

AGENDA ITEM 10
Treasure Island Development Authority
City and County of San Francisco
Meeting of January 12, 2022

Subject: Review and Discussion of Draft Fiscal Year 2022-23 & Fiscal Year 2023-24 Treasure Island Development Authority Budget (Informational Item)

Contact: Robert Beck, Treasure Island Director
Jamie Querubin, Finance Manager

SUMMARY

This is an informational item of the draft Treasure Island Development Authority Two-Year Budget for Fiscal Year 2022-23 (FY2023) and Fiscal Year 2023-24 (FY2024), collectively the “Proposed TIDA Budget.”

On December 15th, the Mayor’s Budget Office released budget instructions announcing a projected cumulative surplus of \$108M over the next two fiscal years. Given this surplus and the unusually small deficits projected in outer years, departments are not being asked to provide General Fund savings. Departments are being asked to avoid General Fund cost increases and to use existing budget to meet the Mayor’s policy priorities of restoring vibrancy, aiding economic recovery, improving core service delivery, and enhancing accountability and equity in programming, services, and spending. Non-General Fund departments are being directed to balance within their own revenue projections. The Authority is considered a Non-General Fund department, as it does not receive any revenue support from the General Fund.

Moreover, the City Administrator is interested in hearing proposals that promote ADM’s goals:

- **Simplifying services:** streamlining processes to improve user experience and ending practices that don’t provide high value to the public
- **Increasing access:** connecting more people to more easily accessible services
- **Building solid foundations:** addressing structural budget gaps to ensure that your department has the resources it needs to run an effective operation

Initial budget submittals from departments are due to the Mayor’s Budget Office on February 22nd. The TIDA Budget is submitted as part of the overall budget for the City Administrator’s Office. The City Administrator’s Office of Budget and Planning has requested the Authority submit its departmental budget by February 4th. Authority staff will return to the TIDA Board on February 9th to approve the final submission of the TIDA Budget to the Mayor’s Budget Office.

The budget establishes a ceiling for expenditure authority, which is typically under-expended. For example, in FY2021, the Authority’s total expenditures were \$5.34M or approximately 21% compared to the adopted budget.

Pursuant to the DDA, Authority staff has also shared the draft Proposed TIDA Budget with Treasure Island Community Development (TICD) for their review and comment.

EXHIBITS

Exhibit A – FY2023 & FY2024 Summary Revenue & Expense Forecast

Exhibit B – FY2023 Revenue Details

Exhibit C – FY2023 Expense Details

Prepared by: Robert Beck, Treasure Island Director
Jamie Querubin, Finance Manager

EXHIBIT A. Summary Revenue & Expense Forecast (DRAFT)

TIDA Authority Costs Budget

Revenues	Budget Category	Cost Category	Fiscal Year 2023	Fiscal Year 2024
	TIDA Revenue	A. Commercial Leasing Revenue - Tidelands Property	6,600,000.00	5,940,000.00
		B. Commercial Leasing Revenue - Non-Tidelands Trust	1,800,000.00	1,800,000.00
		C. John Stewart Company Housing Revenue	1,500,000.00	1,000,000.00
		D. Housing Common Area Maintenance Fees	1,350,000.00	1,350,000.00
		E. Other TIDA Revenues	0.00	0.00
		Revenue Total	11,250,000.00	10,090,000.00
	TIDA Pass-through Revenue	F. BATA Reimbursement Pier E-2 MOA	10,000.00	10,000.00
		G. SFCTA Reimbursement for YBI Pedestrian Path Costs (Vista Point)	100,000.00	100,000.00
		H. SFCTA Reimbursement for Historic Torpedo Building Consulting Services	150,000.00	150,000.00
		Pass-through Revenue Total	260,000.00	260,000.00
	TICD Revenue	I. TICD Reimbursement (Authority Costs)	4,489,754.98	6,017,980.04
		TICD Revenue Total	4,489,754.98	6,017,980.04
Revenues Total			15,999,754.98	16,367,980.04
Expenses	Budget Category	Cost Category	Fiscal Year 2023	Fiscal Year 2024
	A. Personnel & Administration	1. TIDA Staff Salaries	2,639,759.31	2,718,952.09
		2. TIDA Staff Mandatory Fringe Benefits	1,104,730.97	1,137,872.90
		3. Staff Training, Memberships, and Field Expenses	33,740.00	33,740.00
		4. Marketing and Promotion Expenses	50,000.00	50,000.00
		5. One Treasure Island Contractual Services	1,465,000.00	1,465,000.00
		6. Other Professional Services	277,000.00	285,310.00
		7. Equipment Leases / Materials & Supplies	75,000.00	77,250.00
		8. Public Safety Work Orders	183,610.46	189,118.77
		9. Public Health and Welfare Work Orders	453,930.00	467,547.90
		10. Other Administrative Work Orders	731,312.77	805,186.76
		Personnel & Administration Total	7,014,083.51	7,229,978.42
	B. Development	1. Development Professional Services (Authority Costs, not incl. Subsidy offsets)	2,575,000.00	2,575,000.00
		2. Planning Department (Authority Costs)	130,000.00	130,000.00
		Development Total	2,705,000.00	2,705,000.00
	C. Operations & Maintenance	1. Buildings Maintenance Services (Third-Party Contracts, not incl. Subsidy offsets)	2,620,000.00	2,698,600.00
		2. PUC Utilities and Maintenance	2,153,171.47	2,202,016.62
		3. DPW Operations and Maintenance	629,500.00	648,385.00
		4. BATA Pier E-2 MOA / SFCTA YBI Pedestrian Path Costs	110,000.00	110,000.00
		5. Debt Service - PUC WWE Commercial Paper	568,000.00	568,000.00
		6. City Attorney - Legal Services (Authority Costs)	200,000.00	206,000.00
		Operations & Maintenance Total	6,280,671.47	6,433,001.62
Expenses Total			15,999,754.98	16,367,980.04

TIDA City Costs Budget

Revenues	Budget Category	Cost Category	Fiscal Year 2023	Fiscal Year 2024
	TICD Revenue	A. TICD Reimbursement (City Costs)	10,387,536.39	10,193,718.21
		TICD Revenue Total	10,387,536.39	10,193,718.21
Revenues Total			10,387,536.39	10,193,718.21
Expenses	Budget Category	Cost Category	Fiscal Year 2023	Fiscal Year 2024
	A. Development	1. Development Professional Services (City Costs)	1,437,800.00	1,437,800.00
		2. City Attorney - Legal Services (City Costs)	1,050,000.00	1,050,000.00
		3. DPW Engineering Support Services	4,685,680.64	4,919,964.67
		4. PUC Engineering Services	1,787,955.75	1,352,353.53
		5. SFMTA Services	250,000.00	257,500.00
		6. SF Environment	80,000.00	80,000.00
		7. Planning Department (City Costs)	170,000.00	170,000.00
		8. Recreation and Parks Department	100,000.00	100,000.00
		9. Department of Technology	0.00	0.00
		10. Electric Submarine Repayment	826,100.00	826,100.00
		Development Total	10,387,536.39	10,193,718.21
Expenses Total			10,387,536.39	10,193,718.21

