



# Measure J Strategic Plan Update

Presentation to TRANSPAC TAC

Sept 24, 2009



## Measure J

- Approved by Contra Costa voters in November 2004
- Extends **1/2 cent Transportation Sales Tax** for 25 years
- **Effective April 1, 2009** through March 31, 2034
- Originally Measure J projected to generate an estimated **\$2 Billion** in sales tax revenues for transportation projects/ programs.
- **Assigns funding** for specific projects in Expenditure Plan (in 2004 dollars).
- Sub-regional Funding in **Expenditure Plan** was based on projected 2020 population.

# Capital Project Categories

in Measure J Expenditure Plan (ORIGINAL)

Distribution of Funding By Sub region

Funding Categories	Millions \$	Distribution of Funding By Sub region			
		Central (a)	West (b)	SW (c)	East (d)
1. Caldecott Tunnel Fourth Bore	\$125	\$62.5		\$62.5	
2. BART - East Contra Costa Rail Extension	150				150.0
3. State Route 4 East Widening	125				125.0
4. Capitol Corridor Improvements including Rail Stations at Hercules and Martinez	15	7.5	7.5		
5. East County Corridors: Vasco, SR4 Bypass, Byron Hwy, Non Freeway SR4	94.5				94.5
6. Interchange Improvements on I-680 & State Route 242	36	36.0			
7. I-80 Carpool Lane Extension and Interchange Improvements	30		30.0		
8. I-680 Carpool Lane Gap Closure/ Transit Corridor Improvements	100	75.0		25.0	
9. Richmond Parkway	16		16.0		
10. BART Parking, Access and Other Improvements	41	12.0	15.0	3.0	11.0
19. Additional Bus Transit Enhancements	1.3		1.3		
24. Major Streets: Traffic Flow, Safety and Capacity Improvements	80.4	48.0		14.4	18.0
27. Capitol Corridor Rail Station Improvements at Martinez	2.5	2.5			
<b>Total</b>	<b>\$816.7</b>	<b>40.8</b>	<b>69.8</b>	<b>104.9</b>	<b>398.5</b>
		<b>%</b>			

# Programs in Measure J Expenditure Plan

## Distribution of Funding By Sub-region

Funding Categories	Millions \$	%	Distribution of Funding By Sub-region			
			Central (a)	West (b)	SW (c)	East (d)
11 Local Streets Maintenance & Improvements	\$360	18.0%	\$ 108.0	\$ 82.8	\$79.2	\$90.0
12 Transportation for Livable Communities Project Grants	100	5.0%	29.0	24.0	18.0	29.0
13 Pedestrian, Bicycle and Trail Facilities	30	1.5%	2.5	2.5	2.5	2.5
14 Bus Services	100	5.0%	24.0	52.0	15.0	9.0
15 Transportation for Seniors & People with Disabilities	100	5.0%	25.0	35.0	17.0	23.0
16 Express Bus	86	4.3%	20.0	40.0	20.0	6.0
17 Commute Alternatives	20	1.0%	5.8	4.8	3.6	5.8
18 Congestion Management, Transportation Planning, Facilities & Services	60	3.0%	n/a	n/a	n/a	n/a
19 <b>Additional Bus Transit Enhancements</b>	<b>67.2</b>	<b>3.36%</b>	24.0	<b>43.2</b>		
20 Additional Transportation for Seniors and People with Disabilities	23	1.2%	10.0	13.0		
21 Safe Transportation for Children	90.9	4.5%	10.0	14.5	66.4	
22 Ferry Service in West County	45	2.3%		45.0		
23 Additional Local Streets and Roads Maintenance & Improvements	41.8	2.1%	20.0	11.0	10.8	
25 Additional Transportation for Livable Communities Project Grants	8	0.4%	8.0			
26 Additional Pedestrian, Bicycle and Trail Facilities	0.8	0.0%	0.8			
28 Sub-regional Transportation Needs	30.6	1.5%	16.2	6.0	4.7	3.7
29 Administration	20	1.0%	n/a	n/a	n/a	n/a
<b>TOTAL</b>	<b>\$1183.3</b>	<b>59.2%</b>	<b>\$294.5</b>	<b>\$382.6</b>	<b>\$237.2</b>	<b>\$169</b>



## Programs v. Project Categories

- Programs receive annual revenue stream based on set percentages in Measure J Expenditure Plan

*Fluctuations in sales tax revenues on year to year basis will be reflected in the annual program distributions.*

- Project Categories receive a fixed amount (subject to funding caps) in 2004 \$ that will escalate based on Bay Area CPI (inflation)
- Expenditure Plan did not contain a line item for project financing or contingency for revenue reductions.



## Measure J Strategic Plan

- Blueprint for delivering Measure J Capital Projects
- Anticipates funding needs and availability between FY2008 and FY2015
- Commits funding for specific Measure J Projects in specific years – “Program of Projects”
- Authority uses “Program of Projects” to appropriate Measure J funds to Capital Projects



## Measure J Strategic Plan

- Authority approved the first Measure J Strategic Plan in December 2007
- At that time, estimated sales tax revenues for next 25 years was \$1.98B (in 2004 dollars)
- Affirmed capacity to issue 3 bonds:
  - \$300M in Sept 2009
  - \$150M in FY2012
  - \$138M in FY2015 – eBART specific
- Excluded East County from competing for future State STIP funding (2012 – 2020 STIP cycles) in return for dedicating 3<sup>rd</sup> bond to eBART.
- Imposed funding caps on all Project Categories to pay for debt service on proposed bonds.

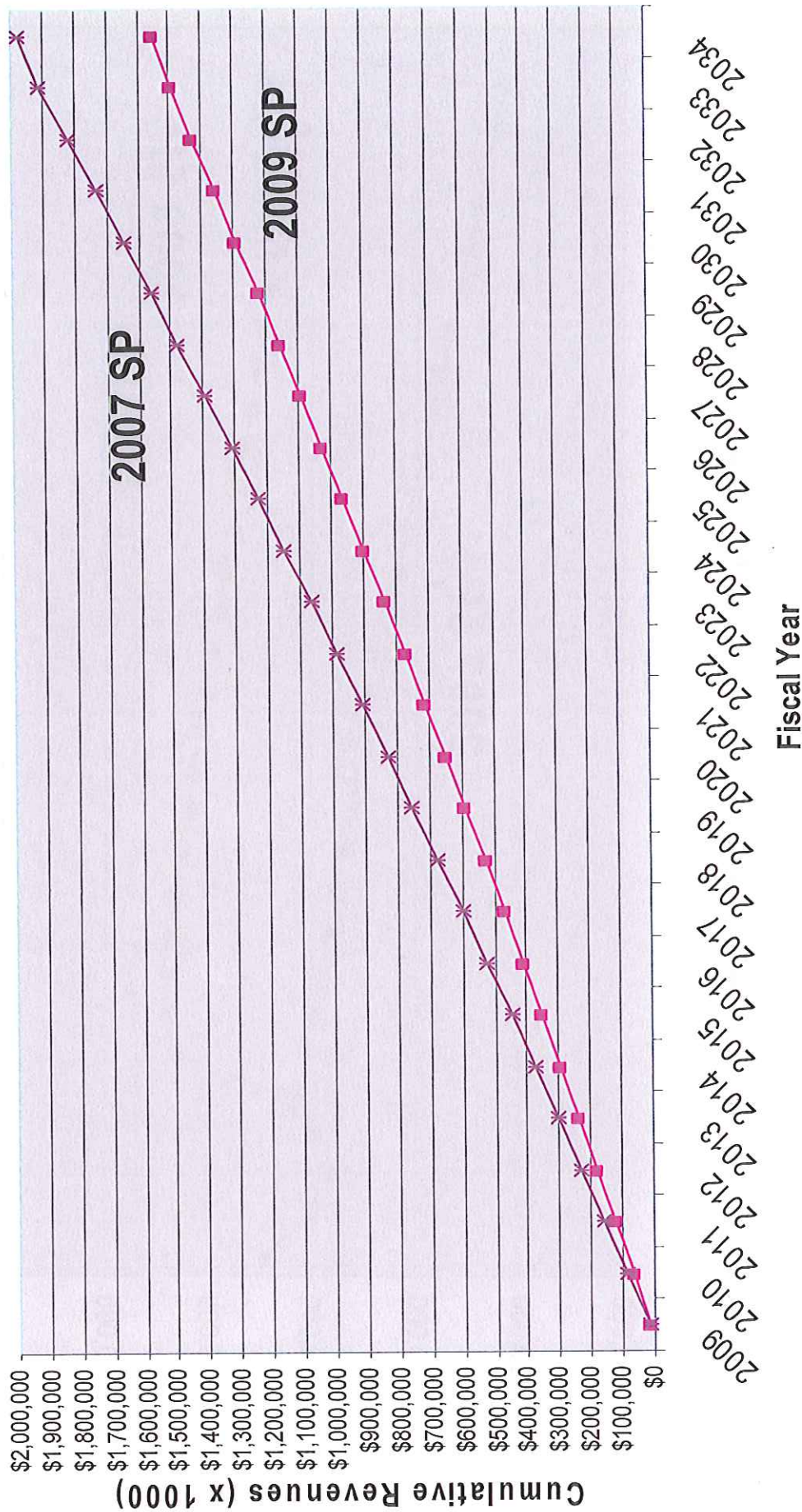


## What Changed? *Revenues Down*

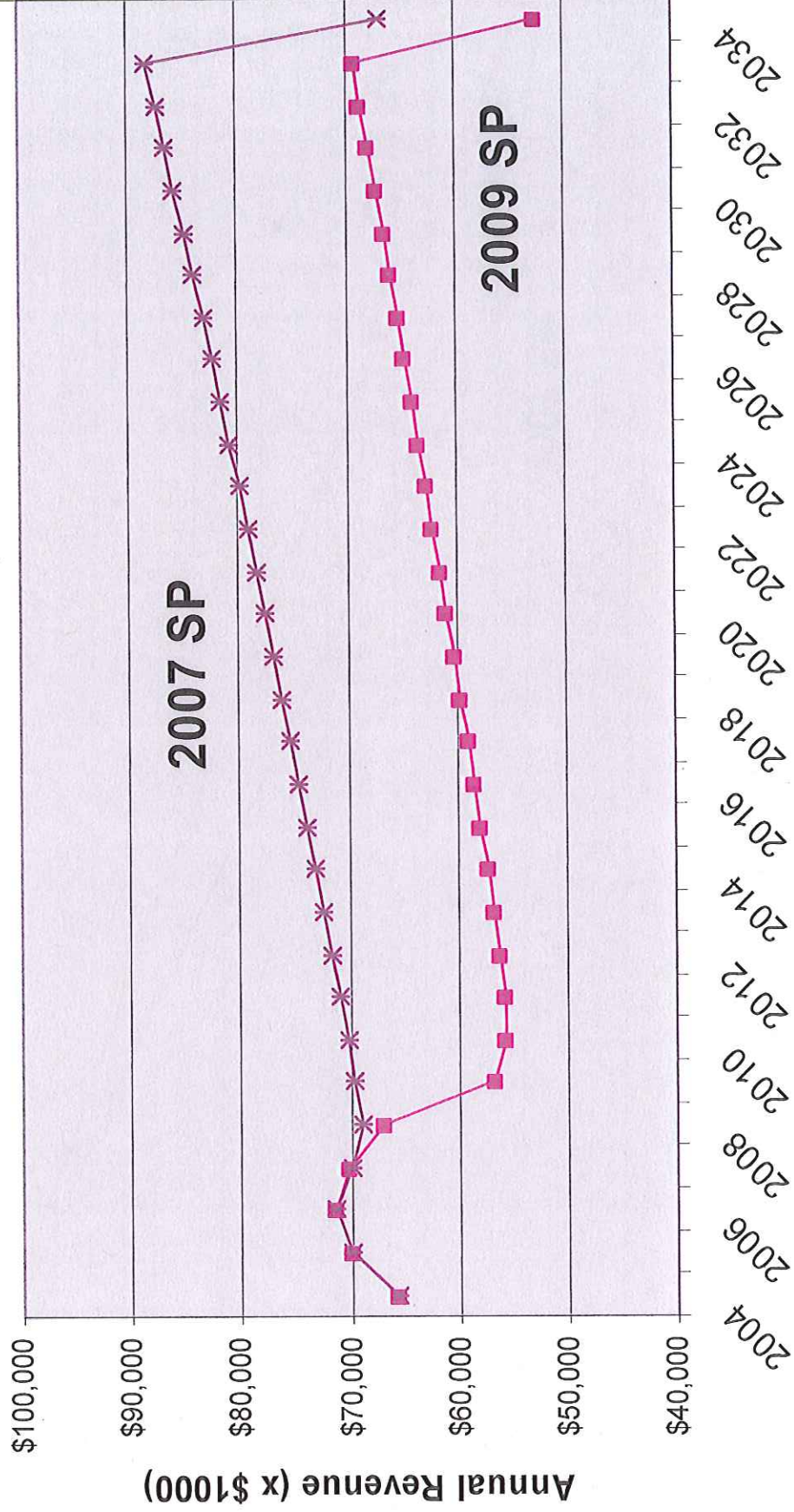
- Sales tax revenues for next 25 years estimated to be 23% less (\$1.55B v \$1.98B in 2004 dollars)
- Revenues have not been this low since FY2003
- FY2009 revenues are down 15.3% in 2004 dollars from FY2008



