

# MEMORANDUM

TO: The Honorable Chair Copley Gerdes, and Members of City Council

FROM: Evan Mory, Transportation & Parking Management Director

DATE: March 25, 2025

RE: Cross Bay Ferry Service – Hillsborough County Notification of Default by HMS Ferries, Inc.

---

Since 2021, the Cross Bay Ferry service has been administered by Hillsborough County with support provided by governmental partners that include the cities of St. Petersburg and Tampa, Pinellas County, and the Florida Department of Transportation (FDOT). The Cross Bay Ferry service has been a seasonal service provided by HMS Ferries, Inc. with the duration of the season generally increasing incrementally each year. This years' service, the fourth and final year under the current Interlocal Agreement and the agreement between HMS and Hillsborough was expected to have year-round service and continue until September 30, 2025.

Yesterday, Hillsborough County issued a notice to HMS that they are in default of their agreement and has provided HMS with an opportunity to remedy the default by April 3<sup>rd</sup>. The default stems from HMS' recent request to use a different vessel to provide the services after April 30<sup>th</sup> to complete their obligations for the season. While the proposed vessel was comparable in size (149-passenger capacity), its operational speeds would have the vessel taking almost two hours to complete each one-way trip across Tampa Bay.

In the likely event that HMS is not able to remedy the default, this season's Cross Bay Ferry services are expected to conclude on April 30, 2025 as the current vessel will no longer be available following that date. Consequently, the Interlocal Agreement the City has with Hillsborough County and Tampa, as well as the Interlocal Agreement with Pinellas and the license agreement for HMS to dock the Ferry at Port St. Pete are all expected to be wound down and terminate too. Although it would be preferable to have service continue through September, the City can expect a cost savings of approximately \$102,000 during this fiscal year if the service ends at the end of April as Hillsborough will reimburse the government partners all cost savings on a proportionate basis.

As you may be aware, efforts have been underway for the long-term operations of the Cross Bay Ferry to integrate more fully into the public transportation system. To that end, the project partners have been working with PSTA to have PSTA issue the next competitive solicitation for Cross Bay Ferry services. Additionally, PSTA has been in communications with HART to pursue the opportunity to transfer a federal ferry grant between the two agencies. HART was previously awarded a \$4M grant for use towards the purchase of a ferry vessel. In addition to better transit integration, operations by a transit agency such as PSTA are expected to allow the trips taken on



# MEMORANDUM

the Cross Bay Ferry to be reported to the National Transit Database which then enables additional transit funding back to the region from the Federal Transit Administration.

While it is unfortunate that this year's ferry service will likely not be of the duration expected, we are excited to move ahead with an eye towards the future and look forward to exploring various options that could result in improved ferry services for our residents and visitors.

cc: Rob Gerdes, City Administrator  
Doyle Walsh, Chief of Staff  
James Corbett, City Development Administrator