TIDA Subsidy Budget

Revenues	Budget Category	Cost Category	Fiscal Year 2023	Fiscal Year 2024
	TICD Subsidy	A. TICD Reimbursement for One Treasure Island Job Broker Program	500,000.00	500,000.00
		B. TICD Transportation Subsidy	0.00	0.00
		C. TICD Developer Housing Subsidy	931,842.37	931,842.37
		D. TICD Parks and Open Space Subsidy	630,000.00	648,900.00
		TICD Subsidy Total	2,061,842.37	2,080,742.37
	VDDA Subsidy	E. Vertical Development Art Fees	2,200,000.00	2,200,000.00
		VDDA Subsidy Total	2,200,000.00	2,200,000.00
Revenues Total			4,261,842.37	4,280,742.37
Expenses	Budget Category	Cost Category	Fiscal Year 2023	Fiscal Year 2024
	A. Personnel & Administration	1. One Treasure Island Contractual Services - Job Broker Program	500,000.00	500,000.00
		Personnel & Administration Total	500,000.00	500,000.00
	B. Development	1. Development Professional Services (Relocation Consultant – Replacement Housing)	500,000.00	500,000.00
		2. Development Professional Services (Early Relocation In-Lieu Fees)	200,000.00	200,000.00
		3. Mayor's Office of Housing Community Development	231,842.37	231,842.37
		4. SF Arts Commission - Art Installation Costs	2,200,000.00	2,200,000.00
		Development Total	3,131,842.37	3,131,842.37
	C. Operations & Maintenance	1. As-Needed Invasive Species Management - Development Parcels	200,000.00	206,000.00
		2. Maintenance of New Parks and Open Spaces	430,000.00	442,900.00
		Operations & Maintenance Total	630,000.00	648,900.00

Expenses Total	4,261,842.37	4,280,742.37
TOTAL TIDA BUDGETED REVENUES	30,649,133.73	30,842,440.61
TOTAL TIDA BUDGETED EXPENSES	30,649,133.73	30,842,440.61

EXHIBIT B

I. TIDA AUTHORITY COSTS BUDGET REVENUE DETAILS FY 2022-23

A. Commercial Leasing Revenue – Tidelands Trust

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$6,600,000	\$6,600,000	\$0

This amount reflects executed subleases and potential new subleasing opportunities for commercial space on Treasure Island within the Tidelands Trust.

Projected FY 2023-24 Budget: \$5,940,000

B. Commercial Leasing Revenue – Non-Tidelands Trust

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$1,800,000	\$1,800,000	\$0

This amount reflects executed subleases and potential new subleasing opportunities for commercial space on Treasure Island within the Tidelands Trust.

Projected FY 2023-24 Budget: \$1,800,000

C. John Stewart Company Housing Revenue

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$1,500,000	\$1,500,000	\$0

The projection is based upon approximately 400 rentable units and represents net revenue after expenses including the John Stewart 5% fee. Due the COVID-19 pandemic and the observance of a rent moratorium policy, TIDA is assuming a \$1,000,000 reduction in rent collected by the John Stewart Company, compared to full annual year in an otherwise typical year

Projected FY 2023-24 Budget: \$1,000,000

D. Housing Common Area Maintenance Fees

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$1,350,000	\$1,350,000	\$0

TIDA REVENUE DETAILS FY2022-23

EXHIBIT B

This estimated amount reflects income for housing common area maintenance (CAM) charges. Due to the COVID-19 pandemic, TIDA is assuming a \$227,000 reduction in payments to align FY2021-22 projections and FY2020-21 actuals for CAM revenues.

CAM payments approximate break down as follows:

John Stewart Company	\$991,000	Catholic Charities	\$152,000
CHP	\$263,000	HealthRIGHT 360	\$88,000
Swords to Plowshares	\$83,000		

Projected FY 2023-24 Budget: \$1,350,000

E. Other TIDA Revenues

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$0	\$0	\$0

None.

F. BATA Reimbursement- Pier E- 2

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$100,000	\$10,000	(\$90,000)

The amount reflects anticipated funds from Bay Area Tolling Authority to TIDA as reimbursement of expenses for Pier E-2 operations based on revised operating hours. The reduced FY2023 budget aligns with FY2022 actuals, which continues to reflect the potential closure of Pier E-2 for a majority of the fiscal year due to COVID-19 restrictions.

Projected FY 2023-24 Budget: \$10,000

G. SFCTA Reimbursement for YBI Pedestrian Path Costs

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$311,000	\$100,000	(\$211,000)

The amount reflects anticipated payments from SFCTA to TIDA as revenue to cover costs related to the Bay Bridge Pedestrian path, including janitorial, transportation, and security. The reduced FY2023 budget aligns with FY2022 actuals, which continues to reflect the potential closure of Vista Point for a majority of the fiscal year due to COVID-19 restrictions.

Projected FY 2023-24 Budget: \$100,000

TIDA REVENUE DETAILS FY2022-23

EXHIBIT B

H. SFCTA Reimbursement for Historic Torpedo Building Consulting Services

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
N/A	\$150,000	\$150,000

The amount reflects anticipated funds from SFCTA to TIDA as reimbursement of expenses for historical consulting services completed on behalf of the SFCTA related to the Torpedo Building.

Projected FY 2023-24 Budget: \$150,000

I. TICD Reimbursement (Authority Costs)

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$3,000,331	\$4,489,755	\$1,762,876

The amount reflects anticipated funds from TICD to TIDA as revenue to balance the budget, not including development costs directly spent on City Costs, as defined by the DDA. This TICD reimbursement is referred to as Authority Costs per Section

Projected FY 2023-24 Budget: \$6,017,980

TIDA REVENUE DETAILS FY2022-23

TIDA Board 1/12/22

EXHIBIT B

II. TIDA CITY COSTS REVENUE DETAILS FY 2022-23

A. TICD Reimbursement (City Costs)

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$10,631,309	\$10,387,537	(\$243,772)

The amount reflects anticipated funds from TICD to TIDA as revenue to balance the budget, not including development costs directly spent on City Costs, as defined by the DDA. This TICD reimbursement is referred to as Authority Costs per Section

Projected FY 2023-24 Budget: \$10,193,719

TIDA REVENUE DETAILS FY2022-23

TIDA Board 1/12/22

EXHIBIT B

III. TIDA SUBSIDY BUDGET REVENUE DETAILS FY 2022-23

A. TICD Reimbursement for One Treasure Island Job Broker Program

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$500,000	\$500,000	\$0

The amount reflects payment from TICD to TIDA as revenue to cover One Treasure Island Job Broker costs as described in the DDA.

Projected FY 2023-24 Budget: \$500,000

B. TICD Transportation Subsidy

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
N/A	\$0	\$0

The amount reflects payment from TICD to TIDA as revenue to cover transportation operational shortfall costs as described in the DDA. For FY2023, TIDA does not anticipate a funding shortfall in transportation operations.

