

Memorandum

AGENDA ITEM 5

DATE: April 10, 2026
TO: Treasure Island Mobility Management Agency Committee
FROM: Suany Chough - Assistant Deputy Director for Planning
 Cynthia Fong - Deputy Director for Finance & Administration
SUBJECT: 04/14/26 Committee Meeting: Fiscal Year (FY) 2025/26 and FY 2026/27 Budget and Work Program Update

<p>RECOMMENDATION <input checked="" type="checkbox"/> Information <input type="checkbox"/> Action</p> <p>None. This is an information item.</p> <p>SUMMARY TIMMA’s FY 2025/26 Annual Budget, adopted in June 2025, is \$4.6 million including \$3.9 million for construction of the Ferry Terminal project and other work program elements that have secured grant funding. The FY 2025/26 budget is expected to remain at \$4.7 million, an increase of less than 2% which does not require adoption of a formal budget amendment. At the direction of Chair Dorsey, and as presented to the TIMMA Committee in October 2025, staff worked to identify alternative sources for some U.S. Environmental Protection Agency (EPA) grant-funded Treasure Island (TI) Connects projects following that grant’s rescission by EPA, including on-island shuttle service and bikeshare for the Islands, as well as other program priorities. The FY 2025/26 budget and work program now includes the implementation of bikeshare on Treasure Island and Yerba Buena Island. Initial work to launch the on-island shuttle and completion of the ferry business plan is included in the draft FY 2026/27 budget and work program. We will also analyze the potential transportation impacts and mitigations for up to 2,800 units of housing, per the recent application from the Treasure Island Community Development (TICD). The preliminary FY 2026/27 budget is currently estimated at \$2.3 million and includes projects that have</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input checked="" type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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<p>secured grant funding, or funding from the developer's Operating Subsidy currently under discussion with the Treasure Island Development Authority (TIDA) staff. Other major sources of funding include federal and state grants and Community Facility District funds from a ferry grant fund exchange executed between TIMMA, TIDA and TICD in 2022 (CFD Funds). We will bring a final proposed budget to the TIMMA Board in June.</p>	
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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. At the time of adoption, TIMMA had received notice from EPA that the \$20 million TI Connects grant would be canceled and TIMMA joined a class action lawsuit to challenge this unlawful action, which is still pending. Chair Dorsey directed staff to work on ways to backfill the on-Island shuttle, bikeshare and other components to the extent feasible and staff presented the results of this work to the TIMMA Committee in October 2025, receiving positive guidance from Committee members.

The total adopted FY 2025/26 budget, constrained to committed funds, is \$4.6 million. Of that amount, \$3.9 million is for the construction phase of the Ferry Terminal Enhancements Project, supported by a \$2.9 million Ferry Boat Program earmark and \$1.0 million in state Affordable Housing and Sustainable Communities (AHSC) grant funds. The \$459,000 budget for system design of the Toll and Affordability Program is supported by federal Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) grant funds. The remaining work program items total \$279,000, funded by a combination of Prop K funds and CFD Funds.

As anticipated in the Treasure Island Transportation Improvement Program (TITIP), adopted by the Board of Supervisors as part of the Disposition and Development Agreement (DDA) in 2011, and partially updated in 2016, 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 transit 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

FY2025/26 Budget and Work Program Update. TIMMA has had a productive year developing the overall work program and seeking replacement funds for key projects per the Committee's guidance last fall, as described above. Major accomplishments include:

- Awarded \$10 million from a state AHSC grant for Treasure Island transportation projects and ferry services, part of a larger AHSC grant awarded to TIDA and the John Stewart Company;
- Advanced funding plans for the ferry charging infrastructure, on-island shuttle and bikeshare, to backfill the EPA grant;
- Helped secure \$100,000 for One Treasure Island from the Metropolitan Transportation Commission's (MTC's) Community Action Resource & Empowerment (CARE) program
- Secured full funding for the Ferry Terminal Enhancements project, completed design and initiated construction;
- Worked with TIDA, the San Francisco Municipal Transportation Agency (SFMTA) and San Francisco Bay Ferry (SFBF) to advance on-street parking regulations and the ferry business plan; and
- Secured state and federal air quality conformity and National Environmental Policy Act (NEPA) approvals for the TIMMA program.

We expect to stay on budget for FY2025/26 overall, with the budget increasing by less than 2%, though there are some changes in specific budget lines. Updates to the FY2025/26 budget are as follows:

- The **Ferry Terminal Enhancements Project** broke ground in January 2026 and is on schedule and on budget, with \$3.8 million of planned expenditures in FY 2025/26 compared to \$3.9 million budgeted. As noted above, we worked with the John Stewart Company and TIDA to include \$600,000 for the bus shelters in an AHSC grant application, which was awarded in December 2025. The remaining gap of \$200,000 will be covered using CFD Funds.