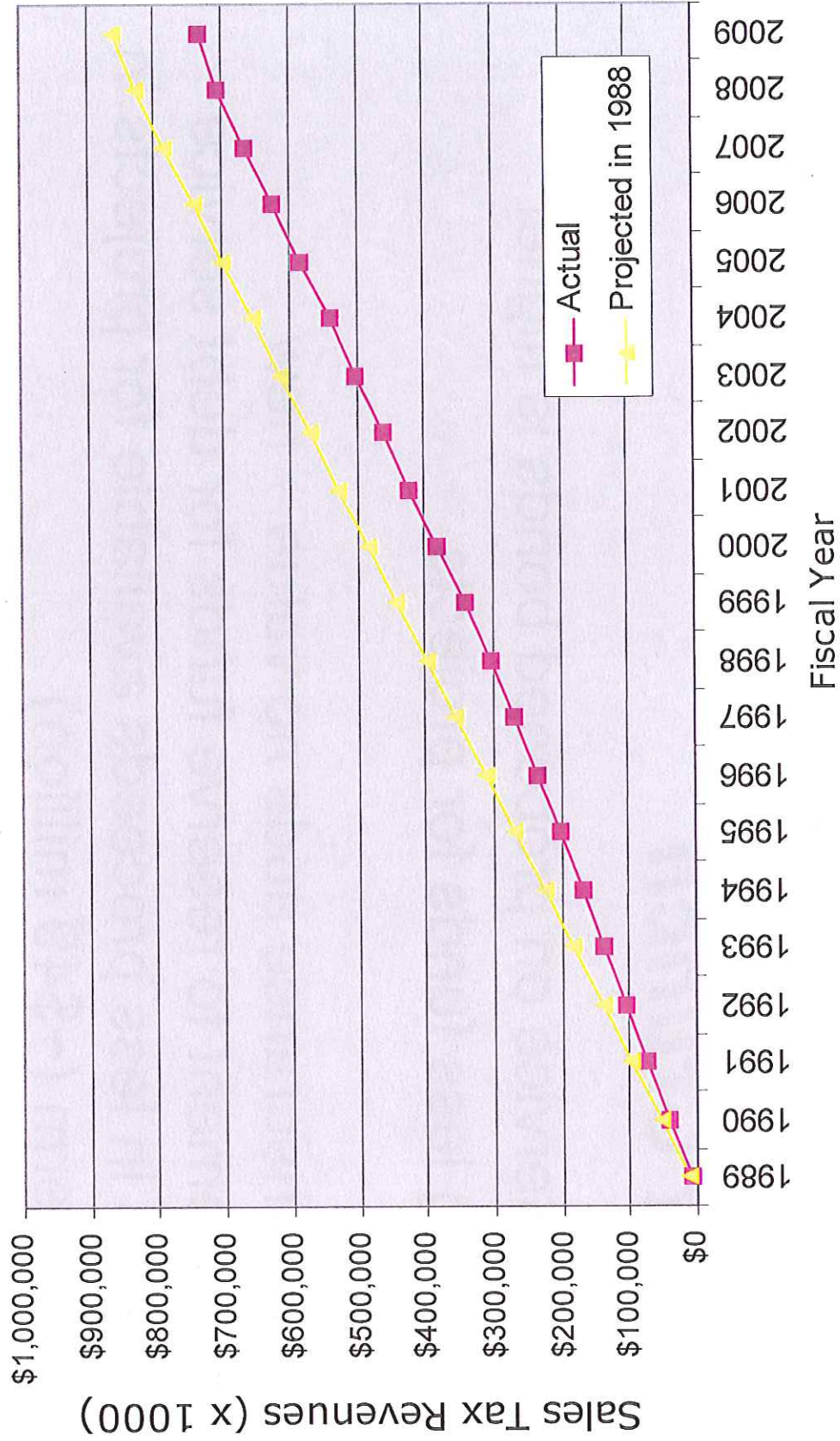
### MEASURE J Revenue Projections (2004 dollars)



# Annual Sales Tax Revenues (2004 dollars)



## Measure C Revenues (1988 dollars)





# What Changed?

## *Credit Crunch*

- Debt Service on proposed bonds is higher leaving less funds for projects
- Bond Insurance adds no value – new requirement to reserve funds for debt service results in less proceeds available for projects in short term (~\$49 million)



## What Changed? *Housing Market Collapse*

- Developer fees dried up – committed to complete funding of Measure J projects
- East County Fees (ECCRFFA) committed \$80M to SR4 East widening
- Only ~\$30M out of \$80M estimated to be available within project timeframe leaving \$50 million funding gap on SR4 East widening



## What Changed? *Better Bids, Lower Costs*

- More competition for construction jobs
- Lower bids lessening impact of funding shortfalls
- Lower unit prices for materials
- Lower costs to acquire right-of-way for major projects



# Impacts to Projects

## Short-term:

- Less funds available to carry out projects in the next 6 years
- Some projects need to be delayed

## Long-term:


- Overall funding for “Project Categories” must be capped at ~66% to account for 23% reduction in revenues and higher debt service
- Less funding will be available for projects



# Impacts to Bonding Capacity

- Four bonds are now planned based on project cashflow needs and debt capacity (*par amounts shown below*):
  - \$200M on Sept 23, 2009 (BAN)  
(followed by \$221M take out bond in 2010)
  - \$92M in 2011
  - \$168M in 2012
  - **\$26M in 2015** (eBART specific), compared to \$138M estimated in 2007





## Impacts to Programs


- Fluctuations in sales tax revenues on year to year basis will be reflected in the annual program distributions (*automatic cap*)
- Program funding levels will be 23% less than Expenditure Plan (\$917M v. \$1183M)
- Impacts on individual programs shown next

## Revised Funding Estimates for Measure J Programs

Funding is based on revised revenue forecast of \$1.55B in 2004 dollars

### Revised Distribution of Funding By Sub-region

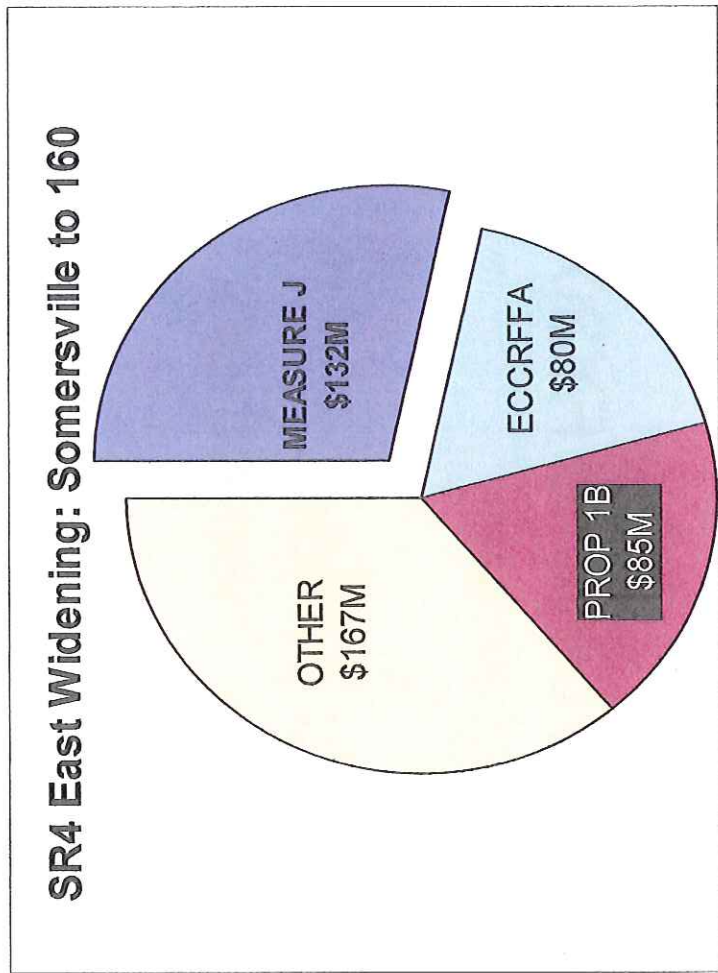
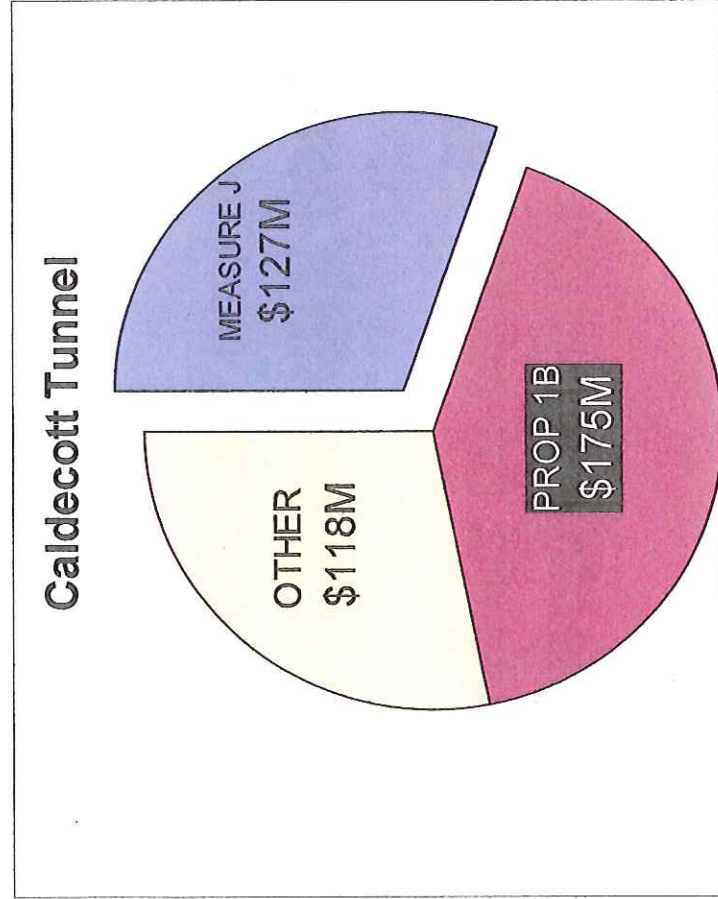
Id	Funding Categories	Millions \$	Central	West	SW	East
		ORIGINAL	(a)	(b)	(c)	(d)
		Millions \$	Central	West	SW	East
		REVISED				
11	Local Streets Maintenance & Improvements	\$360	\$ 83.72	\$ 64.19	\$61.4	\$69.77
12	Transportation for Livable Communities Project Grants	100	21.60	17.73	15.02	23.18
13	Pedestrian, Bicycle and Trail Facilities	30	1.94	1.94	1.94	1.94
14	Bus Services	100	18.61	40.31	11.63	6.98
15	Transportation for Seniors & People with Disabilities	100	19.38	27.13	13.18	17.83
16	Express Bus	86	15.50	31.01	15.50	4.65
17	Commute Alternatives	20	4.50	3.72	2.79	4.50
18	Congestion Management, Transportation Planning, Facilities & Services	60	n/a	n/a	n/a	n/a
19	Additional Bus Transit Enhancements	67.2	18.60	33.51		
20	Additional Transportation for Seniors and People with Disabilities	23	7.75	10.08		
21	Safe Transportation for Children	90.9	7.75	11.24	51.48	
22	Ferry Service in West County	45	34.88			
23	Additional Local Streets and Roads Maintenance & Improvements	41.8	15.50	8.53	8.37	
25	Additional Transportation for Livable Communities Project Grants	8	6.20	6.20		
26	Additional Pedestrian, Bicycle and Trail Facilities	0.8	0.62			
28	Sub-regional Transportation Needs	30.6	12.56	4.65	3.64	2.87
29	Administration	20	n/a	n/a	n/a	n/a
TOTAL		\$1183.3	\$227.41	\$295.74	\$184.95	\$131.73



## Input Requested from Regions

- Identify projects to be delayed beyond FY2015 based on region's proportional share
- Recommend if certain region's project categories can be capped more than others
- Recommend if region's funding for certain programs (e.g. Sub-regional Needs or TLC) can be shifted to create more funding for projects in same region

# Constraint 1: “Legal” Commitments of Measure J Funds



Prop 1B (state bonds) funding commitments **predicated** on specific amounts of Measure J funds. Therefore funding caps cannot be lower than 83% on Caldecott, and 90% on SR4 East.