Projected FY 2023-24 Budget: \$0

C. TICD Developer Housing Subsidy

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
N/A	\$931,843	\$0

The amount reflects payment from TICD to TIDA as revenue to cover housing development pre-development and development costs as described in the DDA. In FY2023, the entirety of the Developer Housing Subsidy allocation is anticipated to fund costs related to a Relocation Consultant for replacement housing implementation in the amount of \$500,000, costs related to the pay-out of Early Relocation In-Lieu Fees in the estimated amount of \$200,000, and the total costs related to the annual MOU between TIDA and the Mayor’s Office of Housing and Community Development in the amount of \$231,843.

Projected FY 2023-24 Budget: \$931,843

D. TICD Parks and Open Space Subsidy

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$432,000	\$630,000	\$198,000

TIDA REVENUE DETAILS FY2022-23

EXHIBIT B

The amount reflects anticipated funds from TICD for Parks and Open Space maintenance. The increase in parks maintenance budget is related to the anticipated completion and opening of the Dog Park and Hilltop East Park.

Projected FY 2023-24 Budget: \$630,000

E. Vertical Development Art Fees

TIDA FY 2022-21 Budget	TIDA FY 2022-23 Budget	Change
\$680,025	\$2,200,000	\$1,519,975

The amount reflects anticipated art fees from TICD to TIDA as revenue to cover design and engineering of the first artwork commissions.

Projected FY 2023-24 Budget: \$2,200,000

EXHIBIT C

I. **TIDA AUTHORITY COSTS BUDGET EXPENSE DETAILS FY 2022-23**

The expenditure for daily operations and development functions for Treasure and Yerba Buena Islands are defined under the following three categories: Personnel & Administration, Development, and Operations & Maintenance.

A. **PERSONNEL & ADMINISTRATION**

1. **TIDA Staff Salaries**

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Changes
\$2,338,646	\$2,639,760	\$301,114

The Proposed Budget provides funding for 16.5 full-time positions, of which 1.5 are new full-time positions. One new FTE request is for a Senior Administrative Analyst to assist with financial administration and Real Estate rent collections and tenant compliance. The 0.5 FTE is for a part-time clerk position to assist with ongoing TIDA office management tasks. All positions are budgeted directly in the TIDA Budget.

Projected FY 2023-24 Budget: \$2,718,953

2. **TIDA Staff Mandatory Fringe Benefits**

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Changes
\$978,716	\$1,104,731	\$126,015

The Proposed Budget provides funding for fringe benefits for 16.5 full-time positions, of which 1.5 are new full-time position (FTE). One new FTE request is for a Senior Administrative Analyst to assist with financial administration and Real Estate rent collections and tenant compliance. The 0.5 FTE is for a part-time clerk position to assist with ongoing TIDA office management tasks. This includes funding for benefits such as retirement, Social Security, and health benefits. Funding is adjusted by the Controller to the most up-to-date estimates for the upcoming fiscal year.

Projected FY 2023-24 Budget: \$1,137,873

3. **Staff Training, Memberships, and Field Expenses**

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Changes
\$33,740	\$33,740	\$0

The Proposed Budget provides the same level of funding for staff expenses. Annual staff performance plans encourage staff participating in professional development.

EXPENDITURE CATEGORY	FY 20-21	FY 21-22 Proposed
Training (including cost of travel)	\$20,300	\$20,300

TIDA EXPENSE DETAILS FY2022-23

EXHIBIT C

Employee Field Expenses	\$2,000	\$2,000
Membership Fees	\$6,700	\$6,700
HR-Management Training Work Order	\$4,740	\$4,740
Subtotals	\$33,740	\$33,740

Projected FY 2023-24 Budget: \$33,740

4. Marketing and Promotion Expenses

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$50,000	\$50,000	\$0

The Proposed Budget provides for the same funding for marketing and promotion in anticipation of an increase to three on-island TIDA Board meetings and additional marketing expenses. The line item supports tenant/community associations and their activities and programs, among other activities, and purchasing promotional and production materials. Funding is also for purchase of food associated with these activities.

Projected FY 2023-24 Budget: \$50,000

5. One Treasure Island Contractual Services

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$1,465,000	\$1,465,000	\$0

The Proposed Budget provides for the following funding for One Treasure Island as detailed below, not including the Job Broker Program Costs, which are offset by a TICD Subsidy.

EXPENDITURE CATEGORY	FY 21-22	FY 22-23 Proposed
Agreement with One Treasure Island	\$195,000	\$195,000
Community Planning	\$150,000	\$150,000
Affordable Housing Consultation	\$95,000	\$95,000
Child and Youth Needs Initiatives	\$25,000	\$25,000
Job Broker Program Costs - <i>Subsidy Offset</i>	N/A	N/A
Pre-Apprentice Program	\$1,000,000	\$1,000,000
Subtotals	\$1,465,000	\$1,465,000

- The services provided under the Agreement between TIDA and One Treasure Island, include coordinating and facilitating participation of community-based homeless service organizations, as well as future development planning. TIDA will continue to contract with One Treasure Island to provide onsite after-hours event services on a limited basis at Administrative Building 1. One Treasure Island also operates the building known as the Shipshape as a community benefit.

EXHIBIT C

- The Proposed Budget includes a \$150,000 addition for One Treasure Island to support future community facilities planning on Treasure Island.
- The Proposed Budget includes a funding allocation for Funding for Child Youth Needs Initiatives to continue exploring program implementation to address needs found through prior year needs assessments.
- Funding for the pre-apprentice program with Laborers Union Locals 67 & 261 is to facilitate one training class for FY 2022-23 for the purposes of abatement and deconstruction of nuisance structures in Treasure Island. Amount includes \$300,000 for the cost of conducting a multi-week training program and \$700,000 for abatement of a derelict structure upon completion of training.

Projected FY 2023-24 Budget: \$1,465,000

6. Other Professional Services

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$402,000	\$277,000	(\$125,000)

The Proposed Budget provides for the following funding for other professional services.

EXPENDITURE CATEGORY	FY 21-22	FY 22-23 Proposed
Treasure Island Gym Operation, YMCA	\$372,000	\$222,000
Boys and Girls Club Camp Mendocino	\$10,000	\$10,000
Other Professional Services	\$20,000	\$45,000
Subtotals	\$402,000	\$277,000

- The Proposed YMCA Budget provides the same level of funding to operate the TI Gym and after school programs. The YMCA provides health, education, youth and adult programs to Island residents free of charge. TIDA maintains the facility.
- The Proposed Budget provides the same level of funding for Treasure Island youth participation at the Boys and Girls Club’s Camp Mendocino.
- The Proposed Budget provides the same level of funding for other professional services. This line item includes the following: the cost of marine salvage and as-needed lien sale and disposal of abandoned vessels from Clipper Cove; the cost of signage, interpretation and translation services for public meetings and public notices; transportation costs and departmental work orders associated with summer internship programs. This category also funds portable restrooms, messenger services, audio services, periodicals, advertising, and printing in the estimated amount of \$25,000, which was previously budgeted as “Rents & Leases – Equipment” under A.7.