- **Parking Management** planning is on budget for FY 2025/26.
- **Ferry Service** planning is under budget, with \$23,975 on the business plan continuing into FY 2026/27.
- We successfully worked with TIDA and TICD to add \$368,917 to the FY 2025/26 budget for the implementation of **bikeshare**, backfilling part of the terminated EPA grant. The budget includes capital equipment, installation, and soft costs, funded through the developer's Capital Fund (established in the Amended DDA in 2024) and bicycle library obligations. This project is discussed in greater detail in a separate item on this agenda.
- We completed the NEPA revalidation and reviewed system requirements and implementation strategy for the **toll and affordability system**, but did not advance adoption, design, and engineering as anticipated. The budget for the toll and affordability system is reduced by \$305,779.
- The budget for **Program Management** increased significantly by \$129,914 to total \$291,435 due to the development of financial budgeting, reporting, and forecasting tools for TIMMA, litigation costs and additional efforts to seek and secure funding. The additional budget for FY 2025/26 is expected to be funded by TIDA through the developer's Operating Subsidy as part of TIDA's FY 2026/27 budget.

Since the updated budget is within 10% of the original budget (increasing by less than 2%), adoption of an amended budget is not required. The proposed updated FY 2025/26 budget is summarized in Attachment 1.

Preliminary FY 2026/27 Budget. TIDA has agreed to fund certain TIMMA activities through the DDA with TICD, the developer. The DDA 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 support for TIMMA's use of the Operating Subsidy and Capital Fund as proposed in this information item.

Following are components of TIMMA's proposed work plan for FY 2026/27 and proposed funding sources. The preliminary budget and funding strategy are summarized in Attachment 2.

- We will complete the **ferry service business plan** with San Francisco Bay Ferry (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. TIDA staff has agreed that this additional funding of \$57,339 can be drawn from the Operating Subsidy.
- We are launching the Bay Wheels **bikeshare** system this summer; \$79,976 in FY 2026/27 operations are funded by a TFCA grant, and we will monitor and evaluate the program, supported by TIDA. TIDA staff has agreed that this additional funding of \$62,519 can be drawn from the Operating Subsidy.
- We will initiate implementation of the **on-island shuttle** in FY 2026/27, supported by an anticipated \$167,150 of Transportation Authority Prop L funds from the Transportation Demand Management (TDM) program (50%) and Operating Subsidy funds (50%). In Phase 1, we will conduct targeted outreach, finalize service parameters, and draft a Request for Proposals (RFP). Once approved, we will proceed with Phase 2, procurement and service launch. TIDA staff has agreed to this approach. The shuttle is a high priority for island residents, workers, and visitors as prioritized in the District 6 Supplemental Transportation Study.
- We will update the **parking** and demand management study based on updated assumptions about parking capacity, occupancy, and proposed new housing units. This effort, currently estimated at \$99,450, is supported by a TIDA fund source.
- We expect to continue work on the **toll and affordability system** to include federal authorization, delivery methodology, public outreach, and program adoption. In addition, we will focus on the affordability program including a mobility wallet benefit and potential transportation subsidy for Below Market Rate (BMR) residents on the Islands. This work is budgeted at \$612,892, funded by the federal ATCMTD grant with local match from CFD Funds.
- The **Ferry Terminal Enhancements Project** will be completed in FY 2026/27. The budget is \$881,146, reflecting the additional state grant funds secured to complete the project, as described above.
- A major priority for TIMMA 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 ensure that its operating policies, protocols, and tools are sufficient to effectively and efficiently manage multiple public-serving operations and programs. TIMMA's FY 2026/27 **program management** work program and budget include \$286,292 for activities around funding strategy and grants, financial forecasting and management, governance, and agency requirements, supported by TIDA Operating Subsidy. We are hoping to hear good news this summer about our Caltrans Planning Grant application, which would fund baseline data collection and model development for Treasure Island needs.

Outside of the TIMMA budget, we worked with SFBF to fully fund the **electric ferry charging infrastructure**. We had expected to fund this project with the EPA grant and had also included it in two unsuccessful grant applications for Senate Bill 1 funds through the Solutions for Congested Corridors Program. Since the EPA grant was terminated, SFBF is working to secure \$3.0 million from MTC and we have agreement from TIDA and TICD to commit \$1.0 million from the developer's Capital Fund to this project.

FINANCIAL IMPACT

None. This is an information item. We will present a proposed FY 2026/27 budget to the TIMMA Board for approval in June.