## Constraint 2: Funding Caps By Sub-region

- Overall funding cap on “Project Categories” must be at ~66% to account for 23% reduction in revenues and higher debt service
- Because caps on Caldecott, SR4 East, & East County Corridor need to be >66% due to prior commitments, other project categories in same region have to be capped at <66%
- Aggregate funding cap for Project Categories in East County will be <66% since eBART would bear the entire 4<sup>th</sup> bond debt service cost (\$4.6M)

Central County	66.6%
West County	66.6%
Southwest County	66.6%
East County	65.4%

# West County Projects

## Measure J Strategic Plan Summary

(x \$1000)

PROJECT DESCRIPTION	Expenditure Plan Amounts	% Cap Set	Capped Expenditure Plan Amounts	Capped Expenditure Plan Amounts
	in 2004\$		in 2004\$	in Esc \$
Capitol Corridor Improvements	\$ 7,500	66.6%	4,995	5,891
<i>West County</i>	\$ 30,000	66.6%	19,980	24,030
I-80 Carpool Lane Extension and Interchange Improvements	\$ 16,000	66.6%	10,656	12,502
Richmond Parkway				
BART Parking, Access and Other Improvements	\$ 15,000	66.6%	9,990	12,814
<i>West County</i>	\$ 1,274	66.6%	848	1,018
Additional Bus Transit Enhancement (capital part of a hybrid program)	\$ 69,774	66.6%	46,469	56,256
<b>West County TOTALS</b>				



# Southwest County Projects

## Measure J Strategic Plan Summary (x \$1000)

PROJECT DESCRIPTION	Expenditure Plan Amounts in 2004\$	% Cap Set	Capped Expenditure Plan Amounts in 2004\$	Capped Expenditure Plan Amounts in Esc \$
	Caldecott Tunnel 4th Bore*	\$125,000/2	83.3%	104,176/2
I-680 Carpool Lane Gap Closure and Transit Corridor Improv. <i>Southwest County - Norris Canyon HOV ramps</i>	\$ 25,000	42.0%	10,500	13,708
BART Parking, Access and Other Improvements <i>Southwest County</i>	\$ 3,000	42.0%	1,260	1,657
Major Streets, Traffic Flow and Safety Improvements <i>Southwest County</i>	\$ 14,400	42.0%	6,052	7,959
<b>Southwest County TOTALS</b>	<b>\$ 104,900</b>	<b>66.6%</b>	<b>69,900</b>	<b>86,824</b>

\* only half is attributed to Southwest County





# Central County Projects

## Measure J Strategic Plan Summary

(x \$1000)

PROJECT DESCRIPTION	Expenditure Plan Amounts in 2004\$	% Cap Set	Capped Expenditure Plan Amounts in 2004\$	Capped Expenditure Plan Amounts in Esc \$
	Caldecott Tunnel 4th Bore*	\$ 125,000/2	83.3%	104,176/2
Capitol Corridor Improvements <i>Central County</i>	\$ 7,500	90.0%	6,750	7,685
<b>Interchange Improvement on I-680 and SR4</b>	\$ 36,000	<b>42.5%</b>	15,300	19,796
<b>I-680 Carpool Lane Gap Closure and Transit Corridor Improvements</b>				
<i>Central County</i>	\$ 75,000	<b>42.5%</b>	31,875	41,497
BART Parking, Access and Other Improvements <i>Central County</i>	\$ 12,000	90.0%	10,800	13,660
Major Streets, Traffic Flow and Safety Improvements <i>Central County</i>	\$ 48,000	90.0%	43,200	54,636
Capitol Corridor Rail Station Improvements at Martinez <i>Central County</i>	\$ 2,500	90.0%	2,250	2,602
<b>Central County TOTALS</b>	\$ 243,500	66.6%	162,263	203,375

\* only half is attributed to Central County



# Tentative Schedule

- **Sept 09:** Authority Issues First Bond and reviews Strategic Plan Revenue Estimates
- **Oct 09:** Input from RTPCs on priorities (SWAT, TRANSPAN pending)
- **Nov 09:** Review Draft 2010 Strategic Plan
- **Dec 09:** Adopt Final 2010 Strategic Plan











**END**





Subject	Measure J Strategic Plan Update
<p><b>Summary of Issues</b></p>	<p>The Authority updates the <i>Strategic Plan</i> approximately every two years committing funding to specific projects for the next 5 to 7 years. Updates to the <i>Strategic Plan</i> are necessary to revisit assumptions relative to revenue growth and inflation, and to ensure that project commitments do not exceed projected Measure J revenues. The 2009 <i>Update</i> to the first Measure J <i>Strategic Plan</i> comes during a significant downturn in the economy which is adversely affecting Measure J revenues and increasing debt service on proposed bonds.</p> <p>Staff has prepared three revised revenue scenarios for the Authority’s consideration. Under these scenarios, Measure J revenues (in 2004 dollars) would total approximately \$1.5B, \$1.55B, and \$1.58B respectively, over the life of the Measure. These scenarios represent a 22% to 25% reduction from the 2007 Strategic Plan estimate.</p> <p>The reduction in revenues, combined with the projected increase in bond debt service lessens the amount of funding available for capital projects in the first six years. Because the Measure J Expenditure Plan does not contain a contingency for economic downturns, the Authority will need to delay some projects and tighten the funding caps on <i>Capital Projects</i>.</p>
<p><b>Recommendations</b></p>	<p>Staff recommends approval of the “moderate growth” revenue scenario to carry forward in the 2009 <i>Update</i>.</p>
<p><b>Financial Implications</b></p>	<p>Measure J sales tax revenues are now estimated to total \$1.5 - \$1.58 billion (2004 dollars) over 25 years (April 1, 2009 through March 31, 2034), down from the \$2 billion estimated in 2004 when the Measure passed.</p>
<p><b>Options</b></p>	<p>The Authority could defer any action pending further deliberations</p>
<p><b>Attachments</b></p>	<p>A. PowerPoint Presentation                      B. Sales Tax Projections Scenarios</p>
<p><b>Changes from Committee</b></p>	<p><u><i>The APC approved staff recommendations and directed that the financial analysis be updated to reflect the finance strategy adopted by the Board on 8/26/09, and that the full Board receive the presentation at its September 16 meeting.</i></u></p>

**Background**

Measure J, which started on April 1, 2009, will be in effect for 25 years. The first Measure J *Strategic Plan* was adopted in December 2007, covering the period FY2008 through FY2015.

Recognizing that there will be economic cycles and that project development might falter, the Authority updates the *Strategic Plan* approximately every two years committing funding to specific projects for the next 5 to 7 years. Updates to the *Strategic Plan* are necessary to revisit assumptions relative to revenue growth and inflation, and to ensure that project commitments do not exceed projected Measure J revenues. The 2009 *Update* to the first Measure J *Strategic Plan* comes during a significant downturn in the economy which is adversely affecting Measure J revenues and potentially increasing debt service on proposed bonds.

In February 2009, the Authority began the update process. However, it became clear that additional time may help validate many of the assumptions made in the *Update*. So the Authority decided to delay the adoption of the *Plan* to better assess the impact of the recession on its sales tax revenues, validate assumptions on financing costs especially for the first bond issuance, account for any bid savings from the Caldecott and SR4 East widening from Loveridge to Somersville, and complete the review of latest cost estimates on major Measure J projects.

Actual data on fiscal year 2009 revenues and inflation rate are now available, signs of an economic rebound are increasing, and the Authority's plan to issue debt on September 23, 2009 ~~is being solidified~~ ~~has been finalized~~. In addition, construction bids for the Caldecott 4<sup>th</sup> bore are due on September 16, 2009 and construction advertisement for SR4 East widening from Loveridge to Somersville is targeted in mid September. A cost review of eBART and SR4 East widening from Somersville to 160 is also underway and expected to be completed by end of September.

### Sales Tax Revenue Projections Update

Given the current downturn in the economy, staff has revised the revenue projections based on actual FY2009 revenues (\$64.3 million actual v. \$67.5 million assumed in February 09) and FY2010 budget (\$64.3 million). Three scenarios were examined (Attachment B):

- Scenario 1 (conservative growth) assumes a prolonged recession with the economy continuing to deteriorate through FY2012, but flattening in FY2013. Economic recovery is assumed to start in FY2014. Average real growth over the life of the Measure would be 0.69%. Under this scenario, revenues would total approximately \$1.5 billion.
- Scenario 2 (moderate growth) assumes a shorter recession with recovery in FY2011. Average real growth rate would total 0.84% over the life of the Measure. Under this scenario, revenues would total approximately \$1.55 billion.
- Scenario 3 (aggressive growth) also assumes a shorter recession with recovery in FY2011 but with an average real growth rate of 1%. Under this scenario, revenues would total approximately \$1.58 billion over the life of Measure J.

Staff recommends the use of the "moderate growth" scenario for the 2009 Strategic Plan as signs of an economic rebound are increasing. Under this scenario, revenues would be down ~23% over the life of the Measure.

The average year-to-year real growth rate for the Measure C program was approximately 0.45%. However, excluding the downturn in FY2009, the average growth rate was 1.13%. A real growth rate of 1% was assumed for the 2007 Measure J *Strategic Plan*, and also in 2004 when the Measure J expenditure plan was developed.

Under the "moderate growth" scenario, Measure J would generate \$428 million (escalated) through June 30, 2015 compared to \$583 million estimated in the previous Measure J *Strategic Plan*. The 2009 *Update* must address the significant drop in projected revenues.

### Bond Sizing and Debt Service Update

To expedite high priority projects throughout Contra Costa, the Authority entered into a forward interest rate swap agreement (swap) in 2005 for \$300 million in bonds to be issued starting on September 23, 2009. The swap agreement was entered into at the time to help secure low interest rates on the bonds. Due to the recent credit crunch, liquidity costs (*cost charged by a financial institution to buy Authority variable rate bonds if not sold on the market*) previously in the range of 0.25% have increased five times. Therefore the low interest rate of 3.9% hoped to be secured by the swap arrangement is now close to 5.4%.

Prompted by the credit rating downgrade of bond insurers, a portion of the bond proceeds is now required to be kept in reserve as an insurance policy, making it unavailable for projects in the short term.

At its special meeting in August 2009, the Authority approved the issuance of Bond Anticipation Notes (BANs) in the amount of \$200 million, and termination of a third of the swap amount (\$100 million) at a cost of \$7 to \$10 million. A second bond in the amount of \$100 million will be issued in 2011. This spreading of the \$300 million bond into two issues [\$200 million in Sept 23, 2009, and \$100 million in 2011] better matches cashflow needs and is expected to be more cost effective in the current financing environment.

In the *2007 Strategic Plan*, it was projected that the Authority will be able to issue two other bonds in the amount of \$150 million and \$138 million in 2012 and 2015, respectively. Proceeds from the last bond were to be dedicated solely to eBART. Given the downturn of Measure J revenues, *proceeds* from the last bond are now expected to ~~total ~\$23 range-between-\$33-42-million pending-which-assuming the moderate growth revenue scenario-is-used.~~

#### Policy Issues to be addressed in the 2009 Measure J Strategic Plan

The projected reduction in sales tax revenues and increased bond debt service costs present several policy issues for the Authority:

**Tightening of Funding Caps** – As a first step in implementing Measure J, the Authority adopted a financial framework in May 2006 that segregates Measure J annual revenues earmarked for *Capital Projects* from those dedicated to *Programs*. By committing an “off-the-top” percentage of annual revenues to each *Program*, the on-going needs of operating programs are addressed. On the other hand, for *Capital Projects* the need for Measure J funding is essentially dictated by the project delivery schedule and ability to secure other funding sources.

With this adopted framework, *Programs* will receive an annual distribution of the Measure J revenue stream based on percentages set in the Expenditure Plan of the actual annual revenues received. Fluctuations in sales tax revenues on a year to year basis will be reflected in the annual *Program* distributions. On the other hand, *Project Categories* will receive a fixed amount in 2004 dollars that will escalate based on the Bay Area Consumer Price Index (CPI).

In the absence of an unallocated contingency or a set-aside to recover the cost of bonding in Measure J Expenditure Plan, the Authority imposed a 90% “Funding Cap” on all Measure J *Capital Project Categories* in the first *Measure J Strategic Plan*. The “funding cap” allows the Authority to pay for estimated debt service and bond issuance costs, pay for Overall Program Management consultant costs (1.5%), provide a contingency against reduced revenues, and pay for staff project management costs. The BART Extension to East County (eBART) category had a reduced cap of 95% in return for that project incurring all debt service and issuance costs for the third bond issue which is slated to be dedicated exclusively to eBART.

The combined effect of diminished sales tax revenues and increased debt service reduces the amount of funding available for *Capital Projects* during the *Strategic Plan* period. In the *2009 Strategic Plan*, the Authority will need to delay some projects and tighten the funding caps on *Capital Project Categories* to approximately 66%. The Authority’s decision to infuse State Local Partnership funds over the next five years (~\$26 million) into Measure J capital projects softened the impact of the revenue reduction.

**Measure J Commitments to Major Capital Projects** – With the passage of Proposition 1B in November 2006, the Authority successfully applied for funding from the Corridor Mobility Improvement Account (CMIA) for three Measure J projects:

- \$175 million for the Caldecott Tunnel 4<sup>th</sup> bore.
- \$85 million for State Route 4 East Widening from Somersville to SR160.
- \$55.3 million for the I-80 Integrated Corridor Mobility (ICM) project (along with \$21.4 million in the Traffic Light Synchronization Program)

In addition, both MTC and BART agreed to contribute \$20 million each from their Proposition 1B transit funds to the eBART project.