Projected FY 2023-24 Budget: \$293,870

EXHIBIT C

7. Materials, Supplies, and Equipment Leases

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$100,000	\$75,000	(\$25,000)

The Proposed Budget provides for the same level of funding for materials, supplies, and equipment leases.

EXPENDITURE CATEGORY	FY 21-22	FY 22-23 Proposed
Materials and Supplies	\$25,000	\$25,000
Other Materials and Supplies – Public Safety	\$40,000	\$40,000
Rents & Leases - Equipment	\$35,000	\$10,000
Subtotals	\$100,000	\$75,000

- Materials and supplies includes funding for standard office supplies and materials, food expenses, recreational expenses, flags, and banners.
- The other materials and supplies – public safety expenditure line includes the costs to purchase and maintain TIDA’s departmental response assets, staff personal protective equipment, as well as to fund as-needed awareness programs and community outreach.
- Funding for rents & leased equipment provides for rentals including TIDA multi-purpose machine, postage machine, Comcast services, and water dispenser. This category shows a reduction in FY2023, however, costs related to funding portable restrooms, messenger services, audio services, periodicals, advertising, and printing are now budgeted as “Other Professional Services” under A.6.

Projected FY 2023-24 Budget: \$79,568

8. Public Safety Work Orders

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$179,282	\$183,611	\$4,329

The Proposed Budget provides a small cost of living adjustment increase for public safety work orders with other City departments.

EXPENDITURE CATEGORY	FY 20-21	FY 21-22 Proposed
Parking & Traffic	\$25,000	\$35,000
Police Security	\$144,282	\$148,611
Fire	\$10,000	\$10,000
Subtotals	\$179,282	\$183,611

- Parking & Traffic provides for traffic control and parking enforcement during major public holidays and events when spectators and large crowds visit the Island. These events may include Fourth of July, Fleet Week, Halloween and New Year’s Eve.

TIDA EXPENSE DETAILS FY2022-23

EXHIBIT C

- Police Security provides for building and grounds patrol Monday - Friday at Building One as well as 10B assistance for special events and other high traffic volume events.
- Fire provides the same level of funding for potential Neighborhood Emergency Response Team (NERT) trainings.

Projected FY 2023-24 Budget: \$189,119

9. Public Health and Welfare Work Orders

TIDA FY 2021-221 Budget	Proposed FY 2022-23	Change
\$453,930	\$453,930	\$0

The Proposed Budget provides increased funding for the following public health and welfare work orders with other City departments.

EXPENDITURE CATEGORY	FY 21-22	FY 22-23 Proposed
Children, Youth, & Families Work Order	\$248,180	\$248,180
Department of Public Health Work Order	\$77,250	\$77,250
Human Services Agency Work Order	\$128,500	\$128,500
Subtotals	\$453,930	\$453,930

- The Department of Children, Youth, and Families provides the following services:
 - \$171,000 for the Treasure Island After-School Program
 - \$49,180 for the Treasure Island Summer Program
 - \$28,000 for a Behavioral Health Therapist
- The Department of Public Health provides TI Community Nurse Clinic services, community health and wellness programming, and development support.
- The Human Services Agency work order proves funding for Catholic Charities to operate the child development facilities for up to 49 infants, toddlers and preschoolers. Catholic Charities occupies the child care facility free of charge as a public benefit and TIDA maintains the facility.

Projected FY 2023-24 Budget: \$467,548

10. Other Administrative Work Orders

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$629,786	\$731,323	\$101,537

The Proposed Budget provides increased funding for other administrative work orders with other City departments, primarily for back of the office services.

EXHIBIT C

EXPENDITURE CATEGORY	FY 21-22	FY 22-23 Proposed
General Services Agency Work Order	\$323,440	\$333,143
Risk Management Services – Insurance	\$161,433	\$251,647
Information Technology Work Orders	\$82,943	\$83,662
Real Estate Special Services Work Order	\$0	\$0
Purchasing-Central Shops Work Orders	\$18,115	\$18,658
Purchasing-Reproduction Work Order	\$11,993	\$11,933
DT-SFGOV	\$32,271	\$32,271
Subtotals	\$629,786	\$731,323

- The General Services Agency (GSA) work order provides for financial oversight and IT services. GSA provides services to TIDA in support of human resources, budget, accounting, financial reporting including PeopleSoft, and payroll. GSA manages TIDA’s office network and data infrastructure and supports TIDA’s computer hardware and workstation application usage. GSA also supports TIDA’s emergency response activities and departmental emergency logistics planning. The Proposed Budget also provides for TIDA Board Health Benefits.
- The Risk Management work order provides funding for general liability coverage, liability insurance for TIDA’s Board of Directors, and administrative review of proposed subleases and use-permits by the Risk Manager to determine appropriate insurance requirements. The increase in the FY 2023 proposed budget is due to the complexity of the underwriting criteria for property/land adjacent to an active development project as well as reduced insurers in the California market.
- Information Technology work orders provide for the City’s IT infrastructure projects, IT procurements made on behalf of TIDA, and telephone services for department land line and cellular phones. The increase in budget is primarily for the addition of video recording at the TIDA Infrastructure and Transportation Committee meetings.
- The Real Estate Special Services work order historically provided for the procurement of building service contracts for the fire alarm system, sprinkler system, and elevator maintenance and has been reduced pending equipment upgrades.
- The Purchasing-Central Shops work orders provide for fleet maintenance services and fuel.
- The Purchasing-Reproduction work order provides for city stationary, envelopes, labels, and other materials.
- DT-SFGOV work order covers TIDA Board Meeting services.

Projected FY 2023-24 Budget: \$717,687

B. DEVELOPMENT

1. Development Professional Services (Authority Costs)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$3,725,000	\$2,575,000	(\$1,150,000)

EXHIBIT C

The Proposed Budget provides for Development Professional Services for Authority Costs, as detailed below under “FY23 Authority Costs Share” not including costs that are offset by TICD Subsidies:

Development Professional Services	FY 21-22	FY 22-23 Proposed	FY23 Authority Costs Share
Environmental Engineering	\$185,000	\$185,000	\$0
Engineering Consulting Contracts	\$500,000	\$500,000	\$150,000
Historic Research Consultation	\$400,000	\$400,000	\$400,000
Environmental Evaluation Consultation	\$500,000	\$500,000	\$500,000
TIMMA (Mobility Study & Systems Engineering)	\$1,500,000	\$1,500,000	\$1,500,000
Relocation Consultant – Replacement Housing - <i>Subsidy Offset</i>	\$500,000	\$500,000	N/A
Early Relocation In-Lieu Fees - <i>Subsidy Offset</i>	\$200,000	\$200,000	N/A
Task Force Services	\$750,000	\$750,000	
CFD/IRFD Reimbursement Consultants (Harris & Associates)	\$100,000	\$100,000	
As-Needed Fiscal Consultant	\$25,000	\$25,000	\$25,000
SFCTA (TICD Ramps Local Match)	\$1,000,000		
Land Transfer and Closing Costs	\$10,000	\$10,000	
State Regulatory Payments - Dept. Toxic Substances Control, State Lands Commission	\$42,800	\$42,800	
Subtotals	\$5,712,800	\$4,712,800	\$2,575,000

