with all required approvals in place is needed to meet the implementation timeline.
- **Potential Coordination with Existing Water Taxi Operations:** Explore whether current operators in the region are interested in expanding their service footprint.
- **Potential 2028 Games Constraints:** Planning for security zones and in-water events is ongoing and are likely to be uncertain until and even during Games time. Water taxi schedules and routes may need to be adjusted when sailing events are held in San Pedro and when athletes are training in the water.
- **Coordination with Harbor Operations:** To inform route operating requirements and schedule parameters, coordination with the Olympics Maritime Safety and Security Subcommittee and other harbor operators will be critical.
- **Gaps in Funding Opportunities:** Most grants typically used by ferry operators focus on capital projects. Among opportunities that offer funding for operations, it is unlikely that a short-term service would be eligible or score well for a competitive federal or state grant. Additionally, in Motion 18, the Metro Board instructed staff that *“funding source options shall not be eligible for bus or rail operations.”* This limits the availability of most Metro funding for this potential service. However, local return funding is available to all LA County jurisdictions to support transportation.

Additional Considerations

Topics	Decision Points
Service Variables	1. Specify minimum service requirements to be included in an RFP or work with an operator in a planning phase to make decisions in partnership. • Focus on transportation for Games events OR wider Games-period/summer tourism • Length of service period • Fixed schedule or variable based on events schedules • Confirm landing sites
Staffing	2. Staffing strategy 3. Metro FTE hire to manage operator contract
Funding Options	4. Funding sources and commitment 5. Advertising & revenue sharing opportunities/restrictions 6. Fare policy
Procurement	7. Preferred contracting model

Questions?