Securing the CMIA funds is contingent upon the Authority delivering promised Measure J funds, and upon its partners' ability to deliver other local funding sources. This overriding need to secure the CMIA-funded projects limits the Authority's ability to tighten the funding "cap" on these projects. The Authority's current commitments to the CMIA projects are:

- Caldecott Tunnel: \$127 million (Measure J)
- SR4 East (Somerville to SR160): \$132 million (Measure J), \$80 million (ECCRFFA), \$15 million (Measure C)
- I-80 Integrated Mobility Corridor: \$4.9 million (Measure J)

**ECCRFFA Commitments to SR4 East Widening** - Given the downturn in the housing market, the Authority and TRANSPLAN commissioned a study to estimate the amount of east county sub-regional transportation mitigation fees (ECCRFFA) that could be generated through 2015. The study concluded that only ~\$30 million out of \$80 million commitment to SR4 East widening may be available within the project time frame, leaving a \$50 million funding shortfall on the project. The Authority, with concurrence from TRANSPLAN, will need to shift Measure J funds from other project categories in East County to fulfill the \$50 million remaining commitment from ECCRFFA.

**Measure J Commitments to eBART** – In the 2007 Measure J *Strategic Plan*, the Authority programmed ~\$175 million to eBART, fully funding the project. As part of this programming commitment, the Authority dedicated the last bond issuance in 2015 exclusively to eBART. In a related action, both MTC and BART agreed to contribute \$20 million each from their Proposition 1B transit funds to the project.

Given the most recent revenue projections, Measure J funding to eBART would be approximately only ~\$7280 million leaving a significant shortfall on the project. The Authority, with concurrence from TRANSPLAN, will need to consider shifting Measure J funds from other project categories, namely Major Streets and BART Parking categories, and programs (TLC and Subregional Needs) in East County to fulfill its Measure J commitment to the project.

**Sub-regional Equity** – During the development of the Measure J Expenditure Plan, different sub-regions placed different emphasis on *Programs* versus *Project Categories*. In West County, for example, greater emphasis was placed on *Programs*, while in East County the emphasis was placed on *Capital Projects*. During the development of the 2007 Measure J *Strategic Plan*, each RTPC was requested to provide its *Capital Project* priorities within a funding target. The funding target was based on each sub-region's proportional share of *Capital Project Categories* in Measure J Expenditure Plan:

Central County (TRANSPAC): 29.7%

East County (TRANSPLAN): 48.5%

West County (WCCTAC): 9.0%

Southwest County (SWAT): 12.8%

In return for dedicating the third bond issue to eBART, which skewed the above percentages in favor of East County, the Authority adopted a policy to focus programming in the next five STIPs (FY 2014 through FY 2023) primarily on Measure C and Measure J projects completion in west, central and Southwest County.


The Authority will need to decide if eBART should incur all debt service and issuance costs for the last bond issue given the size of the third bond is much smaller. The Authority may also need to revisit its policy of excluding east county from competing in the next five STIP cycles due to the reduced bond size.

### **RTPCs Input**

Due to the lower revenue projections, all four sub-regions need to re-assess their priorities in the *2009 Strategic Plan*. Last March, the Authority requested the Regional Transportation Planning Committees (RTPCs) to identify capital projects in their sub-regions that can be delayed beyond fiscal year 2015. Both WCCTAC and TRANSPAC provided recommendations. SWAT and TRANSPLAN elected to delay action until more information is available in the fall on revenues, debt service on proposed bonds, bid savings and cost review of major projects.

### **Proposed Schedule for the Development of the 2009 Strategic Plan**

- Feb 09: Approve overall approach and revenue projections
- Mar – Apr 09: Work with RTPCs/Sponsors to determine project priorities and cashflow needs for projects through FY2015
- June 09: Update halted pending further info on revenues, debt service costs, bid savings, etc.
- Sept 09: Update Revenue projections based on latest information and preview policy issues.
- October 09: Receive RTPCs input
- November 09: Present draft *2009 Measure J Strategic Plan*.
- December 09: Finalize *Strategic Plan*



# MEASURE J STRATEGIC PLAN UPDATE

Presentation to the Full Authority Board

September 16, 2009



# Measure J

- Approved by Contra Costa voters in November 2004
- Extends  $\frac{1}{2}$  cent Transportation Sales Tax for 25 years
- Effective April 1, 2009 through March 31, 2034
- Originally Measure J projected to generate an estimated \$2 Billion in sales tax revenues for transportation projects/ programs.
- Assigns funding for specific projects in Expenditure Plan (in 2004 dollars).
- Sub-regional Funding in Expenditure Plan was based on projected 2020 population.

# Capital Project Categories

in Measure J Expenditure Plan (ORIGINAL)

Distribution of Funding By Sub region

Funding Categories	Millions \$	Distribution of Funding By Sub region			
		Central (a)	West (b)	SW (c)	East (d)
1. Caldecott Tunnel Fourth Bore	\$125	\$62.5		\$62.5	
2. BART - East Contra Costa Rail Extension	150				150.0
3. State Route 4 East Widening	125				125.0
4. Capitol Corridor Improvements including Rail Stations at Hercules and Martinez	15	7.5	7.5		
5. East County Corridors: Vasco, SR4 Bypass, Byron Hwy, Non Freeway SR4	94.5				94.5
6. Interchange Improvements on I-680 & State Route 242	36	36.0			
7. I-80 Carpool Lane Extension and Interchange Improvements	30		30.0		
8. I-680 Carpool Lane Gap Closure/ Transit Corridor Improvements	100	75.0		25.0	
9. Richmond Parkway	16		16.0		
10. BART Parking, Access and Other Improvements	41	12.0	15.0	3.0	11.0
19. Additional Bus Transit Enhancements	1.3		1.3		
24. Major Streets: Traffic Flow, Safety and Capacity Improvements	80.4	48.0		14.4	18.0
27. Capitol Corridor Rail Station Improvements at Martinez	2.5	2.5			
<b>Total</b>	<b>\$816.7</b>	<b>243.5</b>	<b>69.8</b>	<b>104.9</b>	<b>398.5</b>
		<b>40.8</b>	<b>%</b>		



# Programs in Measure J Expenditure Plan

## Distribution of Funding By Sub-region

Funding Categories	Millions					
	\$	%	Central	West	SW	East
			(a)	(b)	(c)	(d)
11 Local Streets Maintenance & Improvements	\$360	18.0%	\$ 108.0	\$ 82.8	\$ 79.2	\$ 90.0
12 Transportation for Livable Communities Project Grants	100	5.0%	29.0	24.0	18.0	29.0
13 Pedestrian, Bicycle and Trail Facilities	30	1.5%	2.5	2.5	2.5	2.5
14 Bus Services	100	5.0%	24.0	52.0	15.0	9.0
15 Transportation for Seniors & People with Disabilities	100	5.0%	25.0	35.0	17.0	23.0
16 Express Bus	86	4.3%	20.0	40.0	20.0	6.0
17 Commute Alternatives	20	1.0%	5.8	4.8	3.6	5.8
18 Congestion Management, Transportation Planning, Facilities & Services	60	3.0%	n/a	n/a	n/a	n/a
19 Additional Bus Transit Enhancements	67.2	3.36%	24.0	43.2		
20 Additional Transportation for Seniors and People with Disabilities	23	1.2%	10.0	13.0		
21 Safe Transportation for Children	90.9	4.5%	10.0	14.5	66.4	
22 Ferry Service in West County	45	2.3%		45.0		
23 Additional Local Streets and Roads Maintenance & Improvements	41.8	2.1%	20.0	11.0	10.8	
25 Additional Transportation for Livable Communities Project Grants	8	0.4%		8.0		
26 Additional Pedestrian, Bicycle and Trail Facilities	0.8	0.0%		0.8		
28 Sub-regional Transportation Needs	30.6	1.5%	16.2	6.0	4.7	3.7
29 Administration	20	1.0%	n/a	n/a	n/a	n/a
<b>TOTAL</b>	<b>\$1183.3</b>	<b>59.2%</b>	<b>\$294.5</b>	<b>\$382.6</b>	<b>\$237.2</b>	<b>\$169</b>



# Programs v. Project Categories

- Programs receive annual revenue stream based on set percentages in Measure J Expenditure Plan  
*Fluctuations in sales tax revenues on year to year basis will be reflected in the annual program distributions.*
- Project Categories receive a fixed amount (subject to funding caps) in 2004 \$ that will escalate based on Bay Area CPI (inflation)
- Expenditure Plan did not contain a line item for project financing or contingency for revenue reductions.

# Measure J Strategic Plan

- Blueprint for delivering Measure J Capital Projects
- Anticipates funding needs and availability between FY2008 and FY2015
- Commits funding for specific Measure J Projects in specific years – “Program of Projects”
- Authority uses “Program of Projects” to appropriate Measure J funds to Capital Projects

# Measure J Strategic Plan

- Authority approved the first Measure J Strategic Plan in December 2007
- At that time, estimated sales tax revenues for next 25 years was \$1.98B (in 2004 dollars)
- Affirmed capacity to issue 3 bonds:
  - \$300M in Sept 2009
  - \$150M in FY2012
  - \$138M in FY2015 – eBART specific
- Excluded East County from competing for future State STIP funding (2012 – 2020 STIP cycles) in return for dedicating 3<sup>rd</sup> bond to eBART.
- Imposed funding caps on all Project Categories to pay for debt service on proposed bonds.

# What Changed? Revenues Down

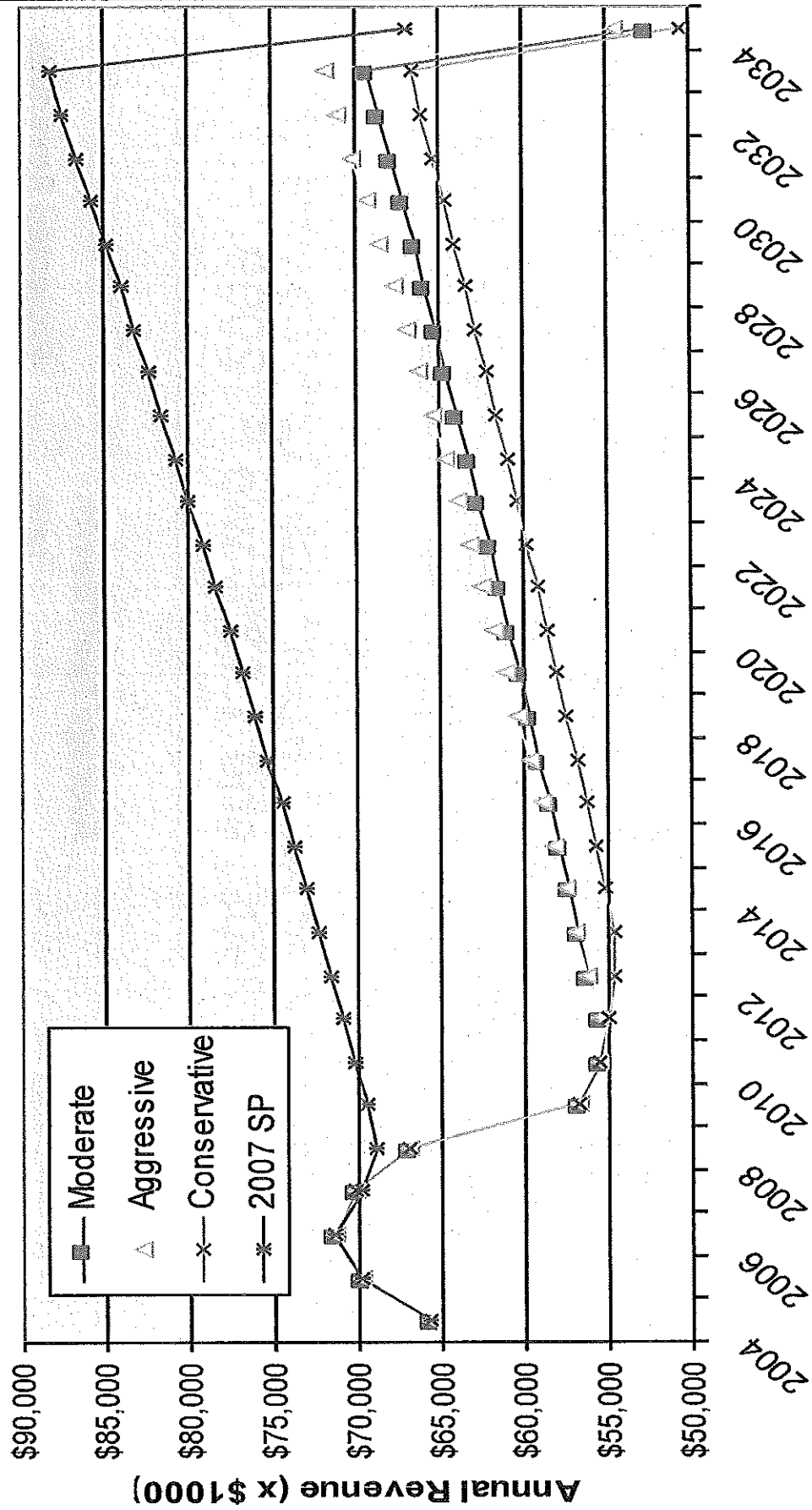
- Sales tax revenues for next 25 years estimated to be 23% less (\$1.55B v \$1.98B in 2004 dollars)
- Revenues have not been this low since FY2003
- FY2009 revenues are down 15.3% in 2004 dollars from FY2008

