

Memorandum

AGENDA ITEM 4

DATE: October 24, 2025

TO: Treasure Island Mobility Management Agency Committee

FROM: Suany Chough - Assistant Deputy Director for Planning

SUBJECT: 10/28/25 Committee Meeting: TIMMA Funding Strategy Update

RECOMMENDATION ☒ Information ☐ Action

None. This is an information item.

SUMMARY

TIMMA's Fiscal Year (FY) 2025/26 Annual Budget, adopted in June 2025, is \$4.6 million and includes only work program elements that have secured grant funding. As staff was working to stand up a \$20 million Environmental Protection Agency (EPA) grant for the new Treasure Island (TI) Connects program, the new federal Administration terminated the grant. At the direction of Chair Dorsey, staff has been working to identify alternative sources for some TI Connects projects, including on-island shuttle service and bikeshare for the Islands. Additionally, staff proposes to advance program priorities including transit pass coordination, East Bay transit service planning, baseline traffic data collection, financial model upgrades and grant pursuits. Staff will present an overview of our efforts to identify and secure funding for these TIMMA work program activities. Pending guidance from the Committee and securing funds, we will bring back a budget amendment to commence the proposed work in early 2026.

- ☐ Fund Allocation
- ☐ Fund Programming
- ☐ Policy/Legislation
- ☐ Plan/Study
- ☐ Capital Project Oversight/Delivery
- ☒ Budget/Finance
- ☐ Contract/Agreement
- ☐ Other: _____

BACKGROUND

Pursuant to TIMMA's Fiscal Policy, TIMMA adopts an annual budget each year, which provides management guidance and control over disbursement of TIMMA's revenues in accordance with the adopted work program as determined by the Board and as set forth in other policies. In June 2025 through approval of Resolution 25-03, the TIMMA Board

adopted the FY 2025/26 budget and work program. This included several major streams of work: Ferry Service Plan Development and Operating Agreements, Parking Management Plan Development and Memorandum of Understanding, Toll and Affordability Program Design, Ferry Terminal Enhancements Project, and Program Management.

The total adopted budget, constrained to committed funds, is \$4.6 million. Of that amount, \$3.88 million is for the construction phase of the Ferry Terminal Enhancements Project, supported by a \$3 million Ferry Boat Program earmark and \$1 million in Affordable Housing and Sustainable Communities (AHSC) grant funds. The \$459,000 budget for system design of the Toll and Affordability Program is supported by Advanced Transportation and Congestion Management Technologies Deployment grant funds. The remaining work program items total \$279,000, funded by a combination of Prop K funds and local match funds from a fund swap agreement executed with Treasure Island Community Development (TICD) and the Treasure Island Development Authority (TIDA) in 2022.

As anticipated in the Treasure Island Transportation Improvement Program (TITIP), adopted by the Board of Supervisors as part of the Development Agreement in 2011, the need for expanded public transportation to and from Treasure Island is increasing as nearly 1,000 new homes have been completed and occupied, and new parks and destinations open. Our priority, pending funding availability, is to provide services and mobility options as quickly as possible, and to prepare TIMMA to be an operating entity to deploy and manage the initial TITIP services effectively and efficiently.

DISCUSSION

Over the past several months, we have met with TIDA, TICD, San Francisco Bay Ferry (SFBF), and the Metropolitan Transportation Commission (MTC) to discuss strategies and sources to fund key TIMMA transportation priorities in lieu of the EPA grant. Given the general funding landscape, funding for new services is extremely limited. The primary funding source available to TIMMA is through the Disposition and Development Agreement (DDA), which obligates TICD to fund an Operating Subsidy account to support transportation operations (established in the original 2011 DDA at \$30 million) and a Capital Fund for capital expenses (established in the Amended DDA in 2024 at \$13.9 million).

TIMMA and TIDA staff are working on an agreement to formalize procedures for TIMMA to utilize the Operating Subsidy and Capital Fund revenues following a notification and

consultation process as part of TIMMA's annual budget cycle. TICD staff has indicated their preliminary support for TIMMA's use of the Operating Subsidy and Capital Fund as proposed in this information item. Once funding is secured, we will bring an amendment to TIMMA's FY 2025/26 work program and budget to the TIMMA Committee and Board for approval.

Following are components of TIMMA's proposed work plan, funding need, and proposed or potential funding sources. The existing budget and funding strategy are summarized in Attachment 1.