Description of contracts under “Authority Costs”:

- Engineering Consultant Contracts – TIDA has on-call service agreements with firms for engineering and architectural support services.
- Historic Research Consultation – TIDA has service agreements for as-needed multi-disciplinary engineering services for historic buildings on TI and YBI, such as the Torpedo Building. \$150,000 of this amount will be offset by reimbursements from the SFCTA for services rendered under the TIDA-SFCTA MOA for the Torpedo Building.
- Environmental Evaluation Consultation - TIDA anticipates entering into one or more contracts for environmental planning related to the Dept. of Labor Job Corp Campus redevelopment.
- TIMMA – Treasure Island Mobility Management Agency, as part of SFCTA, will develop and manage the transportation plan for Treasure/Yerba Buena Islands. Funding remains constant for work required to develop policies and implement congestion management pricing.
- As-Needed Fiscal Consultant Services – TIDA anticipates the need to evaluate the impact of future development on land values and future tax increment as it relates to the possible development of the Job Corp campus.

Projected FY 2022-23 Budget: \$2,575,000

EXHIBIT C

2. Planning Department (Authority Costs)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$130,000	\$130,000	\$0

The Planning Department work order amount reflects fees for review, oversight, and assistance with environmental impact review efforts related to future development proposals such as for the Job Corps Campus project.

Projected FY 2023-24 Budget: \$130,000

C. OPERATIONS & MAINTENANCE

1. Maintenance Services – Buildings & Grounds (Authority Costs)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$2,420,000	\$2,620,000	\$200,000

The Proposed Budget provides for building maintenance services for Authority Costs, as detailed below under “FY23 Authority Costs Share” not including costs that are offset by TICD Subsidies:

EXPENDITURE CATEGORY	FY 21-22	FY 22-23 Authority Costs Share
Grounds Maintenance – Rubicon	\$1,130,000	\$1,130,000
As Needed Invasive Species Management (Non-development)	\$300,000	\$500,000
As Needed Invasive Species Management (Development Project Areas) - <i>Subsidy Offset</i>		N/A
Maintenance of New Parks and Open Spaces (Developer Subsidy) - <i>Subsidy Offset</i>	\$52,000	N/A
Janitorial Services – Toolworks	\$400,000	\$400,000
Building and Facilities Maintenance	\$450,000	\$450,000
Art & History Preservation	\$50,000	\$50,000
Scavenger Services	\$85,000	\$85,000
Pest Control	\$5,000	\$5,000
Subtotals	\$2,472,000	\$2,620,000

- Rubicon Enterprises provides all landscaping maintenance services following the City’s Integrated Pest management protocols as well as limited trash collection and management on Treasure Island. In addition, Rubicon now also performs natural areas management on Yerba Buena Island. Rubicon manages the Island Community Garden. Rubicon is a member organization of One Treasure Island and employs formerly homeless and economically

EXHIBIT C

disadvantaged individuals. A portion of landscaping expenses are offset by common area maintenance (CAM) charges recovered from housing providers.

- Additional \$500,000 budgeted to provide as needed hillside invasive species management under the YBI Habitat Management Plan.
- Toolworks is a member organization of One Treasure Island that employs formerly homeless and economically disadvantaged individuals. The Proposed Budget, provides for MCO and COLA increase for janitorial maintenance services and supplies to Buildings One and the Childcare Center, including collection of trash, recyclables and compostables, in addition to services at the restroom facilities at Quarters 9 for the Bay Bridge Bike path and the North Great Lawn for MerSea Restaurant.
- The Proposed Budget provides the same level of funding for TIDA building and facilities maintenance services. The funding is outside of the scope of services provided by DPW Work Orders. The line item funds contracts, as needed, for property maintenance and upkeep, emergency repairs, street paving, seal coating residential parking lots, vegetation management, and fencing.
- Art & History Preservation includes the annual costs for storage of the Authority’s existing historic artifacts including the Pageant of the Pacific murals and TI Museum Collection. Funding also allows for as-needed development of TIDA’s collection management capacity including any identified needs for plan development, asset conservation, photo-documentation and asset cataloging.
- The Proposed Budget provides the same level of funding for scavenger services and pest control services.

Projected FY 2023-24 Budget: \$2,698,600

2. PUC Utilities and Maintenance

TIDA FY 2020-21 Budget	Proposed FY 2021-22	Change
\$2,014,383	\$2,153,172	\$138,789

- For PUC water services, the Proposed Budget provides approximately \$150,000 in budget allocation for permitting fees to State Water Resources Control Board (SWRCB), lab services, TIDA water utility fees.
- For PUC wastewater services, the proposed budget assumes \$460,000 to cover wastewater system repair and rehabilitation, and \$65,000 for TIDA wastewater utility fees
- For PUC Hetch Hetchy Power services, the proposed budget allocates \$750,000 for TIDA gas/electric utility fees, \$85,000 for ongoing payments per a service agreement for two backup generators, \$300,000 for ongoing electric projects and field services, and approximately \$340,000 on reserve for anticipated electric cable testing and possible emergency repairs.

Projected FY 2023-24 Budget: \$2,202,017

EXHIBIT C

3. DPW Operations and Maintenance

TIDA FY 2020-21 Budget	Proposed FY 2021-22	Change
\$949,116	\$629,500	(\$319,616)

The Proposed Budget provides funding for the following work orders with DPW:

EXPENDITURE CATEGORY	FY 21-22	FY 22-23 Proposed
Bureau of Building Repair (BBR)	\$795,516	\$475,000
Bureau of Street Environments Services (BSES)	\$51,500	\$51,500
Bureau of Streets and Sewer Repair Services (BSSR)	\$103,000	\$103,000
Bureau of Urban Forestry Services (BUF)	\$0	\$0
Subtotals	\$949,116	\$629,500

- All trades assume a 3% COLA increase.
- BBR provides for a Stationary Engineer as well as crafts such as electrical, plumbing, glass, sheet metal, locksmith and carpenter on an as-needed basis. This line item also funds materials and supplies. BBR in FY2023 was reduced as a result of reducing laborer staffing hours from 2 FTEs to 1 FTE.
- BSES provides freeway on/off ramp cleaning, manual landscape cleaning, and streets and roadways sweeping. BSES also provides trash can set-up, clean-up and debris removal for special public events such as New Year’s Eve, Memorial Day, Fourth of July and Fleet Week and during weekends.
- BSSR provides street paving and pothole repairs on Treasure and Yerba Buena Islands.
- BUF historically has provided periodic arborist services on Treasure and Yerba Buena Islands, but are now funded on a case-by-case basis as needed.

Projected FY 2023-24 Budget: \$648,385

4. BATA Pier E-2 MOA / SFCTA Vista Point MOA

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$100,000	\$110,000	\$10,000

The agreement with the Bay Area Tolling Authority provides funding to operate Pier E-2 adjacent to the Torpedo Building. Additionally, TIDA also has a reimbursement agreement with the SFCTA for services incurred by TIDA for shuttle services to Vista Point.