# Revenue Projections Assumptions

- 2007 Strategic Plan assumed 1% real growth rate
- Conservative scenario assumes 1% drop in FY2011 and another 0.75% drop in FY2012, flattening in FY2013, and recovery in FY2014
- Both Moderate & Aggressive scenarios assume flattening in 2011 with 1%, and 1.17% growth afterwards, respectively
- Average year-to-year real growth rate for Measure C was 0.46% w/ FY2009, and 1.13% w/o FY2009

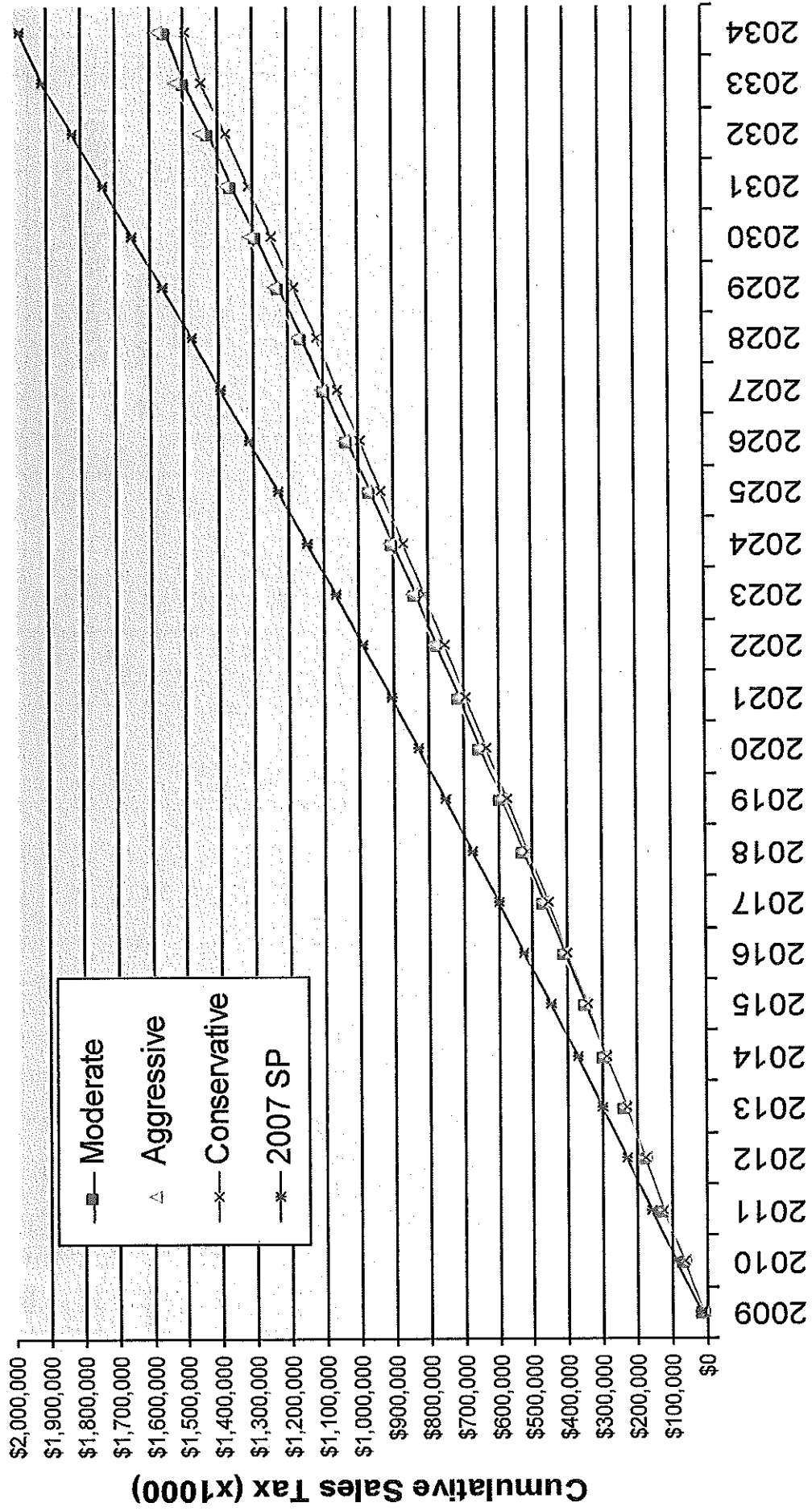
	Average Real Growth rate	Projected Revenues
Conservative	0.69%	1.5B
Moderate	0.84%	1.55B
Aggressive	1.00%	1.58B

# Annual Sales Tax Revenues (2004 dollars)

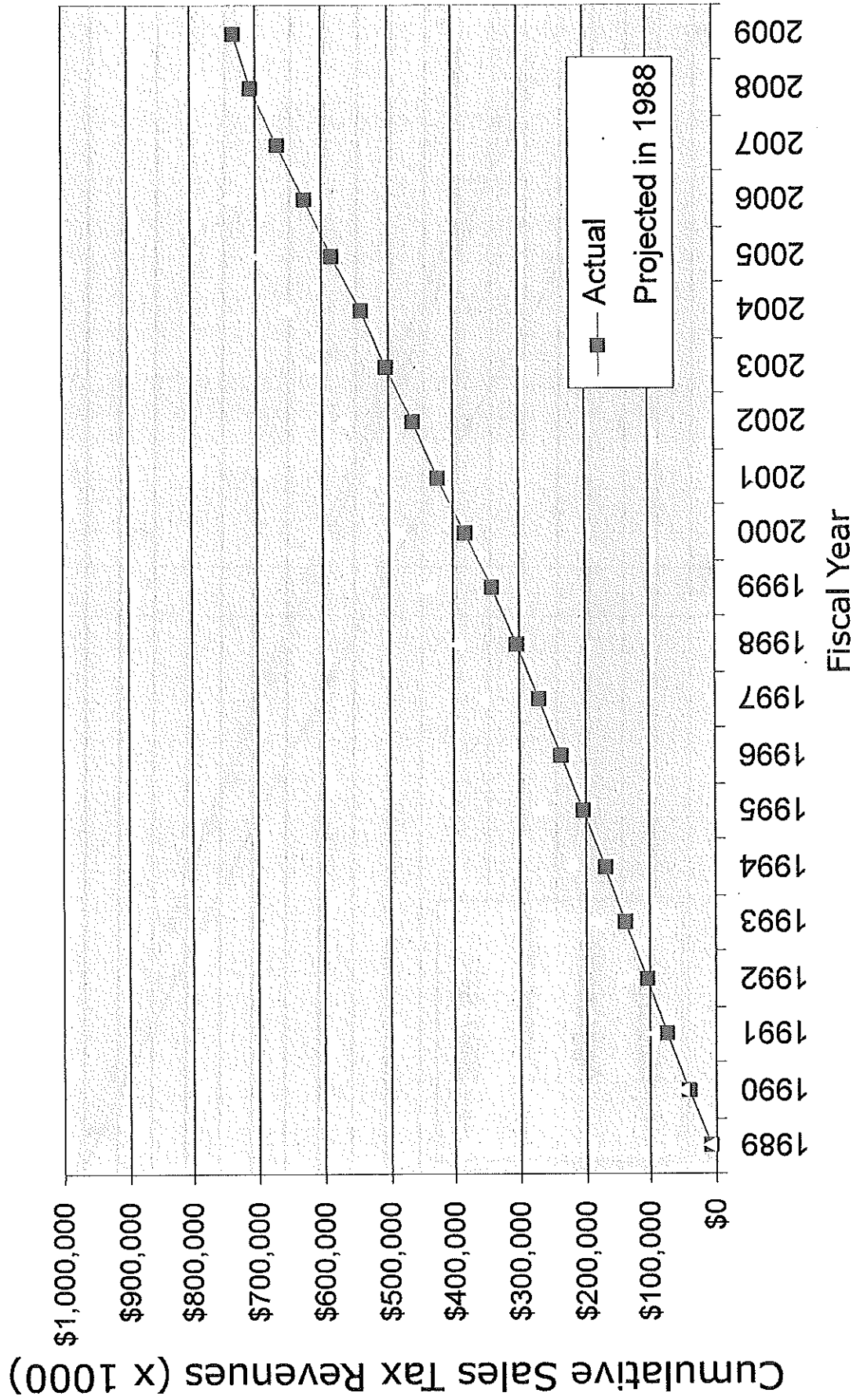




# MEASURE J Revenue Projections (2004 dollars)



# Measure C Revenues (1988 dollars)



# What Changed?

## *Credit Crunch*

- Debt Service on proposed bonds is higher leaving less funds for projects
- Bond Insurance adds no value – new requirement to reserve funds for debt service results in less proceeds available for projects in short term (~\$49 million)

# What Changed? *Housing Market Collapse*

- Developer fees dried up – committed to complete funding of Measure J projects
- \$80M in East County Fees (ECCRFFA) committed to SR4 East widening
- Only ~\$30M out of \$80M estimated to be available within project timeframe leaving \$50M funding gap on SR4 East widening

# What Changed?

## *Better Bids, Lower Costs*

- More competition for construction jobs
- Lower bids lessening impact of funding shortfalls
- Lower unit prices for materials
- Lower costs to acquire right-of-way for major projects

# Impacts to Projects

## Short-term:

- Less funds available to carry out projects in the next 6 years
- Some projects need to be delayed

## Long-term:

- Overall funding for “Project Categories” must be capped at ~66% to account for 23% reduction in revenues, higher debt service, & swap termination cost
- Less funding will be available for projects

# Impacts to Bonding Capacity

- Four bonds are now planned based on project cashflow needs and debt capacity (*par amounts shown below*):
  - \$200M on Sept 23, 2009 (BAN) (followed by \$221M take out bond in 2010)
  - \$92M in 2011
  - \$168M in 2012
  - \$26M in 2015 (eBART specific), compared to \$138M estimated in 2007



# Impacts to Programs

- Fluctuations in sales tax revenues on year to year basis will be reflected in the annual program distributions (*automatic cap*)
- Program funding levels will be ~23% less than Expenditure Plan (\$917M v. \$1183M)
- Impacts on individual programs shown next



## Revised Funding Estimates for Measure J Programs

Funding is based on revised revenue forecast of \$1.55B in 2004 dollars

### Revised Distribution of Funding By Sub-region

Id	Funding Categories	Millions \$	Millions \$	Central	West	SW	East
		ORIGINAL	REVISED	(a)	(b)	(c)	(d)
11	Local Streets Maintenance & Improvements	\$360	\$279.08	\$ 83.72	\$ 64.19	\$61.4	\$69.77
12	Transportation for Livable Communities Project Grants	100	77.52	21.60	17.73	15.02	23.18
13	Pedestrian, Bicycle and Trail Facilities	30	23.26	1.94	1.94	1.94	1.94
14	Bus Services	100	77.52	18.61	40.31	11.63	6.98
15	Transportation for Seniors & People with Disabilities	100	77.52	19.38	27.13	13.18	17.83
16	Express Bus	86	66.67	15.50	31.01	15.50	4.65
17	Commute Alternatives	20	15.50	4.50	3.72	2.79	4.50
18	Congestion Management, Transportation Planning, Facilities & Services	60	46.51	n/a	n/a	n/a	n/a
19	Additional Bus Transit Enhancements	67.2	52.11	18.60	33.51		
20	Additional Transportation for Seniors and People with Disabilities	23	17.83	7.75	10.08		
21	Safe Transportation for Children	90.9	70.47	7.75	11.24	51.48	
22	Ferry Service in West County	45	34.88		34.88		
23	Additional Local Streets and Roads Maintenance & Improvements	41.8	32.40	15.50	8.53	8.37	
25	Additional Transportation for Livable Communities Project Grants	8	6.20		6.20		
26	Additional Pedestrian, Bicycle and Trail Facilities	0.8	0.62		0.62		
28	Sub-regional Transportation Needs	30.6	23.72	12.56	4.65	3.64	2.87
29	Administration	20	15.4	n/a	n/a	n/a	n/a
TOTAL		\$1183.3	\$917.24	\$227.41	\$295.74	\$184.95	\$131.73