- We are working on a **ferry service business plan** with SFBF which will serve as the basis for an operating agreement. This business plan will contain a ten-year funding plan for the operations of the electric ferry service. This project team is incorporating new information from SFBF and requires an additional \$75,000 to complete the plan. TICD staff has agreed that this additional funding can be drawn from the Operating Subsidy.
- We are in discussion with SFBF and MTC to secure \$4.1 million to construct the **electric ferry charging infrastructure** so that service can begin in Summer 2027. We had expected to fund this project with the EPA grant and also included it in two unsuccessful grant applications for Senate Bill 1 funds through the Solutions for Congested Corridors Program. We are currently pursuing multiple alternative ways to fund this project, which is on the critical path to service in Summer 2027. We have proposed committing up to \$1 million from the Developer Capital Fund, if we and SFBF staff can identify a source or sources for the remaining \$3.1 million.
- We are working with MTC and SFMTA to backfill EPA grant funds to bring the Bay Wheels **bikeshare** system to Treasure Island. In July 2025, the Transportation Authority Board approved \$140,000 in Transportation Fund for Clean Air funds to support operating costs for two to three years, conditioned upon TIMMA securing the remaining \$350,000 needed to fully fund the project. We propose to draw approximately \$350,000 from the Developer Capital Fund for capital project delivery costs, including bikes, docks, electrical infrastructure connections, and associated soft costs. We anticipate the system could launch in early Summer 2026.
- The **on-island shuttle** is a high priority for island residents, workers, and visitors as prioritized in the District 6 Supplemental Transportation Study. We had intended to use EPA grant funds to design and procure the service in 2026 and launch it in Spring/Summer 2027. We are now refining the budget, currently estimated at

approximately \$400,000, and are working on a funding plan that includes a proposed combination of Transportation Authority Prop L funds from the Transportation Demand Management (TDM) program and Operating Subsidy funds.

- The **Ferry Terminal Enhancements Project** requires an additional \$800,000 for the two bus shelters, soft costs, and contingency. The project began expending funds in FY 2024/25 with the Preliminary Engineering phase and the construction contract was recently awarded. We worked with the John Stewart Company and TIDA to include \$600,000 for the bus shelters in a AHSC Cycle 9 grant application, submitted in May 2025. If our AHSC grant application is successful (notification anticipated in December 2025) it would provide \$600,000 for the bus shelters and reduce the need to \$200,000. This remaining gap would be covered using proceeds from a fund swap agreement executed with TICD, TIDA and TIMMA in 2022.
- A major priority for TIMMA in the next few years is to prepare to be an operating entity, with a combination of dedicated staff and shared services provided by the Transportation Authority. For example, TIMMA needs to set up operating policies and protocols to effectively and efficiently manage multiple public-serving operations and programs. TIMMA's **program management** functions also include funding strategy and grants management, program performance evaluation, project development, communications, risk management, and Board support. In addition, there are one-time start-up expenses for tasks such as creating the TIMMA program evaluation plan and collecting baseline data; building financial and travel modeling tools; legal and litigation costs; and developing branding and communications materials. The FY 2025/26 budget includes \$161,000 for program management; the additional proposed additional budget is estimated at \$370,000. We are in discussions with TIDA and TICD about the resources we need to support these essential agency operations in FY2025/26 and beyond.

The work program will be updated only after funding is secured. We expect to return to the TIMMA Committee with a proposed work program and budget amendment and supporting agreements/MOUs in early 2026.

FINANCIAL IMPACT

None. This is an information item. Any newly secured funding and associated work program activities will be incorporated in TIMMA's FY 2025/26 Annual Budget and Work Program Amendment, which we expect to present to the Board in Spring 2026.

SUPPLEMENTAL MATERIALS

- Attachment 1 – TIMMA Funding Strategy Update Summary

Attachment 1
TIMMA Funding Strategy Update Summary

#	Project / Activity	FY 2025/26 Budget	Additional Funding Needs			Total (Budgeted + Additional)	Funding Strategy
			Purpose	Additional Amount	Timeframe		
1	Ferry Service Business Plan	\$83,644	Additional funding needed to complete the plan	\$75,000	FY26	\$158,644	TICD staff supports funding with Operating Subsidy.
2	Electric Ferry Charging Infrastructure	\$0	Construction phase	\$1,000,000	FY26	\$1,000,000	The total cost is \$4.1, of which \$1M could be drawn from the Capital Fund. Other potential sources under discussion with SFBF.
3	Bikeshare	\$0	Capital expenses (bikes, docks, soft costs)	\$350,000	FY26	\$350,000	TICD staff supports funding with Developer Capital. Matches \$140K in approved TFCA for Operations.
4	On-island Shuttle	\$0	Service design, procurement and launch	\$400,000	FY26 - FY27	\$400,000	Potential sources under discussion include Prop L TDM, Operating Subsidy, and other TBD.
5	Parking Management Program	\$33,919	None	\$0	FY26	\$33,919	No change. Fully funded for FY26.
6	Toll & Affordability System	\$459,071	None	\$0	FY26	\$459,071	No change. Fully funded for FY26.
7	Ferry Terminal Enhancements Project	\$3,881,146	Bus shelters, soft costs, project contingency	\$800,000	FY26 - FY27	\$4,681,146	To be funded with fund swap proceeds (\$600K of this amount could be funded with AHSC grant, if successful)
8	Program Management	\$161,521	Financial management system, performance evaluation, program start-up, etc.	\$370,000	FY26 - FY27	\$531,521	Potential sources under discussion include Operating Subsidy and outside grants.
9	Total:	\$4,619,301		\$2,995,000		\$7,614,301	