Projected FY 2022-23 Budget: \$110,000

EXHIBIT C

5. Debt Service for Wastewater Facilities Financing

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$568,000	\$568,000	\$0

This payment is for the first annual debt service payment related to commercial paper issued to fund existing TIDA wastewater facilities. TIDA intends on issuing up to \$2.76 million of commercial paper and anticipates paying down the principal and accrued interest over a 5-year repayment period. This amount may be reduced in the future, contingent on short-term interest rates and how much commercial paper principle TIDA borrows and repays at any given time throughout the fiscal year.

Projected FY 2023-24 Budget: \$568,000

6. City Attorney – Legal Services (Authority Costs)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$200,000	\$200,000	\$0

The City Attorney's Office acts as TIDA's General Counsel to provide legal services in TIDA's role as planner and negotiator for development. This includes funding for outside counsel when required.

Projected FY 2023-24 Budget: \$206,000

EXHIBIT C

II. TIDA CITY COSTS BUDGET EXPENSE DETAILS FY 2022-23

A. DEVELOPMENT

1. Development Professional Services (City Costs)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$1,437,800	\$1,437,800	\$0

The Proposed Budget provides for Development Professional Services for City Costs, as detailed below under “FY23 City Costs Share” not including costs that are offset by TICD Subsidies:

Development Professional Services	FY 21-22	FY 22-23 Proposed	FY23 City Costs Share
Environmental Engineering	\$185,000	\$185,000	\$185,000
Engineering Consulting Contracts	\$500,000	\$500,000	\$350,000
Historic Research Consultation	\$400,000	\$400,000	
Environmental Evaluation Consultation	\$500,000	\$500,000	
TIMMA (Mobility Study & Systems Engineering)	\$1,500,000	\$1,500,000	
Relocation Consultant – Replacement Housing - <i>Subsidy Offset</i>	\$500,000	\$500,000	N/A
Early Relocation In-Lieu Fees - <i>Subsidy Offset</i>	\$200,000	\$200,000	N/A
Task Force Services	\$750,000	\$750,000	\$750,000
CFD/IRFD Reimbursement Consultants (Harris & Associates)	\$100,000	\$100,000	\$100,000
As-needed Fiscal Consultant	\$25,000	\$25,000	
SFCTA (TICD Ramps Local Match)	\$1,000,000		
Land Transfer and Closing Costs	\$10,000	\$10,000	\$10,000
State Regulatory Payments - Dept. Toxic Substances Control, State Lands Commission	\$42,800	\$42,800	\$42,800
Subtotals	\$5,712,800	\$4,712,800	\$1,437,800

Description of contracts under “City Costs”:

- Environmental Engineering – aligns annual budget in support of on-going review of Navy Environmental Program and documents with the recently amended contract with Langan.
- Engineering Consultant Contracts – TIDA has on-call service agreements with firms for engineering and architectural support services.
- Task Force Services – TIDA will utilize a Public Works on-call agreement for required assistance to facilitate City agency review of TICD submittals and construction.
- CFD/IRFD Reimbursement Consultants – as future bonds are issued, TIDA will be utilizing third-party consultants to review public financing reimbursement packages from TICD in accordance with the DDA’s *Acquisition and Reimbursement Agreement*.
- Land Transfer and Closing Costs – no Navy transfers are anticipated in the upcoming fiscal year, but there may be Tidelands Trust Exchanges or parcel transfers to TICD.

EXHIBIT C

- State Regulatory Payments – payments to the Dept. Toxic Substances Control, State Lands Commission and other regulatory bodies required for the development project

Projected FY 2022-23 Budget: \$1,437,800

2. City Attorney – Legal Services (City Costs)

TIDA FY 2021-22 Budget	Proposed FY 2023-24	Change
\$1,050,000	\$1,050,000	\$0

The City Attorney's Office acts as TIDA's General Counsel to provide legal services in TIDA's role as planner and negotiator for development. This includes funding for outside counsel when required.

Projected FY 2022-23 Budget: \$1,050,000

3. DPW Engineering Support Services

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$3,350,106	\$4,685,681	\$1,335,575

This Department of Public Works (DPW) work order pays for the review of subdivision maps, construction inspection services, as well as Public Works Task Force Service's staff. In anticipation of the Notice of Completion (NOC) process for completed infrastructure and future bond reimbursement package reviews, the construction oversight and field inspection staff is planning to increase up to [6] full-time equivalents in order to adequately staff the project.

Projected FY 2022-23 Budget: \$4,919,965

4. PUC Engineering & Development Field Services

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$1,642,296	\$1,787,956	\$145,660

The Public Utilities Commission (SFPUC) work order includes engineering review by SFPUC for review of Major Phase and Sub-Phase Applications, subdivision regulations, and other materials prepared by TICD and other technical services performed by SFPUC in support of development, as well as field support by City Distribution Division and Hetch Hetchy to relocate water and electrical lines and abandon existing natural gas lines in support of construction activities. The growth in the FY2023 budget anticipated additional staffing costs for the Notice of Completion (NOC) process for completed infrastructure and equipment/material costs related to the Water Enterprise/CDD.

Projected FY 2023-24 Budget: \$1,352,354

EXHIBIT C

5. SFMTA

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$250,000	\$250,000	\$0

This SFMTA work order includes technical services in support of development.

Projected FY 2023-24 Budget: \$257,500

6. SF Environment

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$80,000	\$80,000	\$0

The SF Environment work order covers continued assistance with Habitat Management Plan implementation, monitoring, and support.

Projected FY 2023-24 Budget: \$80,000

7. Planning Department (City Costs)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$170,000	\$170,000	\$0

The Planning Department work order amount reflects fees for review of TICD plans and construction documents as well as assistance with environmental impact review efforts. This budget allocation does not include hours/services provided by the Planning Department for future development proposals such as for the Job Corps Campus project.

Projected FY 2022-23 Budget: \$170,000

8. Recreation and Parks Department

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$100,000	\$100,000	\$0

The Recreation and Parks Department work order amount reflects costs to provide peer review of planned Yerba Buena Island and Treasure Island Parks for operability/maintainability.

Projected FY 2023-24 Budget: \$100,000

EXHIBIT C

9. Department of Technology

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$301,000	\$0	(\$301,000)

The Department of Technology work order amount reflects costs to begin implementing municipal fiber system on Yerba Buena Island and Treasure Island to support tolling infrastructure, fiber to affordable housing, and other municipal facilities. To date, TIDA has executed an MOU with the Department of Technology in the amount not to exceed \$801,000 for the initial scope of work, which has been allocated in the FY 2021 and FY 2022 budgets, therefore TIDA does not anticipate allocating additional funds in its budget until future scopes and phases are determined.

Projected FY 2023-24 Budget: \$0

10. Electric Submarine Cable Repayments

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$0	\$826,100	\$0

This represents TIDA's first annual repayment to the SF Public Utilities Commission in FY2023 for upfront costs the SFPUC paid beginning in 2006 to fund the installation of an electric cable connecting Oakland's Davis Substation to TI/YBI in support the development.