SUPPLEMENTAL MATERIALS

- Attachment 1 - TIMMA FY 2025/26 Budget Update
- Attachment 2 - TIMMA FY 2026/27 Preliminary Budget

Attachment 1 - TIMMA FY2025-26 Budget Update

Work Program	Activities / Deliverables	Adopted	FY26 Adjustments	FY26 Updated	Fund Sources					
					Prop K	Ferry Grant / AHSC ¹	ATCMTD ²	CFD Funds ³	TICD Operating Subsidy ⁴	TICD Capital Fund ⁵
Ferry Service	Ferry business plan, funding plan	\$83,644	-\$23,975	\$59,669	\$59,669					
Ferry Terminal Enhancements	Finalize design, procurement, construction	\$3,881,146	-\$81,146	\$3,800,000		\$3,800,000				
Bikeshare	Equipment, installation, agreements, agency coordination	\$0	\$368,917	\$368,917						\$368,917
Parking Management Program	New financial model, SFMTA legislation support	\$33,919	-\$80	\$33,839	\$33,839					
Toll & Affordability System	Environmental, construction coordination, system engineering scan	\$459,071	-\$305,779	\$153,292			\$76,646	\$76,646		
Program Management	Funding strategy, grants, project development, EPA grant termination, communications	\$161,521	\$129,914	\$291,435	\$20,100		\$70,711	\$70,711	\$129,914	
TOTAL TIMMA BUDGET		\$4,619,301	\$87,851	\$4,707,152	\$113,608	\$3,800,000	\$147,357	\$147,357	\$129,914	\$368,917

1. AHSC = Affordable Housing and Sustainable Communities (state grant)

2. ATCMTD = Advanced Transportation and Congestion Management Technologies Deployment (federal grant)

3. Community Facility District funds from a ferry grant fund exchange executed between TIMMA, TIDA and TICD in 2022.

4. The Disposition and Development Agreement (DDA) obligates the developer, Treasure Island Community Development (TICD), to fund an Operating Subsidy account to support transportation operations. This account was established in the original 2011 DDA at \$30 million and grows with inflation. TIDA staff has indicated their support for this budget.

5. The Amended and Restated DDA, approved in 2024, established a \$13.9 million Capital Fund for transportation related capital expenses. The Capital Fund also grows with inflation. These funds are approved and flow from TICD to TIDA, then to TIMMA.

Attachment 2 - TIMMA FY2026-27 Preliminary Budget										
Work Program	Activities / Deliverables	Prop L ¹	Ferry Grant / AHSC ²	ATCMTD ³	CFD Funds ⁴	TICD Operating Subsidy ⁵	TICD Capital Fund ⁶	TIDA TBD	TFCA ⁷	FY27 Total
Ferry Service	Finalize business plan, funding plan, SF Bay Ferry capital project coordination					\$57,339				\$57,339
Ferry Terminal Enhancements	Complete construction		\$681,146		\$200,000					\$881,146
Bikeshare	Program operation, monitoring, promotion, data/evaluation, legal					\$62,519			\$79,976	\$142,495
On-Island Shuttle	Service design, outreach, RFP	\$83,575				\$83,575				\$167,150
Parking Management Program	Analysis of off-site need, additional units (proposal in discussion)					\$0		\$99,450		\$99,450
Toll & Affordability System	Program finalization, outreach, local and federal approvals, delivery strategy, mobility wallet			\$306,446	\$306,446					\$612,892
Program Management	Funding/grant seeking, financial analysis, governance, agency operations, data planning					\$286,292				\$286,292
TOTAL TIMMA BUDGET		\$83,575	\$681,146	\$306,446	\$506,446	\$489,725	\$0	\$99,450	\$79,976	\$2,246,764
Ferry Charging Infrastructure	Contribution to capital cost of charging infrastructure on TI						\$1,000,000			\$1,000,000
GRAND TOTAL		\$83,575	\$681,146	\$306,446	\$506,446	\$489,725	\$1,000,000	\$99,450	\$79,976	\$3,246,764

1. Prop L request to be approved to Transportation Authority Board.

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3. ATCMTD = Advanced Transportation and Congestion Management Technologies Deployment (federal grant)

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5. The Disposition and Development Agreement (DDA) obligates the developer, Treasure Island Community Development (TICD), to fund an Operating Subsidy account to support transportation operations. This account was established in the original 2011 DDA at \$30 million and grows with inflation. TIDA staff has indicated their support for this budget.

6. The Amended and Restated DDA, approved in 2024, established a \$13.9 million Capital Fund for transportation related capital expenses. The Capital Fund also grows with inflation. TIMMA will execute a letter agreement for these funds directly with TICD, then make the funds available to the Ferry Charging Infrastructure project.

7. TFCA = Transportation Fund for Clean Air (regional grant)