# **Input Requested from Sub-regions**

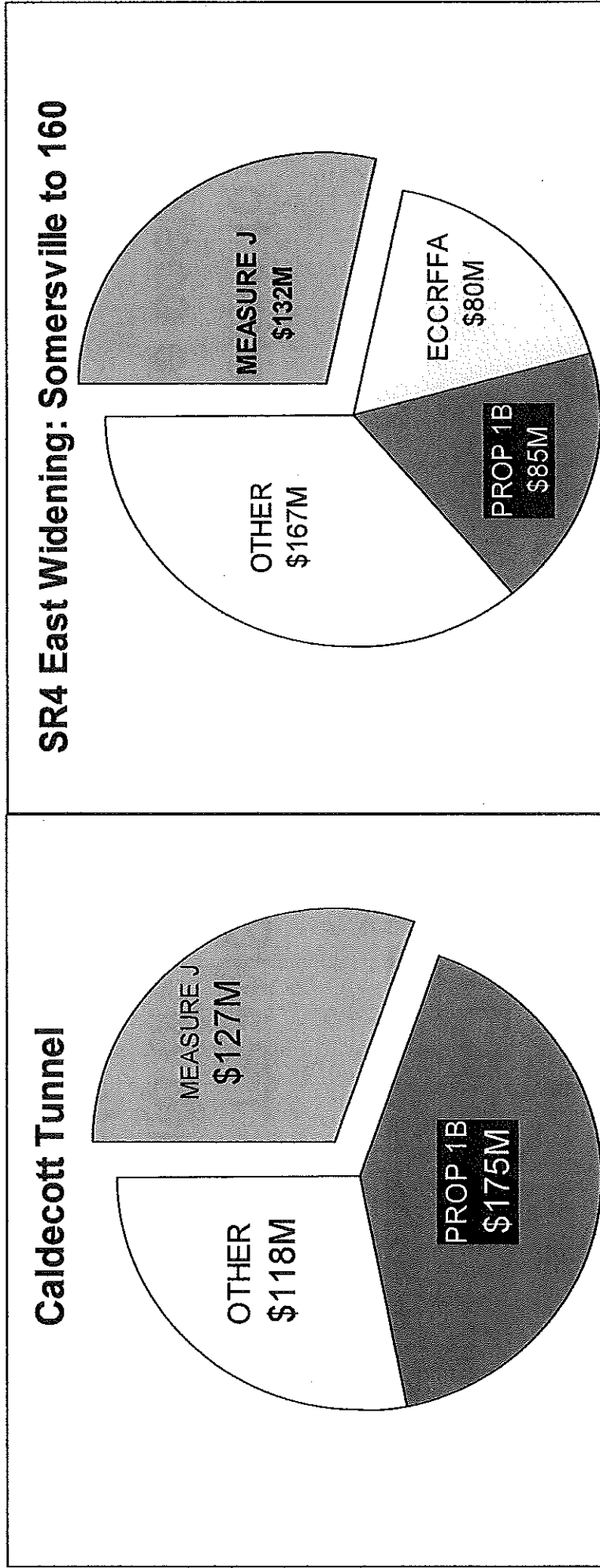
- Identify projects to be delayed beyond FY2015 based on sub-region's proportional share
- Recommend if certain sub-region's project categories can be capped more than others
- Recommend if region's funding for certain programs (e.g. Sub-regional Needs or TLC) can be shifted to create more funding for projects in same sub-region



## **Status of Sub-regions Input**

- WCCCTAC and TRANSPAC provided recommendations in May 2009
- SWAT and TRANSPLAN postponed action to get more info on revenues, debt service costs, cost estimates, and bid savings

# Constraint 1: “Legal” Commitments of Measure J Funds



Prop 1B (state bonds) funding commitments predicated on specific amounts of Measure J funds. Therefore funding caps cannot be lower than 83% on Caldecott, and 90% on SR4 East.

# Constraint 2: Funding Caps By Subregion

- Overall funding cap on “Project Categories” must be at ~66% to account for 23% reduction in revenues and higher debt service
- Because caps on Caldecott, SR4 East, & East County Corridor need to be >66% due to prior commitments, other project categories in same region have to be capped to <66%
- Aggregate funding cap for Project Categories in East County will be <66% since eBART would bear the entire 4<sup>th</sup> bond net cost (\$4.6M)

Central County	66.6%
West County	66.6%
Southwest County	66.6%
East County	65.4%

# West County Projects

## Measure J Strategic Plan Summary

(x \$1000)

PROJECT DESCRIPTION	Expenditure Plan Amounts in 2004\$	% Cap Set	Capped Expenditure Plan Amounts in 2004\$	Capped Expenditure Plan Amounts in Esc \$
	Capitol Corridor Improvements	\$ 7,500	66.6%	4,995
<i>West County</i>	\$ 30,000	66.6%	19,980	24,030
I-80 Carpool Lane Extension and Interchange Improvements	\$ 16,000	66.6%	10,656	12,502
Richmond Parkway				
BART Parking, Access and Other Improvements	\$ 15,000	66.6%	9,990	12,814
<i>West County</i>	\$ 1,274	66.6%	848	1,018
Additional Bus Transit Enhancement (capital part of a hybrid program)	\$ 69,774	66.6%	46,469	56,256
<b>West County TOTALS</b>				

# Southwest County Projects

## Measure J Strategic Plan Summary

(x \$1000)

PROJECT DESCRIPTION	Expenditure Plan Amounts	% Cap Set	Capped Expenditure Plan Amounts	Capped Expenditure Plan Amounts
	in 2004\$		in 2004\$	in Esc \$
Caldecott Tunnel 4th Bore*	\$125,000/2	83.3%	104,176/2	127,000/2
I-680 Carpool Lane Gap Closure and Transit Corridor Improv.	\$ 25,000	42.0%	10,500	13,708
<b>Southwest County - Norris Canyon HOV ramps</b>				
BART Parking, Access and Other Improvements	\$ 3,000	42.0%	1,260	1,657
<b>Southwest County</b>				
Major Streets, Traffic Flow and Safety Improvements	\$ 14,400	42.0%	6,052	7,959
<b>Southwest County</b>				
<b>Southwest County TOTALS</b>	\$104,900	66.6%	69,900	86,824

\* only half is attributed to Southwest County

# Central County Projects

## Measure J Strategic Plan Summary

(x \$1000)

PROJECT DESCRIPTION	Expenditure Plan Amounts	% Cap Set	Capped Expenditure Plan Amounts	Capped Expenditure Plan Amounts
	in 2004\$		in 2004\$	in Esc \$
Caldecott Tunnel 4th Bore*	\$ 125,000/2	83.3%	104,176/2	127,000/2
Capitol Corridor Improvements	\$ 7,500	90.0%	6,750	7,685
<i>Central County</i>	\$ 36,000	42.5%	15,300	19,796
<b>Interchange Improvement on I-680 and SR4</b>				
<b>I-680 Carpool Lane Gap Closure and Transit Corridor Improvements</b>				
<i>Central County</i>	\$ 75,000	42.5%	31,875	41,497
BART Parking, Access and Other Improvements	\$ 12,000	90.0%	10,800	13,660
<i>Central County</i>	\$ 48,000	90.0%	43,200	54,636
Major Streets, Traffic Flow and Safety Improvements	\$ 2,500	90.0%	2,250	2,602
<i>Central County</i>	\$ 243,500	66.6%	162,263	203,375
Capitol Corridor Rail Station Improvements at Martinez				
<b>Central County TOTALS</b>				

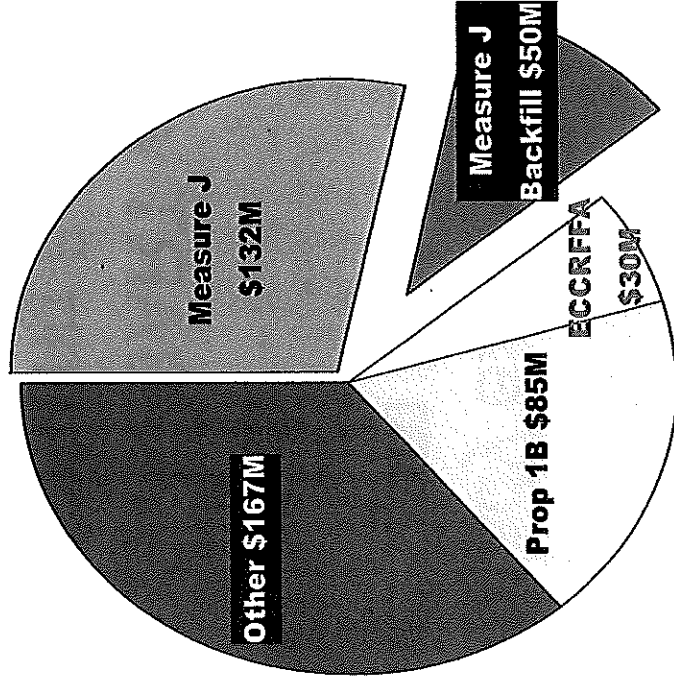
\* only half is attributed to Central County



# Constraint 3: ECCRFFA Commitments

- East County \$80M commitment of ECCRFFA funds to SR4 East leveraged \$85M in Prop 1B funds
- Only ~\$30M in ECCRFFA can be expected within project timeframe leaving \$50M shortfall on SR4 East
- Balance of commitment \$50M would need to be shifted from East County Corridors category to SR4 East category

SR4 East Widening: Somersville to 160



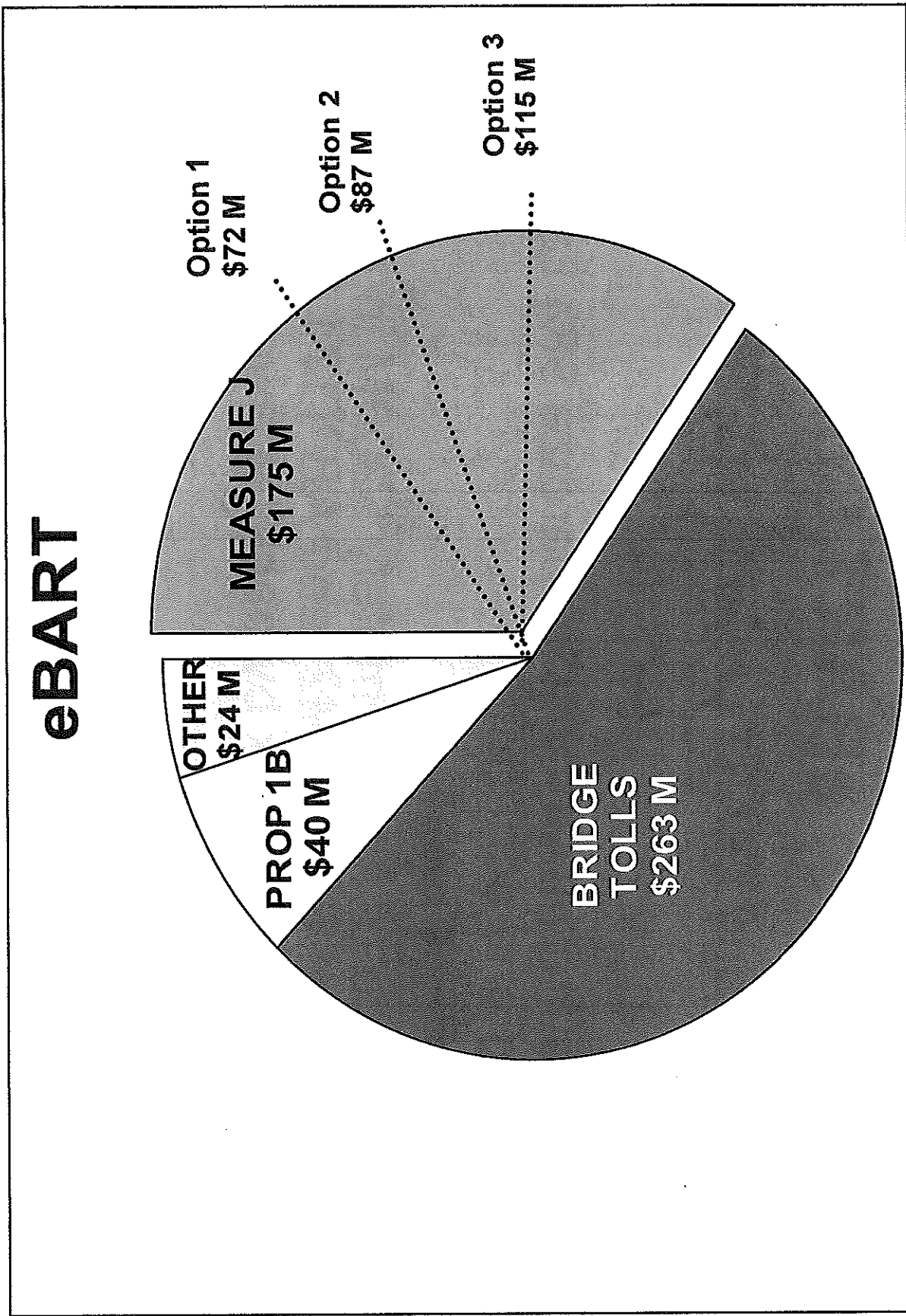
## **Constraint 4: Expended Funds**

- \$42.1M in Measure J funds already expended on SR4 Bypass Projects drawn from East County Corridors category
- Funding shortfall on SR4 East and eBART will preclude further commitment of funding East County Corridor category projects