Projected FY 2023-24 Budget: \$826,100

EXHIBIT C

III. TIDA SUBSIDY BUDGET EXPENSE DETAILS FY 2022-23

A. PERSONNEL & ADMINISTRATION

1. One Treasure Island Contractual Services (Funded by TICD Subsidy)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$500,000	\$500,000	\$0

The Proposed Budget provides for the following funding for the Job Broker Program Costs, which is included in the One Treasure Island contract. This amount is offset by the TICD Job Broker Program Subsidy, pursuant to the DDA.

EXPENDITURE CATEGORY	FY 21-22	FY 22-23 Proposed
Job Broker Program Costs - <i>Subsidy Offset</i>	\$500,000	\$500,000
Subtotals	\$500,000	\$500,000

- The Proposed Budget for the One Treasure Island contract includes funding for the Job Broker Program Costs are provided to TIDA by TICD as described in the DDA.

Projected FY 2023-24 Budget: \$500,000

B. DEVELOPMENT

1-2. Development Professional Services (Funded by TICD Subsidy)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$700,000	\$700,000	\$0

The Proposed Budget provides for the following funding for certain Development Professional Services Contracts related to housing development. This amount is offset by the TICD Developer Housing Subsidy, pursuant to the DDA.

Development Professional Services	FY 22-23 Proposed
Relocation Consultant – Replacement Housing - <i>Subsidy Offset</i>	\$500,000
Early Relocation In-Lieu Fees - <i>Subsidy Offset</i>	\$200,000
Subtotals	\$700,000

- Relocation Consultant/Replacement Housing – work with the relocation consultant to address resident moves to future new units is expected to ramp up in the upcoming fiscal year. This amount will be offset by the TICD Housing Subsidy.

EXHIBIT C

- Early Relocation In-Lieu Fees – TIDA anticipates to continue offering early in-lieu fee payments to qualifying pre-DDA residents who wish to exercise the option. This amount will be offset by the TICD Housing Subsidy.

Projected FY 2022-23 Budget: \$700,000

3. Mayor’s Office of Housing & Community Development (Funded by TICD Subsidy)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$278,838	\$231,843	\$46,995

The Mayor’s Office of Housing and Community development work order amount reflect costs of ongoing project management for affordable housing developments on Treasure Island, including the annual cost of managing and maintaining MOHCD’s online DAHLIA system. This amount is offset by the TICD Developer Housing Subsidy, pursuant to the DDA.

Projected FY 2023-24 Budget: \$231,842

4. SF Arts Commission – Art Installation (Funded by VDDA Arts Fees)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$680,025	\$2,200,000	\$1,519,975

The SF Arts Commission work order amount reflects anticipated art costs, which will be entirely offset by Arts Fees paid by vertical developers to TIDA as revenue to cover design and engineering of the first artwork commissions. This amount is offset by the VDDA Arts Fee revenues, pursuant to the DDA.

Projected FY 2023-24 Budget: \$2,200,000

C. OPERATIONS & MAINTENANCE

1-2. Maintenance Services – Buildings & Grounds (Funded by TICD Subsidy)

TIDA FY 2021-22 Budget	Proposed FY 2022-23	Change
\$52,000	\$630,000	\$578,000

The Proposed Budget provides for the following funding for certain maintenance services contracts related to parks and open space maintenance. This amount is offset by the TICD Parks and Open Space Subsidy, pursuant to the DDA.

EXHIBIT C

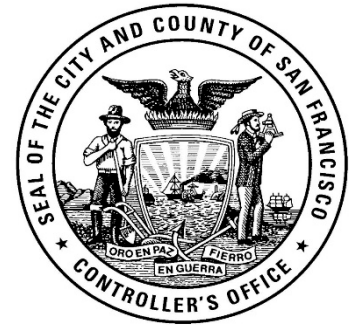
EXPENDITURE CATEGORY	FY 21-22	FY 22-23 Proposed
As Needed Invasive Species Management (Development Project Areas) - <i>Subsidy Offset</i>		\$200,000
Maintenance of New Parks and Open Spaces - <i>Subsidy Offset</i>	\$52,000	\$430,000
Subtotals	\$52,000	\$630,000

- For new development parcels, \$200,000 of funding for invasive species management is anticipated for FY2023 and will be provided to TIDA by TICD as part of the Open Space Subsidy described in the DDA.
- New Parks and Open Space expenditures will cover maintenance costs of YBI Parks and Open Spaces to be completed by the end of the fiscal year, including the Dog Park and Hilltop East Park. For FY2023 maintenance, TIDA anticipates needing \$430,000 of funding for park maintenance to be provided to TIDA by TICD as part of the Open Space Subsidy described in the DDA.

Projected FY 2023-24 Budget: \$630,500

Treasure Island Board of Directors

Informational Item No. 10: Review and Discussion of Draft
Fiscal Year 2022-23 & Fiscal Year 2023-24 TIDA Budget



January 12, 2022

City & County of San Francisco
Treasure Island Development Authority

FY2022-23 Budget Timeline

- **December 8th** – FY2022-23 Budget Introduction to TIDA Board
- **December 15th** – Mayor releases FY23 & FY24 Budget Instructions
- **January 12th** – Bring draft budget to the TIDA Board for review/comment
- **February 9th** – Bring proposed budget to the TIDA Board for approval to submit to Mayor’s Budget Office
- **Post-February 9th** – TIDA proposed budget submission to City Administrator’s Office
- **February 22nd** – City Administrator submits budget to Mayor’s Budget Office
- **March** – Proposed department budgets are published online. Controller publishes an update to the 5-Year Financial Plan (Joint Report), which highlights near-term budgetary shortfalls
- **June 1st** – Mayor’s Budget Office publishes two-year budget
- **June** – Budget and Finance Committee hearings
- **July 1st** – Mayor’s Proposed Budget is loaded into financial system by Controller’s Office
- **July** – Board of Supervisors adopts FY2022-23 & FY2023-24 Budget



Mayor's Budget Instructions

- On December 15th, the Mayor's Budget Office released budget instructions announcing a projected cumulative surplus of \$108M over the next two fiscal years. Given this surplus and the unusually small deficits projected in outer years, departments are not being asked to provide General Fund savings.
- Departments are being asked to avoid General Fund cost increases and to use existing budget to meet the Mayor's policy priorities of restoring vibrancy, aiding economic recovery, improving core service delivery, and enhancing accountability and equity in programming, services, and spending.
- Non-General Fund departments are being directed to balance within their own revenue projections. TIDA is considered a Non-General Fund department, as it does not receive any revenue support from the General Fund.