## **Constraint 5: eBART Commitments**

- SR4 East and eBART projects are “joined at the hip”
- Separating eBART will jeopardize SR4 East funding and schedule
- A balance of approximately \$200M in toll bridge funds from RM1, RM2, and AB 1171 for eBART would be put at risk by backing away from the combined project
- East County and CCTA need to meet their prior obligations to MTC in order to maintain bridge toll funds for project

# Options to meet eBART Commitments



# East County Projects (Option 1)

Maintaining SR4 East Commitments Only

## Measure J Strategic Plan Summary

(x \$1000)

PROJECT DESCRIPTION	OPTION 1			
	Expenditure Plan Amounts in 2004\$	% Cap Set	Capped Expenditure Plan Amounts in 2004\$	Capped Expenditure Plan Amounts in Esc \$
	<b>BART - East Contra Costa Extension</b> State Route 4 East Widening East County Corridors <i>SR4 Bypass/Vasco (spent)</i> <i>SR4 East ECCRFFA commitments backlog</i> BART Parking, Access and Other Improvements <b>East County</b> Major Streets, Traffic Flow and Safety Improvements <b>East County</b>	\$ 150,000 \$ 125,000 \$ 94,500  \$ 11,000 \$ 18,000 \$ 398,500	38.5% 90.0% 83.2%  40.3% 40.3% 65.4%	57,810 112,500 78,652 37,988 40,664  4,433 7,254 260,649
<b>East County TOTALS</b>				

# East County Projects (Option 2)

Shift funds from Major Streets & BART Access to eBART

## Measure J Strategic Plan Summary

(x \$1000)

PROJECT DESCRIPTION	Expenditure Plan Amounts in 2004\$	% Cap Set	OPTION 2	
			Capped Expenditure Plan Amounts in 2004\$	Capped Expenditure Plan Amounts in Esc \$
<b>BART - East Contra Costa Extension</b>	\$ 150,000	46.3%	69,495	87,309
State Route 4 East Widening	\$ 125,000	90.0%	112,500	135,133
East County Corridors	\$ 94,500	83.2%	78,652	92,097
SR4 Bypass/Vasco (spent)			37,988	42,129
SR4 East ECCRFFA commitments backfill			40,664	49,968
BART Parking, Access and Other Improvements				
<b>East County</b>	\$ 11,000	0.0%	0	0
Major Streets, Traffic Flow and Safety Improvements	\$ 18,000	0.0%	0	0
<b>East County</b>	\$ 398,500	65.4%	260,647	314,539
<b>East County TOTALS</b>				

# East County Projects (Option 3)

In addition to Option 2, Shift funds from TLC and Subregional Needs Programs to eBART Measure J Strategic Plan Summary  
(x \$1000)

PROJECT DESCRIPTION	Expenditure Plan Amounts in 2004\$		% Cap Set	Capped Expenditure Plan Amounts in 2004\$		Capped Expenditure Plan Amounts in Esc \$	
	\$						
<b>BART - East Contra Costa Extension</b>	\$ 150,000		<b>60.4%</b>	<b>90,653</b>		<b>114,899</b>	
State Route 4 East Widening	\$ 125,000		<b>90.0%</b>	112,500		135,133	
East County Corridors	\$ 94,500		<b>83.2%</b>	78,652		92,097	
SR4 Bypass/Vasco (spent)				37,988		42,129	
SR4 East ECCRFFA commitments backfill				40,664		49,968	
BART Parking, Access and Other Improvements	\$ 11,000		<b>0.0%</b>	0		0	
<b>East County</b>	\$ 18,000		<b>0.0%</b>	0		0	
Major Streets, Traffic Flow and Safety Improvements	\$ 29,000		<b>0.0%</b>	0		0	
<b>East County</b>	\$ 3,700		<b>0.0%</b>	0		0	
Transportation for Livable Communities - <b>East County</b>							
Subregional Transportation Needs - <b>East County</b>							
<b>East County TOTALS</b>	\$ 431,200		<b>65.4%</b>	281,805		342,129	

\*A commitment to fund Pittsburg/BayPoint BART Bicycle and Pedestrian Access Plan for ~\$200k will be met.

# eBART funding Options

		in millions	
Description		Funding (esc)	Shortfall compared to 2007 SP (esc)
Option 1	Meeting SR4 East Commitments	72	103
Option 2	In addition to 1, shift funds from Major Streets and BART Access categories to eBART	87	87
Option 3	In addition to 2, shift funds from East County share of TLC and Subregional Needs programs to eBART	115	60

Shortfall calculated based on programmed amount in 2007 Strategic Plan to eBART of \$174.7M (Escalated)



ATTACHMENT B

CONTRA COSTA TRANSPORTATION AUTHORITY - SALES TAX FORECAST  
MEASURE J (starts April 1, 2009)

CONSERVATIVE GROWTH

Fiscal Year July 1 - June 30	Real Growth	Projected Sales Tax Rev. (2004 \$ x 1000)	Inflation	Total Inflated Sales Tax Rev. (\$ x 1000)	Term	CPI
2003	-	-	-	-		195.3833
2004	- \$	65,684 *	0.94%	\$ 65,684		197.2167
2005	6.31% \$	69,828 *	1.70%	\$ 71,014		200.5667
2006	2.27% \$	71,411 *	2.83%	\$ 74,676		206.2333
2007	-1.78% \$	70,140 *	3.26%	\$ 75,738		212.9588
2008	-4.52% \$	66,969 *	3.27%	\$ 74,680		219.9235
2009	-15.28% \$	56,736 *	1.66%	\$ 64,320		223.5792
2010	-1.99% \$	55,606	2.00%	\$ 64,300	1	228.0508
2011	-1.00% \$	55,050	2.00%	\$ 64,930	2	232.6118
2012	-0.75% \$	54,637	2.00%	\$ 65,732	3	237.2640
2013	0.00% \$	54,637	2.00%	\$ 67,046	4	242.0093
2014	1.00% \$	55,183	2.00%	\$ 69,071	5	246.8495
2015	1.00% \$	55,735	2.00%	\$ 71,157	6	251.7865
2016	1.00% \$	56,292	3.00%	\$ 74,025	7	259.3400
2017	1.00% \$	56,855	3.00%	\$ 77,008	8	267.1203
2018	1.00% \$	57,424	3.00%	\$ 80,111	9	275.1339
2019	1.00% \$	57,998	3.00%	\$ 83,340	10	283.3879
2020	1.00% \$	58,578	3.00%	\$ 86,698	11	291.8895
2021	1.00% \$	59,164	3.00%	\$ 90,192	12	300.6462
2022	1.00% \$	59,756	3.00%	\$ 93,827	13	309.6656
2023	1.00% \$	60,353	3.00%	\$ 97,608	14	318.9555
2024	1.00% \$	60,957	3.00%	\$ 101,542	15	328.5242
2025	1.00% \$	61,566	3.50%	\$ 106,147	16	340.0226
2026	1.00% \$	62,182	3.50%	\$ 110,960	17	351.9234
2027	1.00% \$	62,804	3.50%	\$ 115,992	18	364.2407
2028	1.00% \$	63,432	3.50%	\$ 121,253	19	376.9891
2029	1.00% \$	64,066	3.50%	\$ 126,751	20	390.1837
2030	1.00% \$	64,707	3.50%	\$ 132,500	21	403.8401
2031	1.00% \$	65,354	3.50%	\$ 138,509	22	417.9745
2032	1.00% \$	66,007	3.50%	\$ 144,790	23	432.6037
2033	1.00% \$	66,667	3.50%	\$ 151,356	24	447.7448
2034	1.00% \$	50,501	3.50%	\$ 118,665	25	463.4159
<b>MEASURE J TOTAL</b>		<b>\$ 1,497,934 **</b>		<b>\$ 2,467,594</b>		

\* Based on Actual Receipts.

\*\* Includes fourth quarter of 2009

Measure J Revenues Thru FY2015	
In 2004 \$	\$343,029
Inflated	\$416,321

Averages (2010 - 2034):	
Real Growth Rate	0.69%
Inflation Rate	2.96%

**CONTRA COSTA TRANSPORTATION AUTHORITY - SALES TAX FORECAST**  
**MEASURE J (starts April 1, 2009)**

*MODERATE GROWTH*

Fiscal Year July 1 - June 30	Real Growth	Projected Sales Tax Rev. (2004 \$ x 1000)	Inflation	Total Inflated Sales Tax Rev. (\$ x 1000)	Term	CPI
2003	-	-	-	-		195.3833
2004	-	\$ 65,684 *	0.94%	\$ 65,684		197.2167
2005	6.31%	\$ 69,828 *	1.70%	\$ 71,014		200.5667
2006	2.27%	\$ 71,411 *	2.83%	\$ 74,676		206.2333
2007	-1.78%	\$ 70,140 *	3.26%	\$ 75,738		212.9588
2008	-4.52%	\$ 66,969 *	3.27%	\$ 74,680		219.9235
2009	-15.28%	\$ 56,736 *	1.66%	\$ 64,320		223.5792
2010	-1.99%	\$ 55,606	2.00%	\$ 64,300	1	228.0508
2011	0.00%	\$ 55,606	2.00%	\$ 65,586	2	232.6118
2012	1.00%	\$ 56,162	2.00%	\$ 67,566	3	237.2640
2013	1.00%	\$ 56,723	2.00%	\$ 69,607	4	242.0093
2014	1.00%	\$ 57,291	2.00%	\$ 71,709	5	246.8495
2015	1.00%	\$ 57,864	2.00%	\$ 73,874	6	251.7865
2016	1.00%	\$ 58,442	3.00%	\$ 76,852	7	259.3400
2017	1.00%	\$ 59,027	3.00%	\$ 79,949	8	267.1203
2018	1.00%	\$ 59,617	3.00%	\$ 83,171	9	275.1339
2019	1.00%	\$ 60,213	3.00%	\$ 86,522	10	283.3879
2020	1.00%	\$ 60,815	3.00%	\$ 90,009	11	291.8895
2021	1.00%	\$ 61,423	3.00%	\$ 93,637	12	300.6462
2022	1.00%	\$ 62,038	3.00%	\$ 97,410	13	309.6656
2023	1.00%	\$ 62,658	3.00%	\$ 101,336	14	318.9555
2024	1.00%	\$ 63,285	3.00%	\$ 105,420	15	328.5242
2025	1.00%	\$ 63,917	3.50%	\$ 110,200	16	340.0226
2026	1.00%	\$ 64,557	3.50%	\$ 115,198	17	351.9234
2027	1.00%	\$ 65,202	3.50%	\$ 120,422	18	364.2407
2028	1.00%	\$ 65,854	3.50%	\$ 125,883	19	376.9891
2029	1.00%	\$ 66,513	3.50%	\$ 131,592	20	390.1837
2030	1.00%	\$ 67,178	3.50%	\$ 137,560	21	403.8401
2031	1.00%	\$ 67,850	3.50%	\$ 143,798	22	417.9745
2032	1.00%	\$ 68,528	3.50%	\$ 150,319	23	432.6037
2033	1.00%	\$ 69,213	3.50%	\$ 157,136	24	447.7448
2034	1.00%	\$ 52,429	3.50%	\$ 123,197	25	463.4159
<b>MEASURE J TOTAL</b>		<b>\$ 1,550,435 **</b>		<b>\$ 2,556,339</b>		

\* Based on Actual Receipts.