Moreover, the City Administrator is interested in hearing proposals that promote ADM's goals:

- **Simplifying services:** streamlining processes to improve user experience and ending practices that don't provide high value to the public
- **Increasing access:** connecting more people to more easily accessible services
- **Building solid foundations:** addressing structural budget gaps to ensure that your department has the resources it needs to run an effective operation



FY 2022-23 & FY2023-24 Proposed Budget Highlights

Total Budget Revenues and Expenses:

- FY 2022-23 – \$30,649,134
- FY 2023-24 – \$30,842,441

**See Exhibit A for full detail*

Budget Format Change – In order to breakout TIDA's annual expenditure budget in alignment with certain revenue sources and reimbursements pursuant to the DDA, TIDA staff has re-formatted the budget into 3 budget components:

(1) Authority Costs Budget:	\$15,999,755
(2) City Costs Budget:	\$10,387,537
(3) Subsidy Budget:	\$ 4,261,843

The budget establishes a ceiling for expenditure authority, which is typically under-expended. For example, in FY2021, TIDA's total expenditures were \$5.34M or approximately 21% compared to the adopted budget.



TICD Reimbursement Obligations

TICD Obligation to Pay Shortfall in Authority Costs

19.6 Payment for Shortfall in Authority Costs. ...In each calendar quarter, Authority shall apply all Authority Revenues against all Authority Costs described in each Authority Costs and Revenues Report in accordance with the requirements of applicable laws, including the Conversion Act and the City's Charter. **Developer shall reimburse Authority for the amount by which the Authority Costs exceed Authority Revenues and reasonable reserves for that quarter, as shown in the Authority Costs and Revenues Report, no later than sixty (60) days after the receipt of the Authority Costs and Revenue Report from the Authority.** The Parties shall meet and confer in good faith to resolve any disputes regarding an Authority Costs and Revenue Report...

TICD Obligation to Pay City Costs

19.8 Payment of City Costs and Ramps Payment. Under the Development Agreement and the Interagency Cooperation Agreement, City Agencies must submit quarterly invoices for all City Costs incurred by the City Agency for reimbursement under the Development Agreement, which invoices shall be gathered by Authority. **Authority shall gather all such invoices so as to submit one combined City bill to Developer each quarter. As described in the Development Agreement and the Interagency Cooperation Agreement, Developer shall pay City for all City Costs during the Term within thirty (30) days following receipt of a written invoice.** Developer shall not be obligated for the payment of any City Cost that is not invoiced to Developer within twelve (12) months from the date the City Cost was incurred...



TICD Budget Review Requirement

19.2 Annual Budget. ... **Each subsequent Authority Fiscal Year during the term of this DDA, the Authority and Master Developer shall meet and confer regarding the Authority Costs reasonably expected to be incurred and Authority Revenues reasonably expected to be received during that succeeding Authority Fiscal Year. Prior to such meetings, the Authority shall prepare a preliminary budget (the "Annual Preliminary Budget") estimating the anticipated Authority Cost and Authority Revenues...**The Annual Preliminary Budget shall include a projection of anticipated revenues payable to Authority for the year, including projected Authority Revenues. **Based on such meetings and other relevant information available to the Authority, the Authority shall update such Annual Preliminary Budget for Authority Costs for such Authority Fiscal Year, broken down by fiscal quarter and including the information set forth in clauses (i) through (v) above (an "Annual Authority Draft Budget") and deliver the same to Master Developer.** The Parties acknowledge that the Annual Authority Draft Budget is subject to review and approval by the Authority Board and the Board of Supervisors in their sole and absolute discretion. The Parties further acknowledge and agree that the Annual Authority Budget may need to be modified by the Authority and the Board of Supervisors from time to time during the Authority Fiscal Year.



FY 2022-23 Proposed Budget Highlights

REVENUES:

- **\$8.4M** - Commercial revenues are assumed to stay steady in FY 2023 anticipating that tenants will become current by November 2022; assumed 10% reduction Tidelands Trust revenues in FY2024 due to development activity and reduced leased spaces
- **\$1.5M** - Residential leasing revenues assumed to stay at adjusted levels in FY2023 reflecting recent performance; assumed reduction in FY2024 due to anticipated moves and in-lieu payments
- **\$4.49M** - In both FY 2023 and FY2024, the proposed budget assumes a TICD reimbursement amount to cover shortfalls between actual expenditures and actuals revenues
- **\$10.39M** - Certain development costs (City Costs) will be offset by TICD reimbursement
- **\$4.52M** - Certain qualified costs will be offset by TICD Subsidies, vertical developer fees, and service agreement payments with other departments

**See Exhibit B for full detail*



FY 2022-23 Proposed Budget Highlights

EXPENSES:

Authority Costs Budget

- \$7.0M - Personnel & Admin
- \$2.7M - Development-related contractual services
- \$6.3M - TIDA operations and maintenance

City Costs Budget

- \$1.44M - Development-related contractual services
- \$1.05M - City Attorney / legal services
- \$7.90M - City department services, including amortized repayment of submarine cable

Subsidy Budget

- \$500,000 - Job Broker Program
- \$931,843 - housing development costs (relocation services, in-lieu payments, MOHCD)
- \$630,000 - parks and open space maintenance, as-needed habitat management
- \$2.2M - Arts Commission programming and installation costs

**See Exhibit C for full detail*

Fiscal Year 2022-2023 Budget Introduction

TREASURE ISLAND DEVELOPMENT AUTHORITY



FY 2022-23 Proposed Budget Highlights

BUDGET INCREASES: APPROXIMATELY \$1.66 MILLION ABOVE FY2021-22

- Public Works Construction oversight and other services
- New Open Space Maintenance (offset by TICD Parks Subsidy)
- SF Arts Commission program costs (offset by vertical arts fees)



FY 2022-23 Budget Highlights

Contract Services:

- Transitional housing advisory services
- Task-Force/Program Management Support
- On-call engineering consultations/studies
- Environmental Assessment/Planning Studies

Community Serving Programs Support

Total Support Services – Exceeding \$1.8M Annually:

- One Treasure Island (ShipShape, food pantry, construction training program, community facilities planning, etc.)
- YMCA Operations – free to island residents
- Island youth participation in Boys & Girls Club Camp Mendocino summer program
- After-school & on-island summer youth programs
- Childcare Center Facility maintenance & operating subsidy
- Dept. of Public Health on-island services
- Traffic management during Fleet Week, July 4th, and New Year's Eve

FY2022-23 Budget Timeline

- **December 8th** – FY2022-23 Budget Introduction to TIDA Board
- **December 15th** – Mayor releases FY23 & FY24 Budget Instructions
- **January 12th** – Bring draft budget to the TIDA Board for review/comment
- **February 9th** – Bring proposed budget to the TIDA Board for approval to submit to Mayor’s Budget Office
- **Post-February 9th** – TIDA proposed budget submission to City Administrator’s Office
- **February 22nd** – City Administrator submits budget to Mayor’s Budget Office
- **March** – Proposed department budgets are published online. Controller publishes an update to the 5-Year Financial Plan (Joint Report), which highlights near-term budgetary shortfalls
- **June 1st** – Mayor’s Budget Office publishes two-year budget
- **June** – Budget and Finance Committee hearings
- **July 1st** – Mayor’s Proposed Budget is loaded into financial system by Controller’s Office
- **July** – Board of Supervisors adopts FY2022-23 & FY2023-24 Budget



Discussion