\*\* Includes fourth quarter of 2009

<b>Measure J Revenues Thru FY2015</b>	
In 2004 \$	\$351,433
Inflated	\$426,727

<b>Averages (2010 - 2034):</b>	
Real Growth Rate	0.84%
Inflation Rate	2.96%

**CONTRA COSTA TRANSPORTATION AUTHORITY - SALES TAX FORECAST**  
**MEASURE J (starts April 1, 2009)**

**AGGRESSIVE GROWTH**

Fiscal Year July 1 - June 30	Real Growth	Projected Sales Tax Rev. (2004 \$ x 1000)	Inflation	Total Inflated Sales Tax Rev. (\$ x 1000)	Term	CPI
2003	-	-	-	-		195.3833
2004	-	\$ 65,684 *	0.94%	\$ 65,684		197.2167
2005	6.31%	\$ 69,828 *	1.70%	\$ 71,014		200.5667
2006	2.27%	\$ 71,411 *	2.83%	\$ 74,676		206.2333
2007	-1.78%	\$ 70,140 *	3.26%	\$ 75,738		212.9588
2008	-4.52%	\$ 66,969 *	3.27%	\$ 74,680		219.9235
2009	-15.28%	\$ 56,736 *	1.66%	\$ 64,320		223.5792
2010	-1.99%	\$ 55,606	2.00%	\$ 64,300	1	228.0508
2011	0.00%	\$ 55,606	2.00%	\$ 65,586	2	232.6118
2012	1.17%	\$ 56,256	2.00%	\$ 67,680	3	237.2640
2013	1.17%	\$ 56,915	2.00%	\$ 69,841	4	242.0093
2014	1.17%	\$ 57,580	2.00%	\$ 72,072	5	246.8495
2015	1.17%	\$ 58,254	2.00%	\$ 74,373	6	251.7865
2016	1.17%	\$ 58,936	3.00%	\$ 77,501	7	259.3400
2017	1.17%	\$ 59,625	3.00%	\$ 80,759	8	267.1203
2018	1.17%	\$ 60,323	3.00%	\$ 84,156	9	275.1339
2019	1.17%	\$ 61,029	3.00%	\$ 87,694	10	283.3879
2020	1.17%	\$ 61,743	3.00%	\$ 91,382	11	291.8895
2021	1.17%	\$ 62,465	3.00%	\$ 95,225	12	300.6462
2022	1.17%	\$ 63,196	3.00%	\$ 99,229	13	309.6656
2023	1.17%	\$ 63,935	3.00%	\$ 103,402	14	318.9555
2024	1.17%	\$ 64,683	3.00%	\$ 107,750	15	328.5242
2025	1.17%	\$ 65,440	3.50%	\$ 112,826	16	340.0226
2026	1.17%	\$ 66,206	3.50%	\$ 118,141	17	351.9234
2027	1.17%	\$ 66,980	3.50%	\$ 123,707	18	364.2407
2028	1.17%	\$ 67,764	3.50%	\$ 129,534	19	376.9891
2029	1.17%	\$ 68,557	3.50%	\$ 135,637	20	390.1837
2030	1.17%	\$ 69,359	3.50%	\$ 142,026	21	403.8401
2031	1.17%	\$ 70,171	3.50%	\$ 148,717	22	417.9745
2032	1.17%	\$ 70,992	3.50%	\$ 155,723	23	432.6037
2033	1.17%	\$ 71,822	3.50%	\$ 163,059	24	447.7448
2034	1.17%	\$ 54,497	3.50%	\$ 128,056	25	463.4159
<b>MEASURE J TOTAL</b>		<b>\$ 1,580,365 **</b>		<b>\$ 2,612,459</b>		

\* Based on Actual Receipts.

\*\* Includes fourth quarter of 2009

<b>Measure J Revenues Thru FY2015</b>	
In 2004 \$	\$352,399
Inflated	\$427,937

<b>Averages (2010 - 2034):</b>	
Real Growth Rate	1.00%
Inflation Rate	2.96%



ATTACHMENT B

CONTRA COSTA TRANSPORTATION AUTHORITY - SALES TAX FORECAST  
MEASURE J (starts April 1, 2009)

CONSERVATIVE GROWTH

Fiscal Year July 1 - June 30	Real Growth	Projected Sales Tax Rev. (2004 \$ x 1000)	Inflation	Total Inflated Sales Tax Rev. (\$ x 1000)	Term	CPI
2003	-	-	-	-		195.3833
2004	-	\$ 65,684 *	0.94%	\$ 65,684		197.2167
2005	6.31%	\$ 69,828 *	1.70%	\$ 71,014		200.5667
2006	2.27%	\$ 71,411 *	2.83%	\$ 74,676		206.2333
2007	-1.78%	\$ 70,140 *	3.26%	\$ 75,738		212.9588
2008	-4.52%	\$ 66,969 *	3.27%	\$ 74,680		219.9235
2009	-15.28%	\$ 56,736 *	1.66%	\$ 64,320		223.5792
2010	-1.99%	\$ 55,606	2.00%	\$ 64,300	1	228.0508
2011	-1.00%	\$ 55,050	2.00%	\$ 64,930	2	232.6118
2012	-0.75%	\$ 54,637	2.00%	\$ 65,732	3	237.2640
2013	0.00%	\$ 54,637	2.00%	\$ 67,046	4	242.0093
2014	1.00%	\$ 55,183	2.00%	\$ 69,071	5	246.8495
2015	1.00%	\$ 55,735	2.00%	\$ 71,157	6	251.7865
2016	1.00%	\$ 56,292	3.00%	\$ 74,025	7	259.3400
2017	1.00%	\$ 56,855	3.00%	\$ 77,008	8	267.1203
2018	1.00%	\$ 57,424	3.00%	\$ 80,111	9	275.1339
2019	1.00%	\$ 57,998	3.00%	\$ 83,340	10	283.3879
2020	1.00%	\$ 58,578	3.00%	\$ 86,698	11	291.8895
2021	1.00%	\$ 59,164	3.00%	\$ 90,192	12	300.6462
2022	1.00%	\$ 59,756	3.00%	\$ 93,827	13	309.6656
2023	1.00%	\$ 60,353	3.00%	\$ 97,608	14	318.9555
2024	1.00%	\$ 60,957	3.00%	\$ 101,542	15	328.5242
2025	1.00%	\$ 61,566	3.50%	\$ 106,147	16	340.0226
2026	1.00%	\$ 62,182	3.50%	\$ 110,960	17	351.9234
2027	1.00%	\$ 62,804	3.50%	\$ 115,992	18	364.2407
2028	1.00%	\$ 63,432	3.50%	\$ 121,253	19	376.9891
2029	1.00%	\$ 64,066	3.50%	\$ 126,751	20	390.1837
2030	1.00%	\$ 64,707	3.50%	\$ 132,500	21	403.8401
2031	1.00%	\$ 65,354	3.50%	\$ 138,509	22	417.9745
2032	1.00%	\$ 66,007	3.50%	\$ 144,790	23	432.6037
2033	1.00%	\$ 66,667	3.50%	\$ 151,356	24	447.7448
2034	1.00%	\$ 50,501	3.50%	\$ 118,665	25	463.4159
<b>MEASURE J TOTAL</b>		<b>\$ 1,497,934 **</b>		<b>\$ 2,467,594</b>		

\* Based on Actual Receipts.

\*\* Includes fourth quarter of 2009

Measure J Revenues Thru FY2015	
In 2004 \$	\$343,029
Inflated	\$416,321

Averages (2010 - 2034):	
Real Growth Rate	0.69%
Inflation Rate	2.96%

**CONTRA COSTA TRANSPORTATION AUTHORITY - SALES TAX FORECAST**  
**MEASURE J (starts April 1, 2009)**

*MODERATE GROWTH*

Fiscal Year July 1 - June 30	Real Growth	Projected Sales Tax Rev. (2004 \$ x 1000)	Inflation	Total Inflated Sales Tax Rev. (\$ x 1000)	Term	CPI
2003	-	-	-	-		195.3833
2004	- \$	65,684 *	0.94%	\$ 65,684		197.2167
2005	6.31%	\$ 69,828 *	1.70%	\$ 71,014		200.5667
2006	2.27%	\$ 71,411 *	2.83%	\$ 74,676		206.2333
2007	-1.78%	\$ 70,140 *	3.26%	\$ 75,738		212.9588
2008	-4.52%	\$ 66,969 *	3.27%	\$ 74,680		219.9235
2009	-15.28%	\$ 56,736 *	1.66%	\$ 64,320		223.5792
2010	-1.99%	\$ 55,606	2.00%	\$ 64,300	1	228.0508
2011	0.00%	\$ 55,606	2.00%	\$ 65,586	2	232.6118
2012	1.00%	\$ 56,162	2.00%	\$ 67,566	3	237.2640
2013	1.00%	\$ 56,723	2.00%	\$ 69,607	4	242.0093
2014	1.00%	\$ 57,291	2.00%	\$ 71,709	5	246.8495
2015	1.00%	\$ 57,864	2.00%	\$ 73,874	6	251.7865
2016	1.00%	\$ 58,442	3.00%	\$ 76,852	7	259.3400
2017	1.00%	\$ 59,027	3.00%	\$ 79,949	8	267.1203
2018	1.00%	\$ 59,617	3.00%	\$ 83,171	9	275.1339
2019	1.00%	\$ 60,213	3.00%	\$ 86,522	10	283.3879
2020	1.00%	\$ 60,815	3.00%	\$ 90,009	11	291.8895
2021	1.00%	\$ 61,423	3.00%	\$ 93,637	12	300.6462
2022	1.00%	\$ 62,038	3.00%	\$ 97,410	13	309.6656
2023	1.00%	\$ 62,658	3.00%	\$ 101,336	14	318.9555
2024	1.00%	\$ 63,285	3.00%	\$ 105,420	15	328.5242
2025	1.00%	\$ 63,917	3.50%	\$ 110,200	16	340.0226
2026	1.00%	\$ 64,557	3.50%	\$ 115,198	17	351.9234
2027	1.00%	\$ 65,202	3.50%	\$ 120,422	18	364.2407
2028	1.00%	\$ 65,854	3.50%	\$ 125,883	19	376.9891
2029	1.00%	\$ 66,513	3.50%	\$ 131,592	20	390.1837
2030	1.00%	\$ 67,178	3.50%	\$ 137,560	21	403.8401
2031	1.00%	\$ 67,850	3.50%	\$ 143,798	22	417.9745
2032	1.00%	\$ 68,528	3.50%	\$ 150,319	23	432.6037
2033	1.00%	\$ 69,213	3.50%	\$ 157,136	24	447.7448
2034	1.00%	\$ 52,429	3.50%	\$ 123,197	25	463.4159
<b>MEASURE J TOTAL</b>		<b>\$ 1,550,435 **</b>		<b>\$ 2,556,339</b>		

\* Based on Actual Receipts.

\*\* Includes fourth quarter of 2009

<b>Measure J Revenues Thru FY2015</b>	
In 2004 \$	\$351,433
Inflated	\$426,727

<b>Averages (2010 - 2034):</b>	
Real Growth Rate	0.84%
Inflation Rate	2.96%

**CONTRA COSTA TRANSPORTATION AUTHORITY - SALES TAX FORECAST**  
**MEASURE J (starts April 1, 2009)**

**AGGRESSIVE GROWTH**

Fiscal Year July 1 - June 30	Real Growth	Projected Sales Tax Rev. (2004 \$ x 1000)	Inflation	Total Inflated Sales Tax Rev. (\$ x 1000)	Term	CPI
2003	-	-	-	-		195.3833
2004	-	\$ 65,684 *	0.94%	\$ 65,684		197.2167
2005	6.31%	\$ 69,828 *	1.70%	\$ 71,014		200.5667
2006	2.27%	\$ 71,411 *	2.83%	\$ 74,676		206.2333
2007	-1.78%	\$ 70,140 *	3.26%	\$ 75,738		212.9588
2008	-4.52%	\$ 66,969 *	3.27%	\$ 74,680		219.9235
2009	-15.28%	\$ 56,736 *	1.66%	\$ 64,320		223.5792
2010	-1.99%	\$ 55,606	2.00%	\$ 64,300	1	228.0508
2011	0.00%	\$ 55,606	2.00%	\$ 65,586	2	232.6118
2012	1.17%	\$ 56,256	2.00%	\$ 67,680	3	237.2640
2013	1.17%	\$ 56,915	2.00%	\$ 69,841	4	242.0093
2014	1.17%	\$ 57,580	2.00%	\$ 72,072	5	246.8495
2015	1.17%	\$ 58,254	2.00%	\$ 74,373	6	251.7865
2016	1.17%	\$ 58,936	3.00%	\$ 77,501	7	259.3400
2017	1.17%	\$ 59,625	3.00%	\$ 80,759	8	267.1203
2018	1.17%	\$ 60,323	3.00%	\$ 84,156	9	275.1339
2019	1.17%	\$ 61,029	3.00%	\$ 87,694	10	283.3879
2020	1.17%	\$ 61,743	3.00%	\$ 91,382	11	291.8895
2021	1.17%	\$ 62,465	3.00%	\$ 95,225	12	300.6462
2022	1.17%	\$ 63,196	3.00%	\$ 99,229	13	309.6656
2023	1.17%	\$ 63,935	3.00%	\$ 103,402	14	318.9555
2024	1.17%	\$ 64,683	3.00%	\$ 107,750	15	328.5242
2025	1.17%	\$ 65,440	3.50%	\$ 112,826	16	340.0226
2026	1.17%	\$ 66,206	3.50%	\$ 118,141	17	351.9234
2027	1.17%	\$ 66,980	3.50%	\$ 123,707	18	364.2407
2028	1.17%	\$ 67,764	3.50%	\$ 129,534	19	376.9891
2029	1.17%	\$ 68,557	3.50%	\$ 135,637	20	390.1837
2030	1.17%	\$ 69,359	3.50%	\$ 142,026	21	403.8401
2031	1.17%	\$ 70,171	3.50%	\$ 148,717	22	417.9745
2032	1.17%	\$ 70,992	3.50%	\$ 155,723	23	432.6037
2033	1.17%	\$ 71,822	3.50%	\$ 163,059	24	447.7448
2034	1.17%	\$ 54,497	3.50%	\$ 128,056	25	463.4159
<b>MEASURE J TOTAL</b>		<b>\$ 1,580,365 **</b>		<b>\$ 2,612,459</b>		

\* Based on Actual Receipts.

\*\* Includes fourth quarter of 2009

<b>Measure J Revenues Thru FY2015</b>	
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Inflation Rate	2.96%